



Other Businesses



PETRONAS' non-core businesses made remarkable progress in 2022, delivering strong results that contributed to the company's overall financial performance.

At MISC, the company has been busy developing new income streams in renewable energy and waste-to-value solutions. MISC secured over USD1.1 billion in long term contracts, expanded its supplier base and successfully raised USD1.0 billion in funding under the USD3.0 billion Global Medium Term Notes programme. With new maritime regulations pushing for global decarbonisation, MISC responded by investing in green asset classes like dual-fuel and low-carbon emission vessels, positioning themselves as a key player in the Green Economy.

KLCCP Stapled Group saw a sustainable recovery with an impressive 9.5 per cent increase in retail sales and new tenants joining the fold. Our retail, Suria KLCC and the retail podium of Menara 3 PETRONAS recorded its highest tenant sales, almost doubled last year's and even surpassed pre-COVID levels in 2019 by 9.5 per cent. KLCCP Stapled Group's Mandarin Oriental, Kuala Lumpur tripled its occupancy levels, signalling a promising future for the business. KLCC Group as a whole also achieved a commendable 119 out of 169 sustainability targets, showcasing its commitment to a better future.



Property

KLCCP Stapled Group, comprising KLCC Property Holdings Berhad and KLCC REIT, constituting 32 per cent of the Malaysian REIT industry, is a subsidiary of PETRONAS that owns and manages top-quality assets. KLCCP Stapled Group's iconic and high quality assets generate additional revenue streams for PETRONAS and help diversify its business portfolio beyond oil and gas. KLCCP Stapled Group is also charting the course towards sustainability, moving its properties in alignment with PETRONAS' NZCE 2050 Pathway.

Sustainability Highlights

Our Sustainability Framework

| UN2030 Agenda Critical Dimensions | KLCCP Stapled Group Material Sustainability Matters | Four Sustainability Lenses |
|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| Prosperity | <ul style="list-style-type: none"> Financial Sustainability Customer and Talent Management Corporate Social Responsibility Supply Chain Management | Continued Value Creation |
| Planet | <ul style="list-style-type: none"> Climate Change and Energy Management Environment Management | Safeguard the Environment |
| People | <ul style="list-style-type: none"> Health, Safety and Security Human Capital Development Human Rights Labour Standard and Practices | Positive Social Impact |
| Peace | <ul style="list-style-type: none"> Business Ethics Corporate Governance Cyber Security and Data privacy | Responsible Governance |

5-Year Sustainability Roadmap (2019-2023)

Building a Smart, Safe and Sustainable KLCC Precinct

Building an Agile, Inclusive, and Sustainable Workforce

Combating Climate Change and Reducing Environmental Impact

Prioritised 5 SDGs:



Our Contribution to the UN Sustainable Development Goals in 2022

- Released our first UNGC Communication on Progress (CoP) to show our endorsement of the 10 UNGC Principles on Human Rights, Labour, Environment and Anti-Corruption
- Our achievement in 2022 supported 9 UNSDGs and 15 SDG Targets



Business Review

Sustainability Achievements 2022

| Planet | People | Peace | Prosperity |
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| <ul style="list-style-type: none"> Green Building Index (GBI) Malaysia certification for Twin Towers (Gold) and Menara 3 (Silver) 37 per cent reduction in GHG emissions (from 2015 base year) 52 per cent hotel waste were diverted from landfill 30 per cent reduction in water consumption (from 2015 base year) 100 per cent elimination of Single-Use Plastics from Mandarin Oriental, Kuala Lumpur KLCC is the largest EV hub in Malaysia (57 charging points) Refined our GHG emission data based on the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (2004) | <ul style="list-style-type: none"> Spent RM16.4 million on employee learning and development Zero fatalities since 2015 Introduced #YouMatter to destigmatise mental health Enhanced employee benefits, progression criteria, succession planning and high performance talent pool Upgraded the Integrated Security Operations Centre (ISOC) as the central nerve, supported by New Security Operating Model (NSOM). Installed facial recognition services for improved security and contactless access at the Twin Towers | <ul style="list-style-type: none"> Submitted our first Communication on Progress (CoP) to the UNGC. Zero bribery and corruption cases. Achieved 42 per cent women composition on the Board, 41 per cent women in senior management and 38 per cent of total workforce. Achieved ISO37001:2016: Anti Bribery Management System Standards for three companies. Strengthened cyber security via the Enterprise Cyber Security Governance Framework. | <ul style="list-style-type: none"> Out of our RM1.4 billion revenue, RM17.0 million was distributed to communities while RM15 million went to our rental assistance for tenants. Practised ethical and transparent procurement and supply chain practices. Built trust and loyalty with customers and tenants. |

Outlook

We will continue to drive sustainable growth by focusing on:

- Attractive tenancy terms and incentives to attract tenants whilst continuing to drive stable growth in offices.
- Innovative marketing programmes to bring more quality traffic into the mall to drive sales for its retail partners.
- World-class hospitality services to enhance our brand, capitalise on tourism returns and gain a competitive edge.
- Charting an NZCE 2050 Pathway with a 25 per cent reduction target by 2030 and Task Force on Climate Related Financial Disclosures (TCFD) assessment in 2023.

Our aim is to become a solutions partner for a sustainable future.