

PLANET

PROTECTING OUR ENVIRONMENT

Protecting the planet is a social, economic and ethical imperative. As a recognised corporate leader, we are committed to minimising our environmental footprint and delivering sustainable value to our society.

OUR ALIGNMENT TO THE UNSDGs



MATERIAL SUSTAINABILITY MATTERS

- Climate Change and Energy Management
- Environmental Management

MAPPED TO OUR CAPITALS



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

In this section

Climate Change

- Greenhouse Gas Emission
- Energy Management
- Renewable Energy

Environmental Management

- Water Management
- Waste Management

OUR APPROACH

Protecting the environment is an ongoing challenge for businesses of all sizes, in all industries, all over the world. KLCCP Stapled Group recognises that environmental impact is a material sustainability matter for our business.



HSE Policy Statement

We are committed to prevent environmental pollution and minimise the environmental risk in our business and operation activities, as stated in our HSE Policy. We aim to minimise disruption to the environment and its adverse impact to our community by reducing the environmental footprint of our buildings and to efficiently manage the use of energy, water and resources.

In 2022, the Group continued its efforts in preventing and minimising environmental impacts, and we achieved:

- 33% reduction in carbon emission (from 2015 base year)
- 30% reduction in water consumption (from 2015 base year)
- Waste diversion (1% for office, 10% for retail and 52% for Hotel)
- 100% elimination of Single-Use Plastics at MOKL Hotel

ISO14001 Certified Environmental Management Systems

Our asset operators implement Environmental Management Systems that are certified to ISO14001:2015 standard. This assures that we have an adequate and effective management system that could identify and assess significant environmental impact and put in place environmental pollution prevention and mitigation plans.

Environmental audits and compliance evaluations are conducted on our assets and operators, to assure compliance with the relevant environmental regulations and standards e.g. Environmental Quality (Scheduled Waste) Regulations 2005.

We implement our environmental management governance in accordance to the Environmental Mainstreaming Directive by the Department of Environment, Malaysia. The Top management is the Chair of the Environmental Regulatory Compliance Management Committee which reviews the environmental compliance at least once annually.

FOCUS FOR THE YEAR

Strategise our pathway towards **achieving low carbon/net zero carbon emission**

Assessment of disclosures against the recommendations of the **Task Force on Climate-related Financial Disclosures (TCFD)**

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CLIMATE CHANGE AND ENERGY MANAGEMENT

OUR CLIMATE CHANGE POSITION STATEMENT

We duly recognise our corporate responsibility as a player in the real estate sector in mitigating climate change impact and to add value to the community where we operate.

Our approach to climate change supports the transition to a cleaner, more energy-efficient and sustainable global economy that is conscious of its use of limited natural resources. We recognise the complexity and urgency of climate change and consider the risks and opportunities that climate change presents to the global economy. As a large corporate entity, we believe we can make a meaningful impact in combating climate change.

We are mindful of the potential climate risks when the economy restarts after Covid-19 and therefore stand firm in our commitment to clean energy investments as they will make the new economy more sustainable.

Task Force on Climate related Financial Disclosures (TCFD)

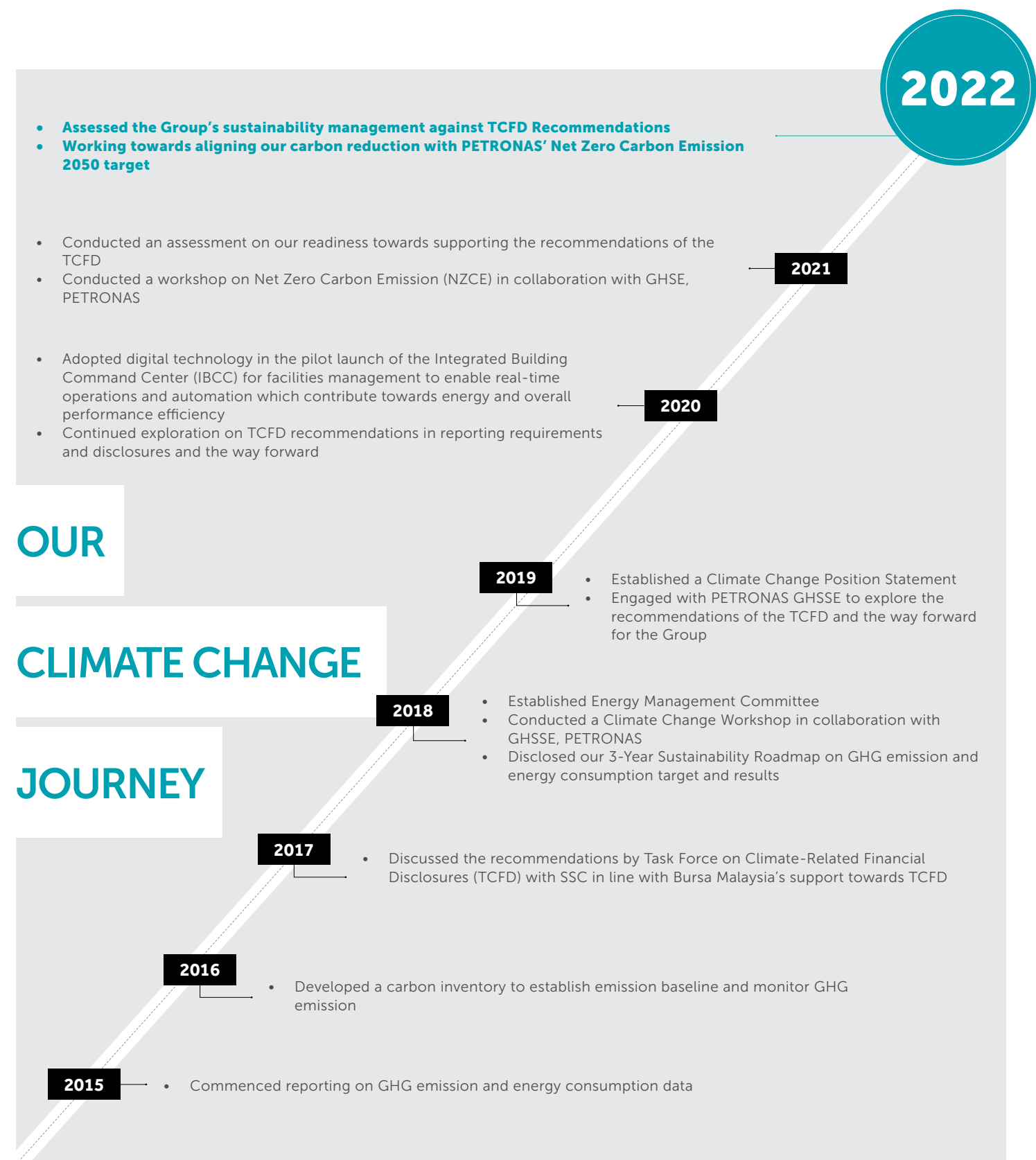
This year we have done an initial mapping of our current sustainability management approach actions against the four pillars of TCFD Recommendation, namely Governance, Strategy, Risk Management and Metrics and Targets. Our current Sustainability Governance Structure and Risk Management Process support the essential TCFD pillars, i.e. Governance and Risk Management, as illustrated in the table below. We plan to implement TCFD Recommendations in phases starting year 2023.

Thematic Pillar of the TCFD

Governance	Risk Management
a. Boards' Oversight of Climate-related issues	a. Processes for identifying and assessing climate related risks
b. Management's Role in assessing and managing climate related issues	b. Processes of managing climate risks

Current Management Approach that supports TCFD Recommendations

- | | |
|---|--|
| <ul style="list-style-type: none"> Our Boards are ultimately accountable for overseeing sustainability matters (including climate change) within the Group, supported by the Board Risk Committee which receives quarterly update from the CEO who in turn is responsible for strategies on sustainability matters | <ul style="list-style-type: none"> The Group's Enterprise Risk Management (ERM) Framework is a structured and holistic approach to identify, assess, treat and monitor risks. The aim is to reduce the likelihood and impact of all identified risks Risk management has been embedded as part of the Group's management processes and culture Group-wide Risk Profiling Exercise is conducted annually to review and update material risks for the Group |
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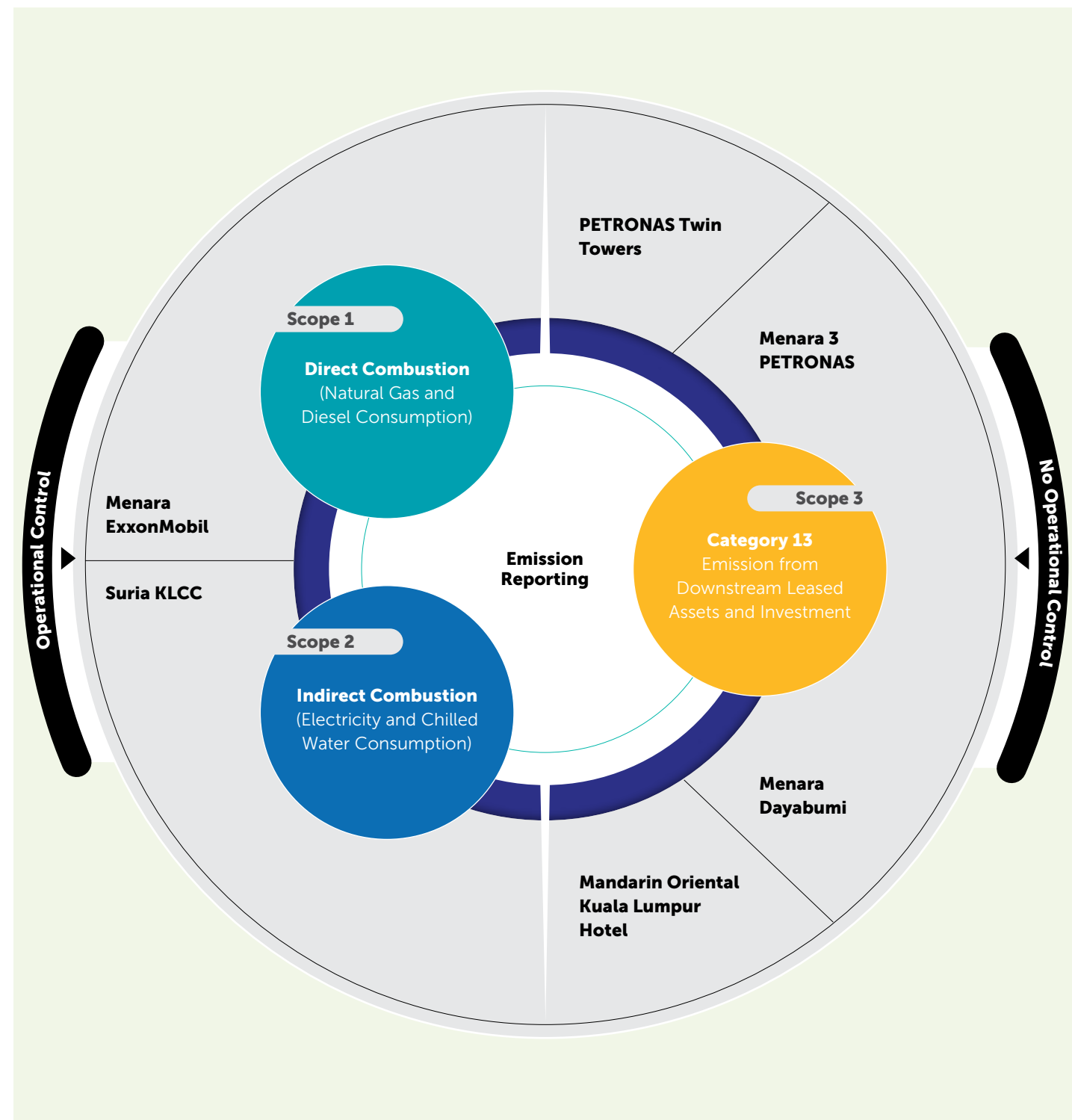


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Greenhouse Gas Emission

We strengthened our GHG emission accounting, according to "The Greenhouse Gas Protocol - A Corporate Accounting and Reporting Standard". We report our GHG emission using the operational control approach, which is based on arrangement stated in our tenancy/lease and hotel management agreement.

The Group continue to monitor our GHG emission and track our progress via our 5-Year Sustainability Roadmap. This year we adjusted the emission reporting boundary to categorise emission from our leased assets and investment as Scope 3 emission.



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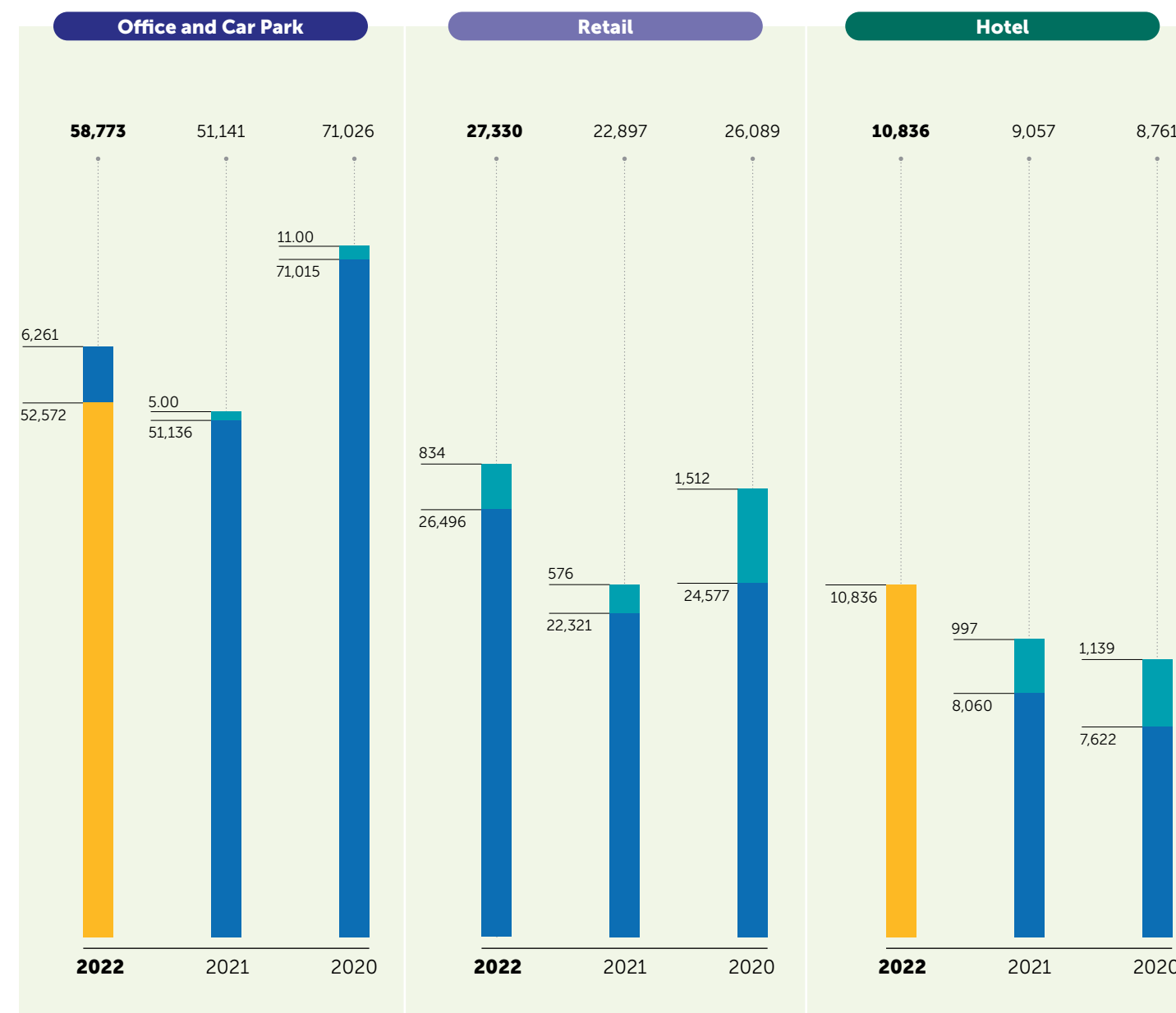
During the year, we recorded a 17% increase in total GHG emission from 83,095 mtCO₂e in 2021 to 96,939 mtCO₂e in 2022 as a result of increased occupancy and more business activity in our offices, carpark and retail during the year.

	PERFORMANCE FOR THE YEAR		
	Total Greenhouse Gas Emission (mtCO ₂ e)		
	2022	2021	2020
Scope 1	834	1,578	2,662
Scope 2	3,275	81,517	103,214
Scope 3 (Leased Assets)	63,348	-	-
Total	96,939	83,095	105,876

* Retail includes Suria KLCC and retail podium Menara 3 PETRONAS

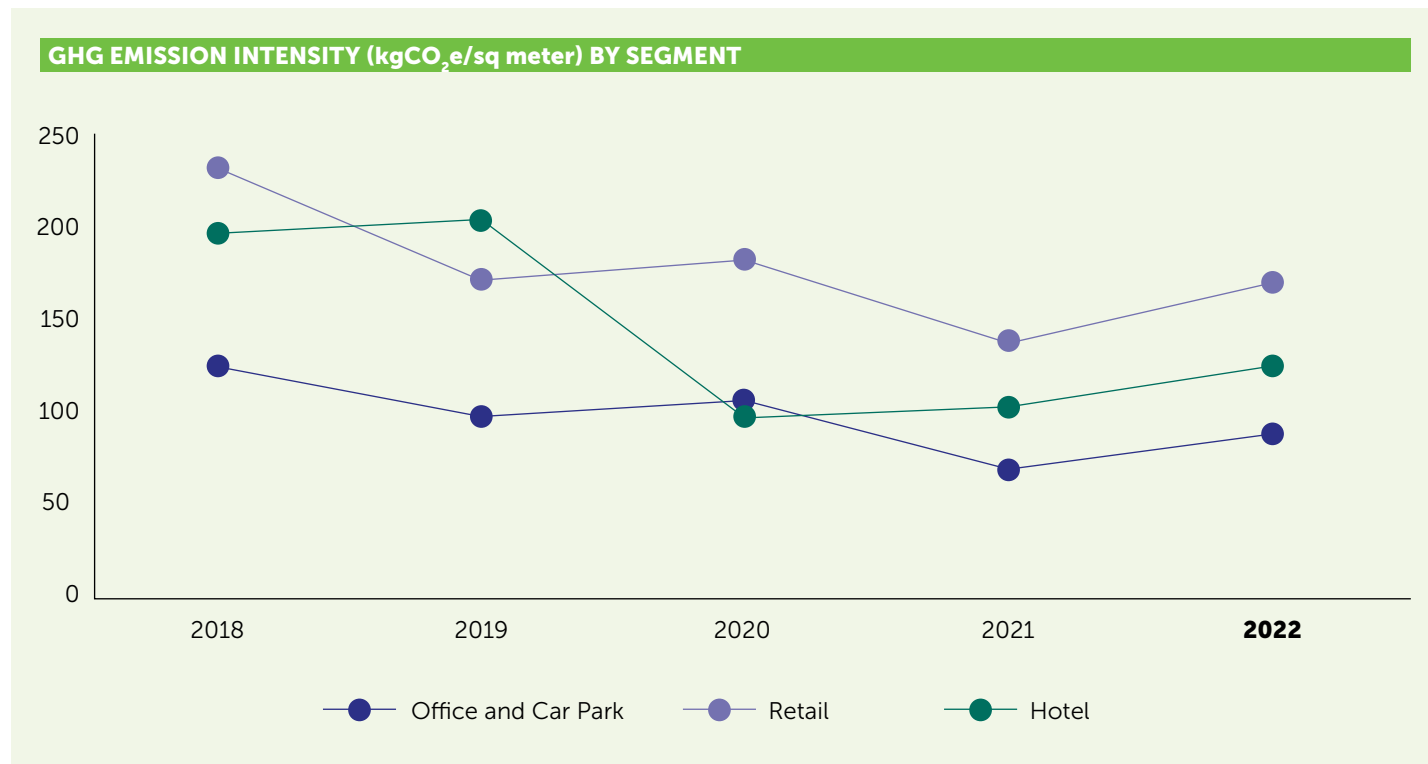
* In 2022, emission from assets not under operational control is disclosed as Scope 3 Emission (Category 13)

Greenhouse Gas Emission by Segment (mtCO₂e)



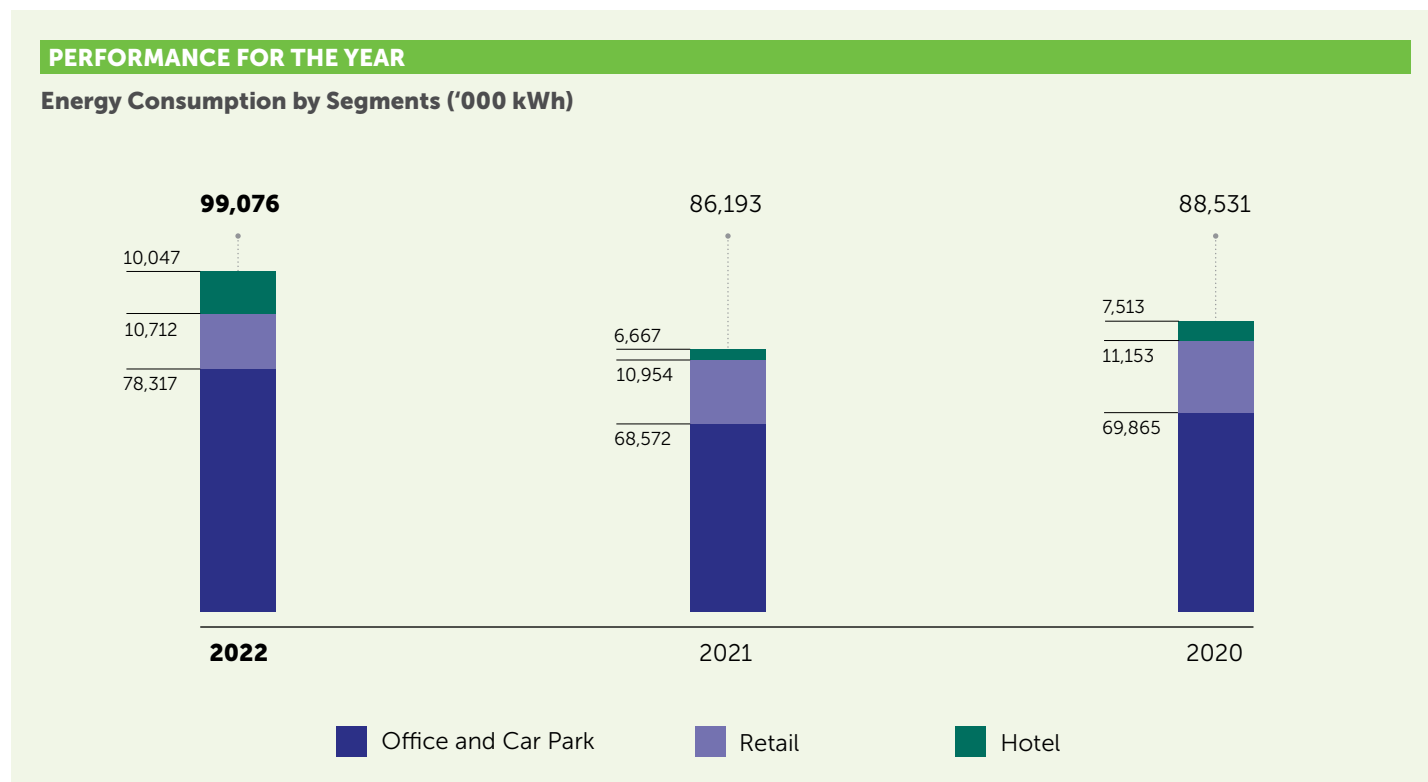
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The GHG emission intensity for our assets is 83, 163 and 120 kgCO₂/m² for office, retail and hotel segments respectively.

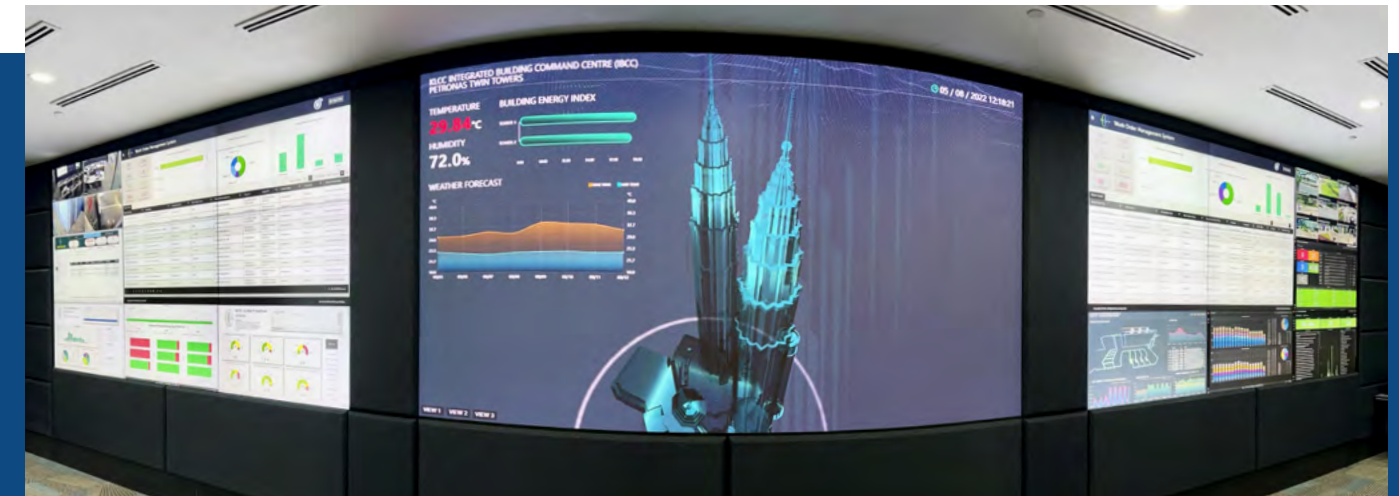


Energy Consumption

Our overall energy consumption during the year increased 15% from 86,193 MWh in 2021 to 99,076 MWh in 2022. This was due to the increase in economic activities when business resumed in our hotel and retail businesses post pandemic. Tenants of our office spaces have also resumed working in office.



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INTEGRATED BUILDING COMMAND CENTRE (IBCC)

The Integrated Building Command Center (IBCC) was launched in April 2021. The IBCC provides a centralised monitoring, control, and command base to coordinate points of visibility via a centralised dashboard that shows real-time overall building performance.

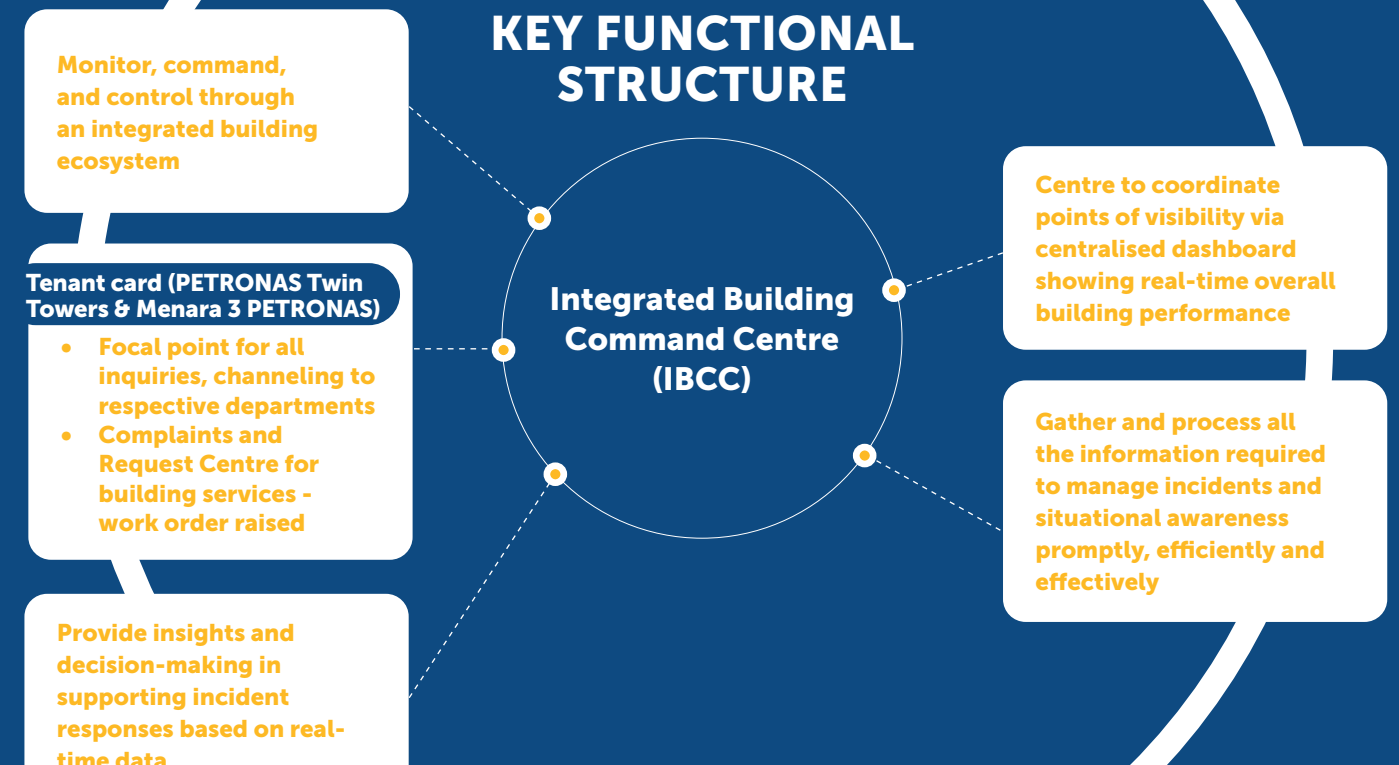
The IBCC features a centralised command center, complete with digital and intelligent facilities, that will allow efficient energy management, reduce labour

intensity, allow efficient schedule of maintenance man-hours, and reduce the cost of managing buildings.

The real-time monitoring of Building Management Systems such as chilled water systems, alarm systems and Building Energy Index at the PETRONAS Twin Towers and Menara 3 PETRONAS, will contribute towards our effort in reducing our carbon footprint.

In 2022, IBCC operation transitioned from command into control mode to increase the efficiency of facility management in the buildings.

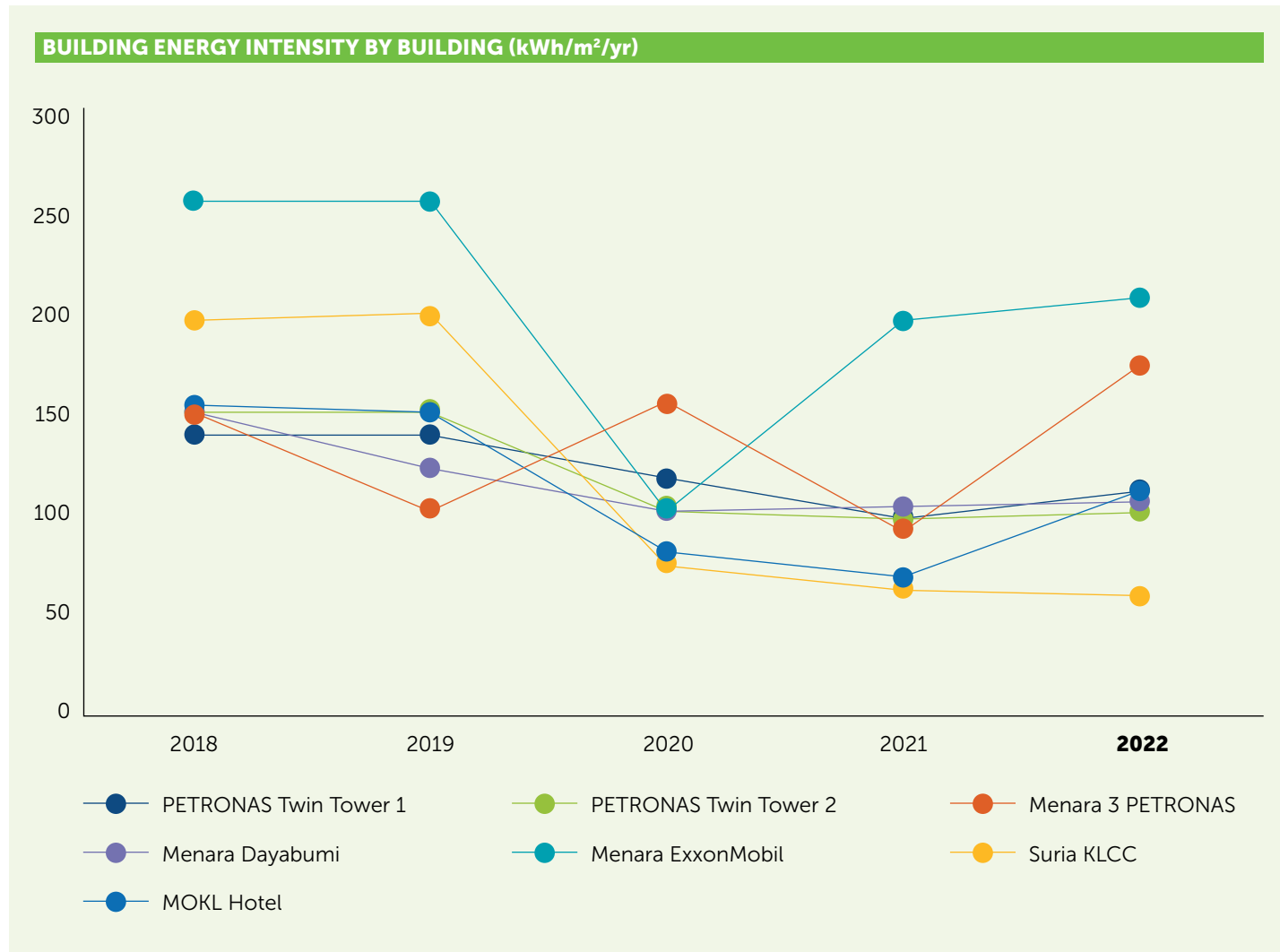
KEY FUNCTIONAL STRUCTURE



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Building Energy Intensity

The Building Energy Intensity in our assets ranges from 64 to 213 kWh/m²/yr in 2022, declined from the pre-pandemic levels of 99 to 264 kWh/m²/yr in 2019. This is achieved through various initiatives including the renovation of the PETRONAS Twin Towers into GBI Gold Rating Building and Menara 3 PETRONAS into GBI Silver Rating Building in 2019 under Non-Residential Existing Building (NREB) category. The commencement of operation of the Integrated Building Command Centre in April 2021 has helped to reduce the energy consumption in our office buildings, through increased efficiency in operation and maintenance activities.



Energy conservation initiatives for Year 2022

Office

- Installed LED lights on the PETRONAS Twin Towers' external facade, VIP parking, lift motor room and lift pit
- Optimised the chilled water supply in Menara 3 and Menara ExxonMobil

Retail

- Replaced perimeter's lightings to energy saving lightings
- Upgraded Building Control System

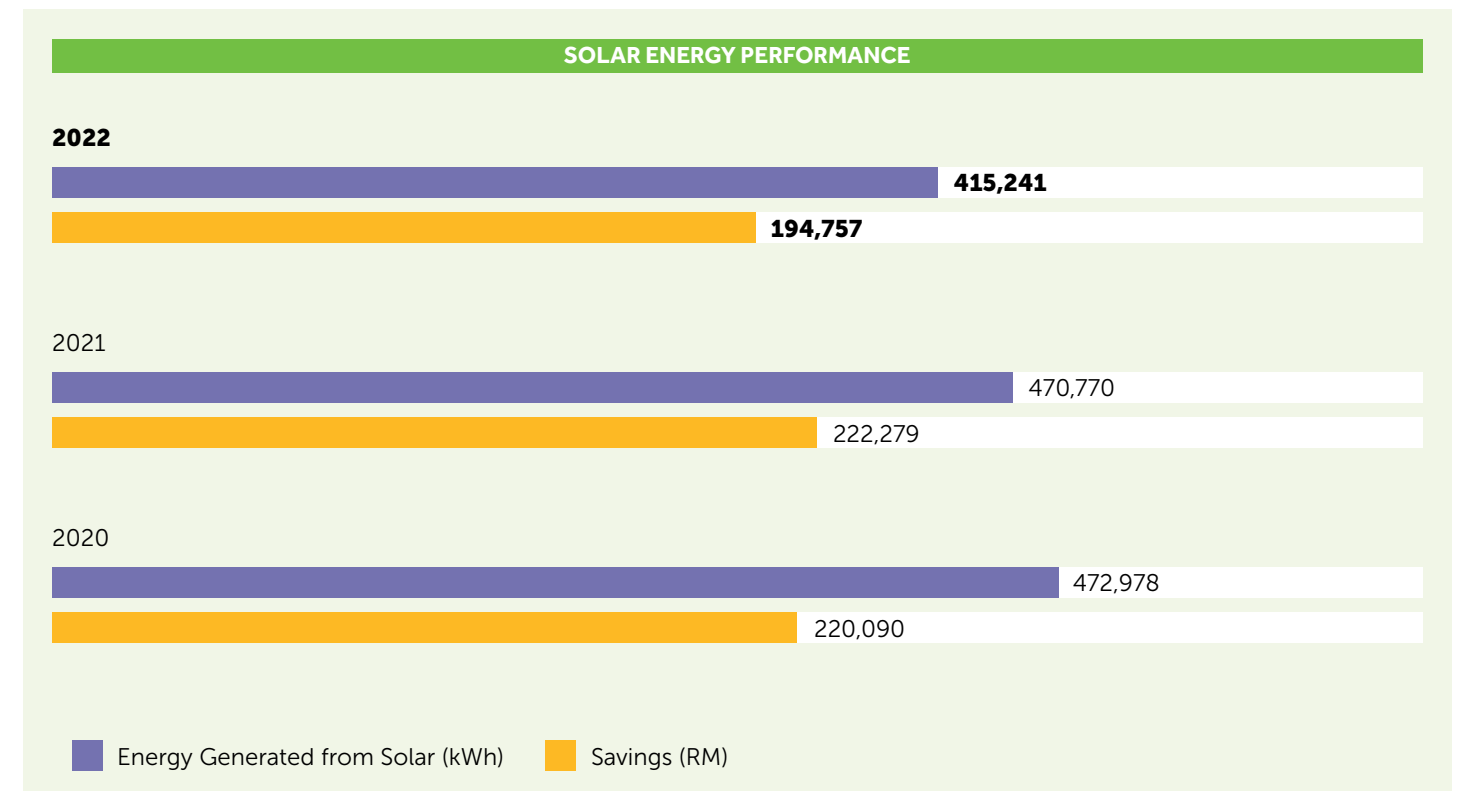
Hotel

- Closed floors during low occupancy and shut off individual units in unoccupied areas
- Shut off or maintained minimum room temperatures by resetting thermostats
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Renewable Energy



Reducing our environmental impact is vital to both the Group and our customers. We take a practical approach in managing natural resources which include promoting the use of renewable energy at our mall. At Suria KLCC, the photovoltaic system, located at its rooftop has contributed to the mall's electricity saving of approximately 17.2 million kWh since 2014, equivalent to a total saving of RM2.0 million.

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ENVIRONMENTAL MANAGEMENT

Our mission focuses on providing the highest quality commercial office space while bringing responsible environmental solutions and innovative energy saving strategies to our tenants and the communities where we operate. We know a cleaner future cannot be delayed, thus our commitment to reduce waste, save energy, and manage our resources responsibly across our portfolios.

We closely manage our environmental performance through green building best practice, industry sustainability benchmarks, and internal reviews. As the performance of our assets improves through enhanced operations and capital investments, so too our baseline, there by continuously raising the bar on the sustainability performance of our buildings.

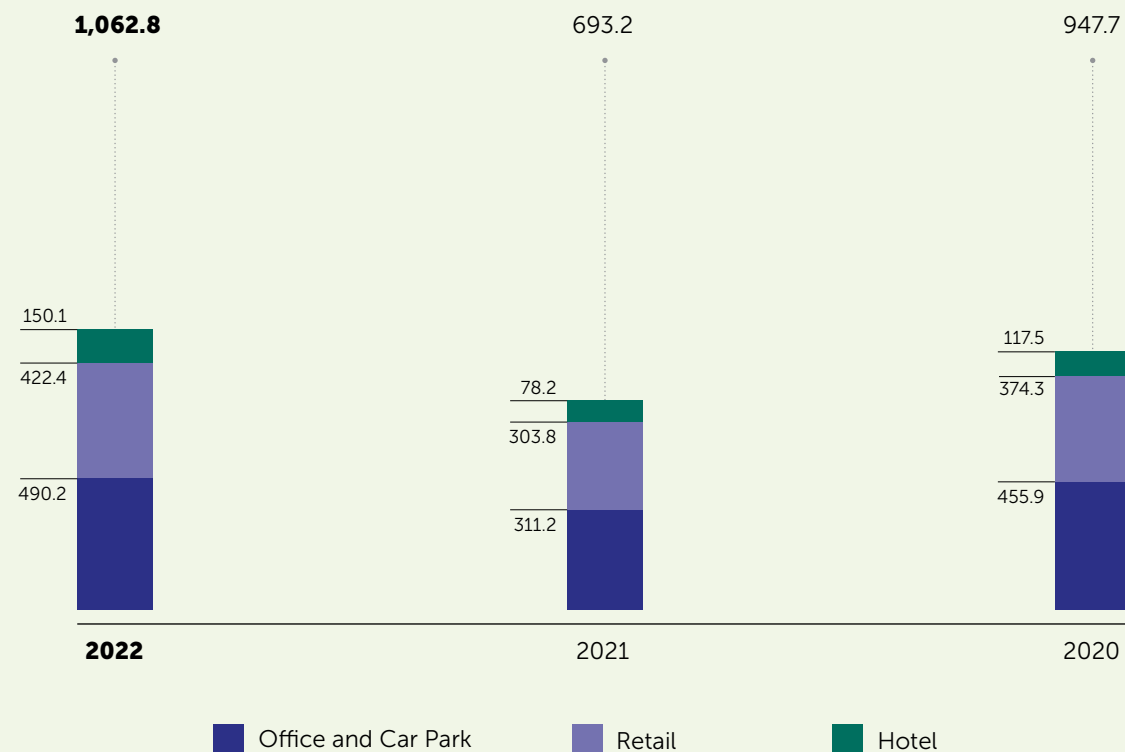
Water Management

Our water consumption is relatively low compared to other industries. Our primary use is in our office buildings, retail malls and hotel facility, where we use it for drinking, sanitation, and food preparation. We have in place various initiatives that support our goal of monitoring and minimising the amount of water we consume across our operations. We assess water consumption and installations and make site-specific recommendations for water efficiency improvements.

During the year, we recorded an increase of 53% in water usage contributed by the increase in business activities post pandemic. We recorded a two-fold increase in our hotel occupancy and footfall to the malls in 2022.

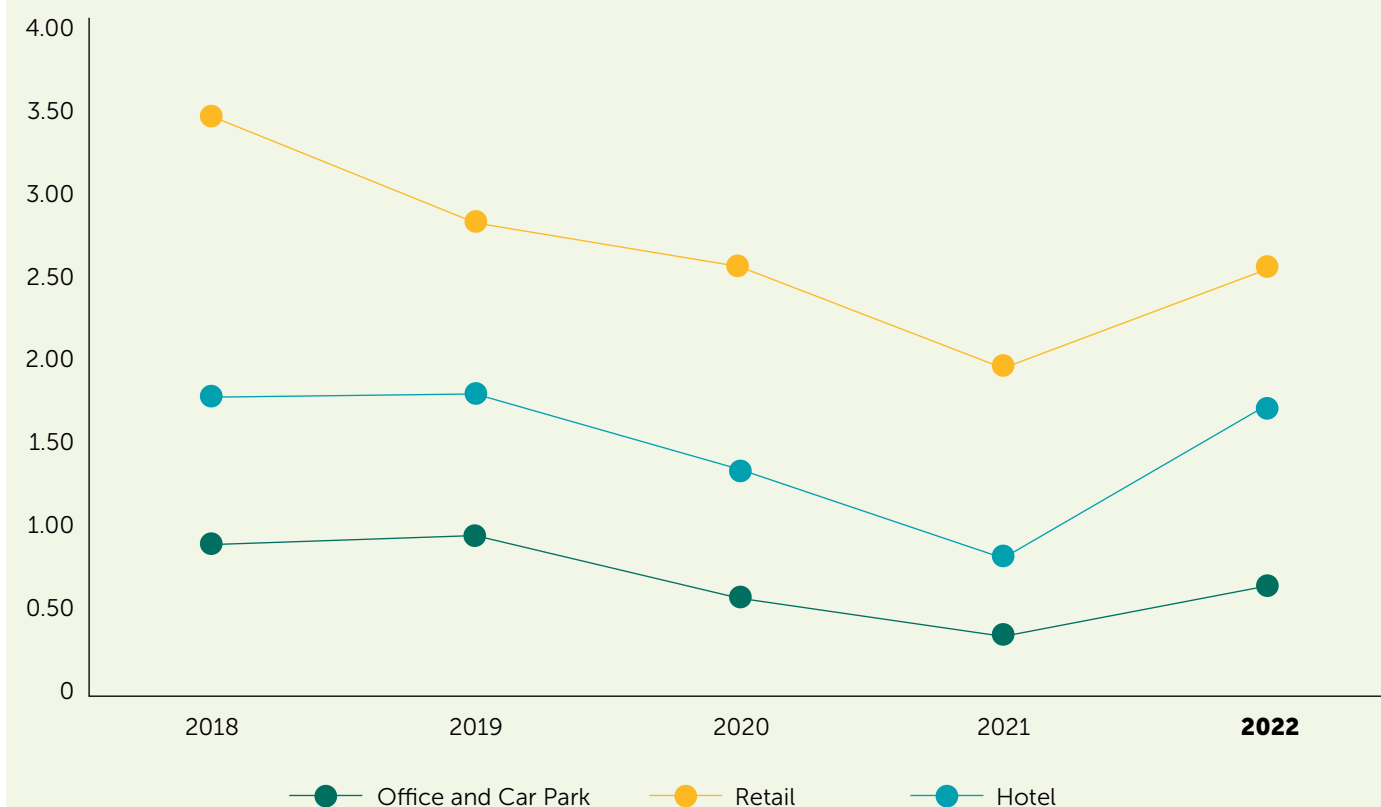
PERFORMANCE FOR THE YEAR

Water Consumption by Segments ('000 m³)



WATER CONSUMPTION INTENSITY BY SEGMENT

Annual water consumption (m³) per square meter net floor area



Water Conservation Initiatives

Common Facility	Office and Car Park	Retail	Hotel
<ul style="list-style-type: none"> Rainwater harvesting project in collaboration with PETRONAS' Malaysian Petroleum Management (MPM) at Masjid As Syakirin in KLCC Precinct. The rainwater collected is used for irrigation and floor cleaning purposes around the area. Since its implementation in December 2020, it has achieved a collection of 4500 litres/month at its highest 	<ul style="list-style-type: none"> Water Efficient Fittings Metering and Leak Detection System 	<ul style="list-style-type: none"> Monitoring of water leakages issues throughout the mall 	<ul style="list-style-type: none"> Installation of filter to reduce brownish water and reducing periodic water flushing Daily water consumption monitoring Effective maintenance work carried out by engineering or external contractor Effective preventive maintenance of dishwasher with Ecolab Effective maintenance of tunnel washer at laundry

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Waste Management

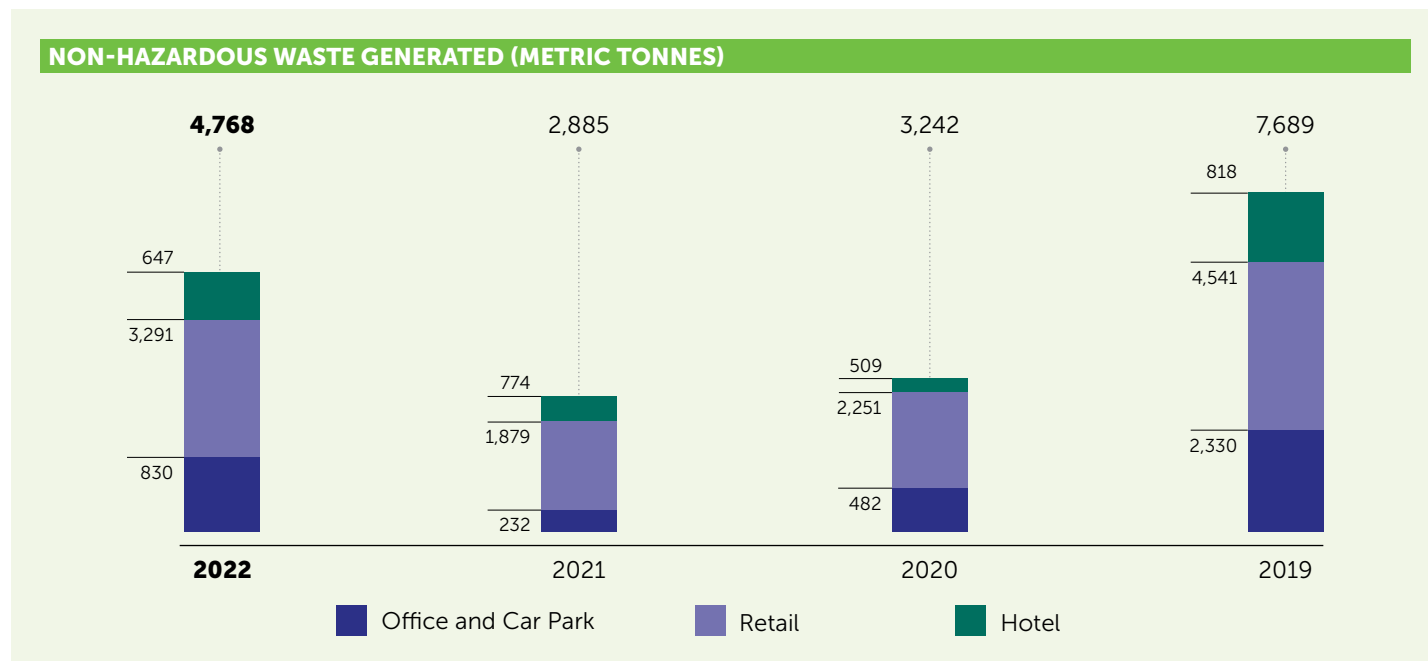
The waste generated by the Group comprised municipal waste produced during operations from our buildings by users and occupants, food waste from our eatery outlets, and hazardous waste from operation and maintenance of the buildings.

We continued our effort to reduce waste and strive to reuse resources in 2022.

Where our services require us to handle hazardous waste, we dispose them responsibly, in accordance to the Environmental Quality (Scheduled Waste) Regulations 2005, not causing risk to our people, the environment or local communities.

Generation of Non-hazardous Waste

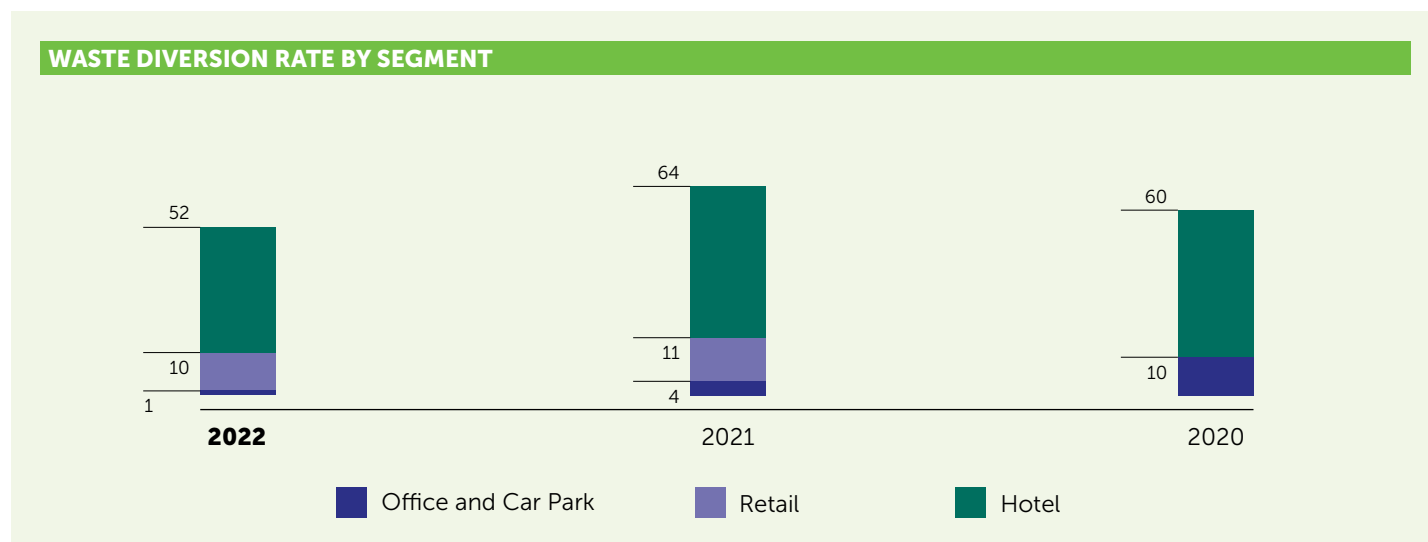
During the year, we have generated a total of 4,768 metric tonnes of non-hazardous waste, compared to 2,885 metric tonnes in 2021. 69% of the waste generated comes from the retail segment, this is due to the increased footfall to the mall post pandemic.



Diversion of Non-hazardous Waste from Disposal

Our operations in office, retail and hotel embarked on plastic and paper waste recycling, food waste recycling and composting practices etc. This practice supports the UNSDG12 on Responsible Consumption and Production. The waste diversion rates recorded in 2022 were 1%, for office, 10% for retail and 52% for hotel.

Our hotel segment recorded a relatively high diversion rate of 52%. The hotel has composted a total of 270 metric tonnes of food waste and turned them into garden waste and recycled a total of 66 metric tonnes of other wastes in 2022. The waste intensity per room is 1 metric tonnes per room per year.



Waste Management Initiatives in 2022

Office	Retail	Hotel
<ul style="list-style-type: none"> Ongoing 3R campaign at all office buildings in collaboration with PETRONAS Encouraged contractor to use friendly material - green product for chemical and biodegradable plastic Encouraged internal contractors to participate in the recycle program 	<ul style="list-style-type: none"> Implemented waste sorting program to separate recyclable and non-recyclable items Carried out food waste recycling program for Level 2 Food Court tenants. The food waste collected was used to feed for the Black Soldier fly larvae, which in turn was converted as animal feed 	<ul style="list-style-type: none"> Continued enforcing waste segregation at source Conducted training on Waste Management Conducted online awareness training for employees on diligent practices of segregations and smart purchasing Eliminated 100% Single-Use Plastics in the operations mainly from guest rooms, Food and Beverage, Kitchen, and Spa Introduced QR code in guest room for digital access to hotel information, as a paperless initiative Provided an avenue for employees to donate their pre-loved items for resale in the "Waste Not Want Not Annual Sale" event

Hazardous Waste Management

Our operators manage the hazardous waste according to the Environmental Quality (Scheduled Waste) Regulations 2005. A Competent Scheduled Waste Manager is employed at every asset to ensure compliance to this regulation.

Hazardous wastes generated in our assets include used light bulbs and electronic wastes. The quantity generated in 2022 is 3.3 metric tonnes, lower than 3.5 metric tonnes in 2021.

