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SUSTAINABILITY STEERING COMMITTEE CHAIRMAN'S MESSAGE

DEAR SHAREHOLDERS,

KLCCP Stapled Group has always adopted a responsible stance in balancing our financial performance with the creation of positive Environmental, Social and Governance (ESG) outcomes. As climate change and energy management issues are becoming more critical, we have stepped up to the challenge of reviewing our operations and re-setting our sustainability priorities.

2023 was pivotal for KLCCP Stapled Group's sustainability agenda, as the year marked the completion of our first 5-Year Sustainability Roadmap and preparations for its successor. During the year, we also conducted an extensive review of our material sustainability matters and, for the first time, ranked them according to their significance, both internally and externally.

Not surprisingly, Climate Change and Energy Management emerged as our topmost sustainability priority. According to the United Nations Environment Programme (UNEP), about 37% of global carbon emissions are from commercial buildings, hence our responsibility to ensure the most efficient use of energy in our portfolio of assets. Cognisant of this, one of the three sustainability goals we outlined along with our first sustainability roadmap was "Combating Climate Change and Reducing Environmental Impacts".

Various targets were set for this and the other two sustainability goals, namely "Building a Smart, Safe and Sustainable KLCC Precinct" and "Building an Agile, Inclusive and Sustainable Workforce in a Volatile, Uncertain, Complex and Ambiguous (VUCA) World".

In terms of our environmental performance, our total carbon emissions and energy consumption increased by 3% and 5% year-on-year respectively, mainly due to higher occupancy rates in our hotel. Towards achieving the 25% emissions reduction target by 2030 (from a 2019 baseline), we have established a Carbon Reduction Strategy based on energy efficiency and the adoption of renewable energy. We are also establishing reduction targets for each operating and business unit, ensuring a higher level of responsibility and accountability Group-wide.

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Our longer-term goal is to become a net zero carbon organisation by 2050. This requires even greater commitment including enhanced transition investment. As a start, we are expanding our reduction initiatives to encompass Scope 3 indirect emissions, such as emissions from employees' commute and business travel. Monitoring and measurement of these emissions will begin in 2024.

Underlining our commitment to climate change adaptation and management, we have engaged the services of a consultant to help establish a framework for reporting based on Task Force on Climate-related Financial Disclosures (TCFD) recommendations. The process began in 2023 with a capacity building workshop for our leadership team and other key sustainability players. A gap analysis is ongoing and we hope to start reporting based on the recommendations in our next annual report, a year ahead of the deadline set by Bursa Malaysia.

Just as we are increasing our focus on environmental issues, we are pressing ahead with our social and governance commitments. Globally, there has been increasing focus on diversity and inclusion at the workplace as well as the observance of human rights. We recognise these as areas where there is scope for more structured policies and procedures, and are working to fill the

gaps. In 2024, we will be launching our Human Rights Policy along with enhanced due diligence processes including social risk assessments.

We are further strengthening a culture of sustainability through more robust governance and by nurturing a sustainability mindset across the Group. Towards the former, we have embarked on sustainability training for our Board of Directors. Our directors as well as our leadership team participated in a half-day session on "Creating Impactful Leadership for Sustainability" on 5 December 2023. In addition, our leadership team attended a Net Zero Carbon Emissions masterclass facilitated by PETRONAS' Corporate Sustainability Office. To promote sustainability awareness among all employees and encourage the adoption of sustainable choices as well as lifestyles, a series of talks and activities was organised throughout the month of September. Our employees were also required to complete two sustainability e-learning modules.

As an organisation, we subscribe to and are committed to sustainability because we firmly believe sustainability issues will shape our future. Nevertheless, it is always heartening to be recognised for our initiatives. This year, we were very pleased to receive top awards at two industry events. We won Platinums in the ESG and CSR Leadership category at the 15th Annual Global CSR & ESG Summit & Awards 2023; as well as at the Asset ESG Corporate Awards 2023.

These awards are the result of the efforts put in by the entire KLCCP Stapled Group team, and I would like to thank each member for your commitment to our sustainability journey. Rather than rest on our laurels, we are aiming for more and achieve even greater success. The objective is not only to future-proof KLCCP Stapled Group, but also to contribute towards a better, more equitable and sustainable future for everyone.