



- ▶ Goal 1: Corruption-free operations
- ▶ Goal 2: Transparent and impactful disclosures



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Responsible Governance

Strengthening corporate governance, upholding business ethics, and prioritising cybersecurity and data privacy to foster accountability, transparency, and trust.



OUR COMMITMENT

At KLCCP Stapled Group, we are committed to upholding strong corporate governance, which is fundamental to maintaining transparency, accountability and ethical conduct across our operations. We recognise that strong business ethics is key to ensuring resilience and long-term value, fostering stakeholder trust and contributing to sustainable growth. Our approach incorporates transparent communication, proactive risk management, and embedding responsible business practices at every level, thereby safeguarding stakeholder interests and promoting business prosperity.

We also understand the importance of safeguarding our systems and data to maintain operational continuity. Our commitment to cyber security and data privacy ensures that we meet the highest standards of security, protecting our information and building trust with our stakeholders. Through these efforts, we aim to strengthen our position as a responsible and resilient organisation in an ever-evolving business landscape.



OUR APPROACH

BOARD DIVERSITY AND CAPACITY

A diverse Board is imperative to respond to the complexities and interconnectedness of challenges facing businesses today. To ensure a balanced mix of expertise and skillsets, the Boards are committed to preserving diversity across backgrounds, age, gender and ethnicity on top of experience and perspectives. This diversity facilitates the Boards in navigating the sustainability landscape encompassing environmental, social and governance dimensions. Inclusivity in decision-making enhances creativity, innovation and risk management, ultimately leading to more robust and sustainable business practices.

The Board Diversity Policy, approved by KLCCP Board and applicable to KLCCRM, reflects the government's aspiration for women to represent at least 30% of boards of directors. The Boards have been exceeding this minimum since 2020, with women making up 50% of our Directors for the year under review.

The Boards have also implemented a nine-year term limit for Independent Directors, as recommended by the Malaysian Code on Corporate Governance (MCCG). Currently, none of the INEDs on our Boards exceed this ceiling.



Recognising that effective sustainability leadership requires ongoing education, the Directors received targeted training for the year under review. On 28 August 2024, a half-day session was organised on "Global Internal Audit Standard", providing them with a comprehensive understanding of the new internal audit standards to be implemented in 2025. On 20 November 2024, the Directors attended a Sustainability Deep-Dive session on Scope 3 GHG emissions conducted by PETRONAS Corporate Sustainability Office, providing them understanding on Scope 3 quantification, and the approaches towards maturing Scope 3 emissions accounting.

Additionally, the Directors participated in the Mandatory Onboarding Programme on Sustainability as per Bursa Malaysia's Listing Requirements which was designed to enhance their capability to address sustainability considerations effectively.

ESG OVERSIGHT

The Boards review quarterly updates on ESG progress against the KLCCP Staped Group's Sustainability Plan 2030 targets to ensure they remain appropriate and in the best interest of the Group's stakeholders. The Boards also deliberate on the impact of ESG on the Group's strategy and long-term success, including significant investment decisions.

ENTERPRISE RISK MANAGEMENT

An effective and sound risk management system is important to achieve the Group's business strategies and objectives. We leverage on the KLCC Group Enterprise Risk Management (ERM) Framework which sets out the governing elements and processes as the foundation of ERM practices to assess, treat, monitor and review risk. The ERM Framework ensures a common understanding of risk management and a consistent approach in managing the Group's risks.

KLCCP Staped Group is committed to providing a reasonable level of confidence that risks and their associated controls are adequately, effectively and safely managed through a comprehensive assurance programme.

To support the above, there is an established Risk Management Oversight Structure encompassing the KLCCP and KLCCRM Boards, Board Risk Committees (BRCs), and the Risk Management Committee (RMC). This structure assigns responsibility for risk management while facilitating the assessment and communication of risk-related matters from the operational levels to the Boards. The overall strategy for managing risk is as per the KLCC Resiliency Model which focuses on three areas of business resilience namely ERM, Crisis Management (CM) and Business Continuity Management (BCM).



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Enterprise Risk Management

ERM is a structured and holistic approach to evaluate and manage the uncertainties an organisation faces. To become a risk-resilient organisation, KLCCP Stapled Group strives to implement risk management best practices that protect and create value within set boundaries, including risk-based decision-making by providing a balanced and holistic view of exposures to achieve business objectives.



Crisis Management

KLCCP Stapled Group has in place a comprehensive set of procedures to prepare the organisation to respond to and manage crisis, while protecting people, the environment, as well as the Group's assets and reputation.

The Crisis Management Plan (CMP) encompasses:

- Emergency/crisis team structure with roles and responsibilities
- Activation thresholds and protocols
- Communication process with updated contact numbers and integration with relevant parties (i.e. government authorities and relevant stakeholders)
- Strategies and actions for responding before, during and after the emergency/crisis
- Process for escalating relevant emergency/crisis information to potentially impacted parties within KLCCP Stapled Group and resource requirements during an emergency/crisis

The CMP addresses seven credible scenarios namely HSE, Finance, Human Capital, Digital, Facility Management, Legal and Regulatory and Security. It is tested annually to ensure the readiness and effectiveness of the communication process and recovery action plan in responding to a crisis.

Business Continuity Management

KLCCP Stapled Group has established a Business Continuity Plan (BCP) as part of our BCM to facilitate the successful resumption of Critical Business Functions in the event of prolonged business disruption.

The BCP is reviewed annually by conducting a Business Impact Analysis (BIA) for all divisions, departments and OPUs in accordance with the BCM Framework, following which the results are presented to the RMC and approved by the Approving Authority. The BIA identifies critical business functions, and determines the recovery time for the resumption of activities while specifying minimum resource requirements (i.e. people, equipment, assets, facilities, technology, vital records, interdependencies).

Activities/Initiatives in 2024	Description
<p>Annual review of Risk Profile</p>	<ul style="list-style-type: none"> • Our Governance, Risk & Assurance Department (GRA) conducted the risk profiling exercise to review, assess and update the principal risks to safeguard KLCCP Stapled Group’s investment and key business activities, taking into consideration current and emerging risks. • The updated risk profiles were presented to the RMC, BRCs and the Boards.
<p>Annual review of Risk Appetite</p>	<ul style="list-style-type: none"> • GRA reviewed the risk appetite to ensure the Group’s risk exposure and risk tolerance are relevant and up to date to achieve our strategic objectives. • The updated risk appetite statement, risk tolerance and risk threshold were presented to the RMC, BRCs and the Boards. <p>The risk appetite covers five main areas:</p> <p>Strategic Measures the variability in investment returns and capital efficiency that the Group is willing to take to ensure we achieve our business objectives.</p> <p>Financial Measures the Group’s capital, profitability and liquidity position in pursuing our business objectives.</p> <p>Operational Measures direct and indirect loss resulting from inadequate or failed internal processes, people and systems, or from external events that can affect the achievement of our business objectives.</p> <p>Reputational Measures the risk of failure to meet stakeholder expectations because of events, behaviours, actions or inactions that create a negative perception of the Group.</p> <p>Legal and Regulatory Compliance Measures the risk of non-compliance with prevailing laws and regulations governing the business.</p>
<p>myRisk</p>	<p>KLCCP Stapled Group uses myRisk to manage and monitor four modules comprising of ERM, Risk Appetite, Risk Assessment in Decision Making (RADM), and BCM. Embedding the ISO 31000:2018 risk management standard, myRisk drives active risk conversation/analysis monitoring through an interactive dashboard, reinforces effective risk governance and assurance practices, and provides a seamless flow of information and processes along the risk management value chain.</p>
<p>Upskilling on Risk Management</p>	<ul style="list-style-type: none"> • ERM Risk Awareness Sessions were conducted throughout the Group between March – May 2024 to enhance understanding on risk management. • Risk Awareness Assessment 2024 was conducted in July 2024 involving all executives and managers and achieving 100% score. • RADM Report Writing Workshop was conducted in July 2024 to enhance the competencies and capabilities of relevant stakeholders.



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INTEGRITY AND CORRUPTION MANAGEMENT

KLCCP Stapled Group's continuous efforts to manage our integrity risk reflect a commitment to conducting business with integrity in support of the Group's zero tolerance against all forms of bribery and corruption.

We recognise that bribery and corruption pose a constant threat to our operations, with risks varying across different landscapes including jurisdictions, business sectors, people and transactions. To manage these risks, we adhere to the Code of Conduct and Business Ethics (CoBE) which is based on the values of Loyalty, Integrity, Professionalism and Cohesiveness.

TOP LEADERSHIP COMMITMENT

Our Policy Statement on Anti-Bribery and Corruption was established in November 2024. The policy states our commitment to complying with applicable laws and regulations, which include the CoBE and the Anti-Bribery and Corruption (ABC) Manual. Consequence management will be applied on any employee who contravenes the CoBE. Channels to report improper conduct observed within the Group are available for employees and the public.

ANTI-BRIBERY MANAGEMENT SYSTEM

KLCCP Stapled Group and its subsidiaries, KPM and KLCCUH, have been certified with ISO 37001:2016 ABMS standards since 2020. The surveillance audit conducted by SIRIM in November this year showed that our systems and controls are adequate and effective in ensuring compliance with the standard.

We implement Adequate Procedures as per the T.R.U.S.T. Principles based on the Guidelines supported by the MACC Act 2009 (Act 694), i.e. Top Leadership Commitment, Risk Assessment, Undertake Control Measures, Systematic Monitoring, Review and Enforcement, as well as Training and Communication.

We established 'TRUST-T', a digital tool that tracks, monitors and automates reminders to entities, to implement the ABMS T.R.U.S.T. Action Plan according to planned dates. This is to ensure Adequate Procedures as per T.R.U.S.T. Principles are in place enabling ABMS insight across the Group.

ABMS-specific knowledge was enhanced via curated training for a specific target group ensuring effective ABMS understanding and practice.

Top Leadership Commitment

- Heads of divisions and operating units set the tone from the top during "Leaders' Integrity Time Out" and "Integrity Moments" with respective constituents based on the Anti-Bribery and Corruption Policy

Risk Assessment

- A risk assessment on bribery and corruption was conducted to identify, analyse, assess and mitigate all related risks.
- The Bribery and Corruption Risk Profiles FY2024 have been approved by the CEO.
- Risk control is handled by risk mitigation owners who are responsible for implementing the necessary controls.

Undertake Control Measures

- Refresher sessions on the No Gift Policy and Whistleblowing Policy were conducted.
- Pre-employment due diligence checks for high-risk/sensitive positions.
- Integrity Pledge by all employees.
- Due diligence on business associates.
- Asset declaration by employees.
- Revision and update of Limits of Authority.

Systematic Monitoring, Review and Enforcement

- Documents review by the ABMS Compliance Function.
- ABMS Internal audits conducted in Q3 2024.
- Surveillance Audit by SIRIM conducted in Q4 2024.
- Top Management Review conducted in Q4 2024.
- Governing Body Review conducted in Q4 2024.

Training and Communication

- Engagement on Corporate Governance and Integrity for the governing body.
- Integrity awareness induction for new employees.
- Internal Audit training for ABMS internal auditors.
- Refresher training on anti-bribery and corruption for all employees.
- Anti-bribery and corruption, and related policies awareness sessions for third parties and service providers.
- Competency upskilling for ABMS Compliance Function.
- Monthly integrity strengthening communication sent to all employees.



KLCCP Stapled Group’s commitment to enhancing integrity is evident through regular anti-bribery and corruption awareness and refresher sessions provided to all employees. These sessions not only reinforce our stance against corruption but also ensure that everyone is well-versed in our Anti-Bribery and Corruption Policy, Whistleblowing Policy and our exposure under the corporate liability provision of Section 17A of MACC Act 2009.

CYBER SECURITY AND DATA PRIVACY

Our digital infrastructure is a vital asset that must be safeguarded against evolving cyber threats. To this end, the Group has implemented robust cyber security measures aimed at fortifying our systems and preventing unauthorised access. Regular assessments, updates and monitoring protocols are integral to our strategy of identifying and mitigating potential vulnerabilities, ensuring the ongoing integrity of our systems. Efforts to safeguard our digital infrastructure led to zero cyber security incidents across the Group in 2024.

Education and Awareness

We prioritise the continuous education of our employees on Cyber Security through regular training. Each employee in KLCCP underwent 8.33 hours of dedicated learning, while Suria KLCC and MOKUL Hotel recorded, 5.02 and 0.5 hours per employee on average, respectively in 2024, ensuring a well- informed and vigilant workforce.

Phishing Tests



To gauge employees’ awareness, we conduct phishing tests regularly. These simulations help to identify potential vulnerabilities and empower our teams to recognise and respond to phishing attempts effectively.

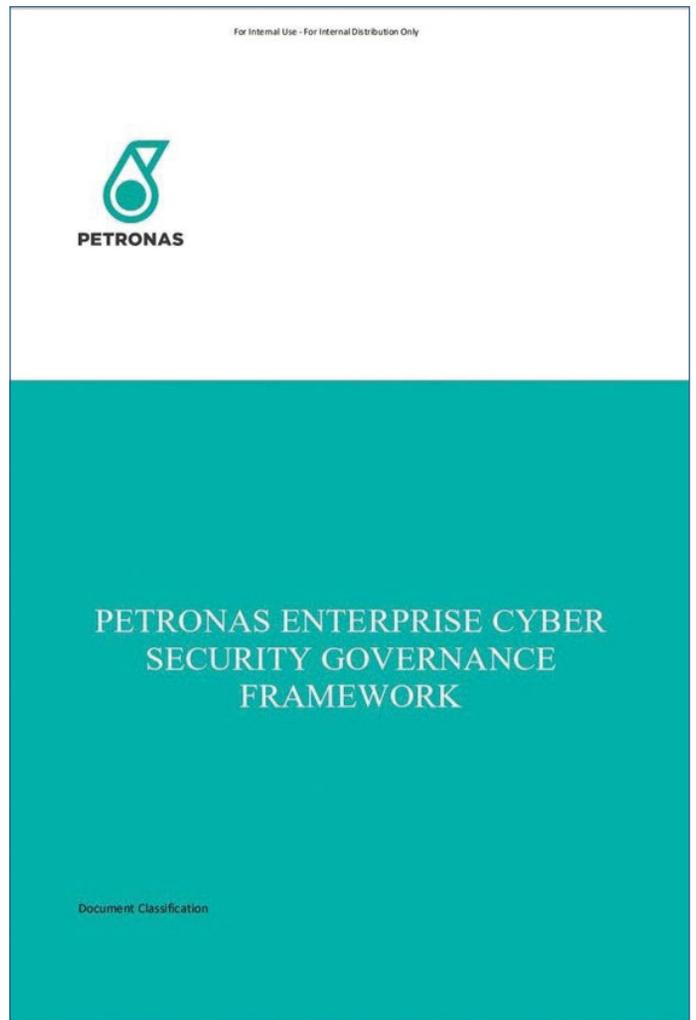
Enterprise Cyber Security Governance Framework

Our cyber security efforts are guided by the Enterprise Cyber Security Governance Framework. Comprising a comprehensive set of policies, procedures and controls, the framework presents a consistent and standardised approach to cyber security across the Group.

The framework also prioritises the protection of sensitive information shared with external parties. Our Vendor Contract Agreements integrate Non-Disclosure Agreements (NDAs), reinforcing the commitment to data privacy and setting clear expectations for our partners and vendors.

Cyber Security Business Impact Assessment (CS-BIA)

As part of our proactive approach, we conduct regular Cyber Security Business Impact Assessments (CS-BIA) on applications used within the Group. Potential risks are identified and addressed promptly, minimising the likelihood of security incidents.





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OUR IMPACT

PROGRESS AGAINST SUSTAINABILITY PLAN 2030 GOALS AND TARGETS

	Target 2030	Progress	Status
GOAL 2030 Goal 1: Corruption-free operations	Zero corruption 0 proven case of corruption and bribery	0 proven case of corruption and bribery	●
	Assessment at operations for corruption risks 0 non-compliance	0 non-compliance from assessment carried out	●
	Learning and development programme on anti-bribery and corruption for all employees 100% competency score	82% average competency score based on ABMS refresher programme	●
GOAL 2030 Goal 2: Transparent and impactful disclosures	Attain "guided by" status with Global Reporting Initiative (GRI) and other relevant benchmarks	Established the gap closure plan 81 out of 91 applicable topics have been disclosed in 2024, improving from 68 in 2023	●

● On Track ● Progressing

100% executives and managers participated and achieved **100% score** in Risk Awareness Assessment (RAA) 2024



<p>50% Board members are women directors</p>	<p>100% INEDs in board meets nine-year tenure limit</p>	<p>95% employees received anti-corruption awareness and refresher sessions in 2024</p>	<p>100% operations conducted Corruption Risk Assessment</p>
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Zero Cyber Security and Data Privacy Breaches in 2024



OUR OUTLOOK

KLCCP Stapled Group remains dedicated to maintaining the highest standards of governance, integrity and business ethics. We will continue to reinforce our anti-bribery and corruption measures, ensuring compliance with both local and international regulations, while fostering a strong culture of ethical conduct across the Group.

Our efforts to strengthen risk management and crisis preparedness will persist, with tools like myRisk helping us to manage emerging risks and ensuring business continuity. Board diversity and inclusivity will remain key, further enhancing governance and sustainability leadership.

In cyber security and data privacy, we will maintain our commitment to safeguarding sensitive information by continuously improving our digital infrastructure, enhancing threat detection, and refining our risk management strategies to ensure long-term operational resilience.

