



OUR

PEOPLE

Our people are the most important asset in our organisation. Our employees are guided by our clear vision and mission and we subscribe to the same Shared Values of Innovative, Cohesiveness, Loyalty, Integrity and Professionalism which are reflected in our daily work practices. In line with our mission to promote superior performance, we embraced the PETRONAS Cultural Beliefs transforming our work culture in delivering superior results.

Our employees stand guided by the CoBE and we ensure strict compliance without any compromise to the organisation's integrity.

Material Sustainable Matters

- Diversity and Inclusion
- Skills and Capability Development
- Human Rights and Labour Practices

Context

Our employees are our pillars of strength in the continued sustainability of our organisation and they continue to be the capital driver for success. Acknowledging this, we elevate the robustness of our workforce to deliver superior performance against the challenges in the real estate and property sector.

Our Approach

At KLCCP Stapled Group, equality, diversity and inclusion are mandatory principles to facilitate our people's growth. With our people being the cornerstone of KLCCP Stapled Group's achievements, we are committed to develop a motivated and highly professional and competent workforce by continuously improving the organisational culture and empowering our employees through training and development. We believe human capital is fundamental for



Employees engagement were conducted to promote camaraderie, teamwork and cohesiveness among employees for mutually beneficial outcomes.

companies alike and we are guided by a high performance culture based on meritocracy, performance and delivery, binding upon our KLCCP Stapled Group Shared Values and the PETRONAS Culture Beliefs.

Our Human Resource policies and initiatives on employee engagement,

talent management and retention embed principles of building a conducive workplace for our employees' development and well-being as well as to remain as an employer of choice. We hone a progressive, empowered and resilient workforce to enable us to achieve organisational and business excellence.

Sustainability Report



KLCCP Stapled Group proactively promotes an engaged workforce to ensure effective flow of information and alignment to the organisation's business goals and strategies.

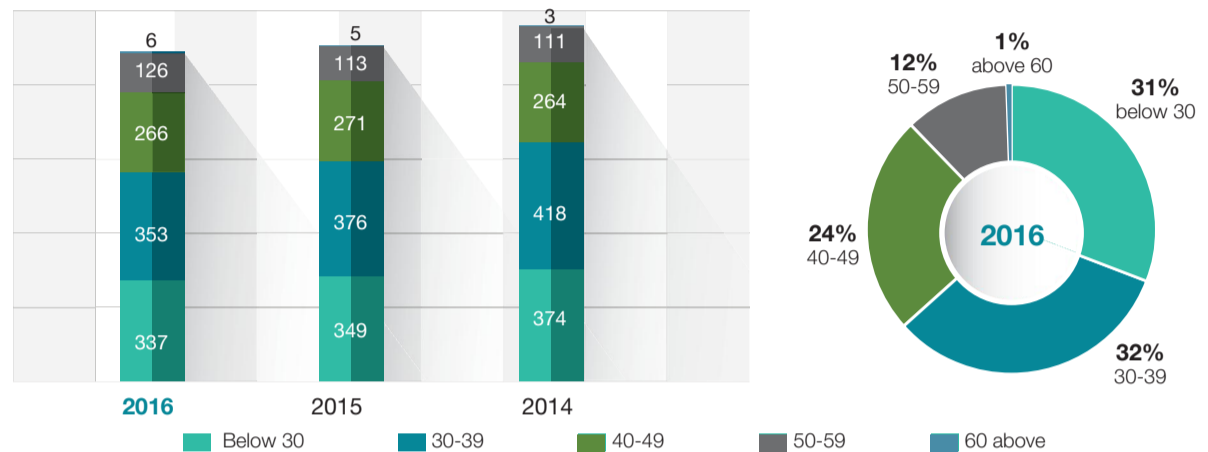
DIVERSITY AND INCLUSION

Having an inclusive culture and upholding equality is important to KLCCP Stapled Group. We foster a harmonious relationship with our employees through our guidance of the KLCC Shared Values and the CoBE. Our employees represent a workforce of diverse racial, religious and cultural backgrounds. Regardless of ethnicity, age and gender, employees contribute to the organisation based on their expertise, experience and talent.

Equal opportunities without discrimination are provided to employees to be part of the workforce as well as to move up the career ladder. Our recruitment process adheres to guidelines on non-discrimination and fairness and we maintain a free harassment work environment.

Age

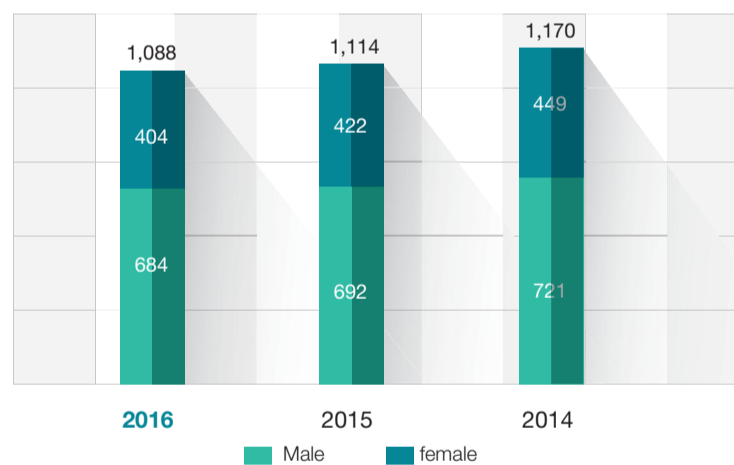
We have a diversified workforce across all age-groups. In 2016, approximately 30% of our current workforce and 78% of new recruits consists of Generation Y (Gen Y).



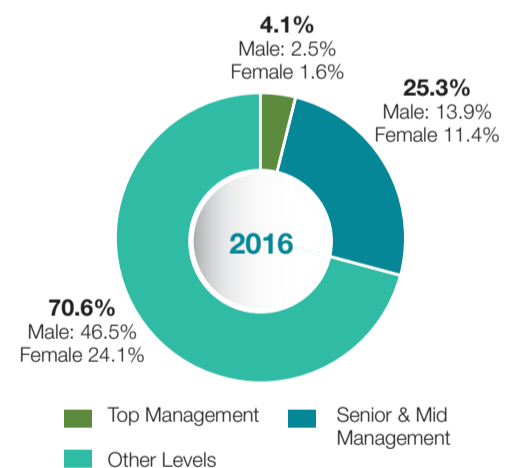
Gender Diversity

KLCCP Stapled Group has a higher proportion of male employees within the organisation whilst 48% of senior managerial and above positions are held by female employees. Nevertheless, we are committed to provide equal employment opportunities based on merit.

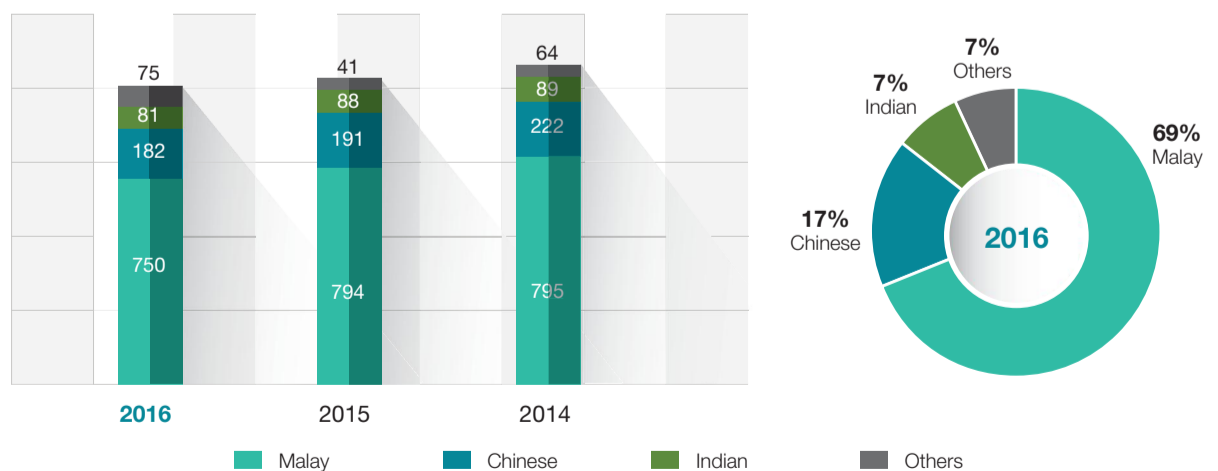
Workforce by Gender



Employee Position and Gender Profile



Ethnicity



Sustainability Report

SKILLS AND CAPABILITY DEVELOPMENT

We have placed strong emphasis in developing the skills and capabilities of our employees. Investing in our people from a wide variety of diverse backgrounds creates value for our business, tenants, customers and community. Training needs analysis is conducted annually to establish the necessary training intervention to level up competencies and professional knowledge. We continue our efforts in upskilling and providing learning opportunities for our employees to equip them in performing their work at optimum levels via the 70:20:10 learning model wherein 70% of learning is through on-the-job training, 20% via coaching and mentoring and 10% via classroom training. In 2016, we invested more than RM1 million on learning and development which saw 98% of employees undergoing training programmes that were planned for the year with an average of 22 hours per employee.

Building strong leadership bench strength is part of the organisation's succession planning efforts to ensure a steady stream of leaders and the efforts are reviewed annually. Efforts in building core capabilities for KLCCP Stapled Group are focused on 5 core capabilities – investment management, project management, asset management (marketing and leasing), asset/facilities management and property development to provide competitive edge in the industry. In 2015, we embarked on enhancement of the functional and technical competencies of employees via development of Skill Group (SKG) competencies to assess the baseline competency levels of employees. In 2016, the SKG competencies for the finance fraternity was completed. A total of 34 employees underwent the assessment

with gaps identified for closure. This was followed by the commencement of the SKG assessment for the Legal and Corporate Services fraternity.

During the year, the Human Resource Division expanded the employee benefits by introducing an education assistance incentive for employees to undertake a Bachelors or a Masters degree to further enhance their knowledge, skills and capabilities in their respective fields. Employees will be given a one-off cash incentive upon successful completion of the programmes.

On-the-job training and Group Training Techniques are the programmes developed for our hotel employees to enhance the department trainer skills in order for them to conduct training according to the hotel standards. Trainings conducted are divided into 2 categories – Generic Quality Training and Fire Life, Health, Safety, Security and Environment training. Employees of MOKL Hotel also undergo training with the Malaysian Employers Federation that covers the entire spectrum of Industrial Relations, Human Resources Management and Development and Occupational Safety and Health (OSH).

Our retail employees were introduced to Competency Based Learning Curriculum with a focus on Customer Experience Excellence for Concierge and Front Liners, English programmes for Front Liners, Objective Setting and Planning, Standard Operating Procedures Drafting Guide, Procurement Optimisation workshops and Specialised Trainings for competent handling of Photovoltaic Solar Panel.

KLCCP Stapled Group also partners with local tertiary education institutions to offer student internship opportunities for students interested in the real estate sector. In 2016, there were 7 interns assigned to various departments within the organisation.

Talent Management

With scarcity of talent being an issue in today's employment world, KLCCP Stapled Group continues to seek dynamic and talented employees to provide an impetus to competitive edge and propel the organisation to its next phase of growth. During the year, the HR Division established a Talent Strategy Blueprint detailing the strategies on attracting, retaining and developing talent spanning a 5-year horizon. The blueprint outlines the HR roadmap and milestones focusing on 3 strategic thrusts – getting the right talents, putting them in the right environment and building credible leaders.

KLCCP Stapled Group identifies talent from within the organisation and also externally through a multi-pronged talent recruitment methodology – build, buy or rent. In 2016, our HR Division also participated in the Mega Career Fair, Property and Construction Industry Networking HR Meeting and the Malaysian Institute of Human Resource Management Congress to seek out talents and benchmark against HR best practices. Our talent management programmes provide developmental opportunities to nurture employees' capability and leadership qualities through formal trainings, on-the-job exposure, job rotation and mentoring-coaching. The Human Resource Planning and Development Committee (HRPDC) reviews the succession plans on an annual basis for key positions in the organisation.

Our compensation packages are aligned to industry's best practices and market benchmarks with review conducted annually. We offer fair and competitive remuneration packages based on employees' competencies and expected roles and responsibilities. This is to ensure our competitiveness in attracting talent for sustained growth.

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The Long Service Awards presentation was held annually to appreciate and recognise employees' loyalty and contributions to the organisation.

As part of equipping managers of KLCCP Stapled Group to manage their talents, our Human Resource Division conducted a series of workshops called "HR in Me" with the objectives of understanding HR policies and procedures and to apply their learning in managing their talents.

Performance Appraisals

KLCCP Stapled Group has a well structured appraisal system through the Online Employee Management System (EMS) and covers executive and non-executive permanent employees within the organisation. The EMS comprises of 3 stages – goal setting, periodic review and year-end review. Following the year-end review, a challenge session at division level with the Heads of Department and Heads of Division ensues, followed by a challenge session at organisation level prior to the final round of challenge at the HRPDC.



KLCCP Stapled Group remains committed to meritocracy and our yearly performance assessment, rewards and compensation packages emphasise on employee performance as well as on the efforts on how it was achieved. In 2016, 100% of our employees completed their performance appraisals via the EMS.

Workforce Engagement

It is important for every employee to have a sense of belonging to an organisation that they work for and establish a connection with the community in their workplace. An engaged organisation creates a positive work environment that includes informal interaction among employees through occasional activities such as birthday celebrations get together, or a more formal annual retreat, annual dinner or open days will give employees something to look forward to as a break from their daily work.

In KLCCP Stapled Group, we engage with employees for mutually beneficial outcomes in terms of self development and growth. Our engagements focus on employees' well being, performances, results and outlooks, and recognition. During the year, we continued our proactiveness in engaging our workforce through various avenues for effective flow of information and alignment to business goals and strategies across our operations.

In 2016, 75% of employees participated in the Employee Feedback Survey achieving a satisfaction score of 80%, an improvement of 9% from 2015. As at year end, the attrition rate for KLCCP Stapled Group stood at 8.6% as compared to the property and development industry average of 18%.

The Laureate Awards were presented to business units that performed with excellence in their respective areas of operations.

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The KLCC YPEXC Treasure Hunt was conducted to promote togetherness and teamwork among its members and other employees of the organisation.

Key initiatives for the year

Recognition of employees' loyalty and contribution to organisation	<ul style="list-style-type: none"> • Long Service Awards – provision of additional reward for retirees and service for 35 years • Laureate Awards and Annual Dinner
Promote camaraderie, teamwork and cohesiveness Encourage stronger interpersonal networks and improved communication	<ul style="list-style-type: none"> • CEO Townhall • HR Open Day • Leadership Away Day, social outings or get-together • Induction for new employees • Round Table Conference • Employees Briefing • Management Retreat • Away Day • Health Talks
Employees' feedback on organisational culture	<ul style="list-style-type: none"> • Peer Review Survey • Online Employee Engagement Survey • Organisational Survey
Promote work-life balance	<ul style="list-style-type: none"> • Talent competition • Cooking Class for hotel employees • Sports and Games

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KLCC Young Professional Executive Club (YPEXC)

Nurturing young talents is an agenda of KLCCP Stapled Group as our young professionals constitute 31% of the workforce. In developing our future leaders, we provide an avenue for them to unlock their potential and leadership capabilities. Through the Young Professional Executive Club (YPEXC), a platform for the young executives to elevate their talent, this community focused on promoting KLCC values, work-life balance and breakthrough performance culture.



KLCCP Stapled Group promotes healthy lifestyle and well-being among employees through its wellness programmes.

Key initiatives for the year

Corporate Wellness	<ul style="list-style-type: none"> • Create awareness and promote healthy lifestyle among employees • Improve employees' well-being and contributing towards increased productivity
YPEXC Clan Jumpa	<ul style="list-style-type: none"> • Address concerns and issues pertaining to YPEXC and its members • Encourage camaraderie among members and strengthen YPEXC community ties
Feed the Homeless	<ul style="list-style-type: none"> • During the month of Ramadhan, 20 YPEXC members in collaboration with the Human Resource Division volunteered in the distribution of <i>Bubur Lambuk</i> and charity packs to the community in the Kuala Lumpur vicinity • This programme was part of YPEXC efforts in engaging with and giving back to society
Leadership in YPEXC Training – Lego Method	<ul style="list-style-type: none"> • Foster effective teamwork and provide hands-on skill and knowledge discovery in improving teamwork performance • Develop and improve leadership skills among YPEXC members • 72 members participated
YPEXC Toastmasters	<ul style="list-style-type: none"> • Develop and improve confidence level in presentation and communication skills • 12 sessions were conducted in 2016
Engagement with Top Mangement	<ul style="list-style-type: none"> • Share knowledge and experience that YPEXC members can emulate in carrying their responsibilities at work or home
Walk A Hunt	<ul style="list-style-type: none"> • YPEXC members together with their seniors spent half a day for the hunt activity and raised funds for a charitable cause • Promote togetherness and bonding between YPEXC members and other employees within the organisation

Employee Wellness

We believe that the integration of healthy living initiatives benefits both employers and employees and is critical to our business viability and success. A healthy workforce results in reduced downtime due to illness, improved morale, productivity boost and higher employee retention. We are committed to promoting a culture that is employee-centred which provides supportive environments where safety is ensured and employee access is granted to engage in a myriad of workplace health programmes.

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Workforce Health

The workplace is an important setting for health protection, health promotion and disease prevention programmes. KLCCP Stapled Group provides comprehensive employee health insurance coverage and appropriate preventive screenings. All new employees of KLCCP Stapled Group are required to undergo a pre-employment medical check-up whilst those aged 35 to 45 years are encouraged to undergo medical screening every two years and above 45 years, annually. In 2016, KLCCP Stapled Group extended the provision of dental benefits to the non-executives. The Human Resource Division also introduced an incentive to encourage more staff to live a healthy lifestyle in providing access to the Twin Towers Fitness Centre which includes gym facilities, squash and badminton courts and studios for group fitness.

Sports and Recreational Activities

KLCCP Stapled Group organises social and recreational activities for its employees as part of its efforts in promoting wellness and personal development. Kelab Sukan dan Rekreasi PETRONAS Wilayah Tengah (KSRP) 2016 Sports and the Property Wellness and Sports Carnival promoted cohesiveness and team camaraderie. The "Trim to Win" wellness programme is in its third year now and has been successful in promoting more health-conscious and intum more productive employees. MOKL Hotel organised the second MO FIT programme in conjunction with the Hotel's Wellness programme to promote a "Healthy Lifestyle". These included weight reduction, body fat reduction and muscle mass increase.

HUMAN RIGHTS AND LABOUR PRACTICES

KLCCP Stapled Group demonstrates responsible workplace practices with respect to employment. We fully comply with the legislations on the welfare and rights of our employees and workers as well as our service providers at our project sites.

We abide by the Malaysian Labour Laws encompassing the Employment Act 1955 (ACT 265), Trade Union Act 1959 (ACT 262), Industrial Relation Act 1967 (ACT 177), amongst others, together with all related regulations and guidelines, which promote fair and responsible employment practices. We also have an established Board Nomination and Remuneration Committee in ensuring compliance to policies and implementation of best practices. Our remuneration practices comply with Malaysia's Minimum Wage regulation and overtime compensation in accordance with the Employment Act. Our benefits typically exceed the requirements stipulated within the Employment Act.

In 2016, there were no incidents and grievances of discrimination, child labour and forced labour reported in KLCCP Stapled Group.

MOKL Hotel held their MO Fit Programme to promote a healthy lifestyle and one of the challenges included climbing up to the hotel's rooftop.



KLCCP Stapled Group employees are encouraged to participate in sports and recreational activities conducted annually.

Anti-Child and Anti-Forced Labour

In Malaysia, risks and incidents of child and forced labour is mitigated through various legislations, for example the Employment Act 1955 (ACT 265), Minimum Retirement Age Act 2012 (ACT 753), Occupational Safety and Health Act 1994 (ACT 514), Factories and Machinery Act 1967 (ACT 139), Merchant Shipping Ordinance 1952, and the Children And Young Persons (Employment) Act 1966 (ACT 350). The Children And Young Persons (Employment) Act 1966 prohibits employment of children below 18 years of age. The legislations has a clear set of laws for the employment of children below 15 years and between 15 and 18 years old, including their number of working days, working hours and type of work to be engaged in.

KLCCP Stapled Group ensures that all employees are issued employment contracts specifying clear employment terms and conditions.

Respect for Freedom of Association

KLCCP Stapled Group respects all employees' fundamentals rights to freedom of association and the rights to be members of trade unions. Although KLCCP Stapled Group is not a unionised organisation, we stand guided by the Malaysia Labour Laws which allows trade unions to act on behalf of employees for collective bargaining, providing them with an additional avenue to seek redress for disputes.

