
SUNWAY[®]
REIT

SUSTAINABILITY POLICY

COMMITTED TO
SUSTAINABLE DEVELOPMENT GOALS



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1. SUNWAY REIT SUSTAINABILITY POLICY

- 1.1. The Board of Director of Sunway REIT Management Sdn. Bhd (“BOD”) has the authority to design, assess and revise the sustainability strategies, and specifically to approve and update the corporate policies, which contain the guidelines governing the conduct of Sunway REIT Management Sdn Bhd (“Manager”) and of the entities belonging to Sunway Real Estate Investment Trust (“Trust”) (Manager and Trust to be collectively referred to as “Sunway REIT”).
- 1.2. The policies and rules that make up the Sustainability Agenda are intended to ensure the alignment of all conducts of Sunway REIT with its purpose, as well as with the commitment of Sunway REIT to the United Nation Sustainable Development Goals (“UNSDGs”) approved by the United Nations.

2. PURPOSE

- 2.1. The Sustainability Policy (“Policy”) lays down the general principles and structures the foundations which govern the sustainability strategy of Sunway REIT to ensure that all asset management activities are carried out to foster sustainable value creation to its shareholders and stakeholders, and equitably compensate all Business Unit Management Team (“BUMT”) that contribute to the success of its business enterprise, promoting the values of sustainability, integration and dynamism, favouring the achievement of the SDGs and rejecting actions that contravene or hinder them.

3. SCOPE

- 3.1. This Policy applies to Sunway REIT, and the Manager endeavours to ensure that the BUMTs, which are parties managing the assets owned by the Trust, are aligned with this Policy such that they adhere to principles and guidelines that are consistent with those established in this Policy and in the environmental, social and corporate governance; and regulatory compliance policies in further development thereof.
- 3.2. The sustainability strategy revolves around 4 main goals:
 - Transforming our portfolios to low carbon assets;
 - Advocating a responsible value chain;
 - Investing a community inclusivity; and
 - Respecting ethical principles

3.3. The general principles and foundations set forth in this Policy are further developed and specified in specific environmental, social and corporate governance and regulatory compliance policies that address certain needs and expectations of the stakeholders of Sunway REIT.

4. POLICY STATEMENT

4.1. Sunway REIT aspires to continuously grow the assets within the portfolio from a broad and long-term perspective – to conduct a profitable and sound business today without compromising the opportunities in the future. Sunway REIT strives to serve as a good corporate citizen, which not only takes responsibility for its asset management activities, but also its impact on people, the environment and society.

4.2. Sunway REIT's sustainability initiatives are guided by three core pillars', which encompasses:

- **BUSINESS SUSTAINABILITY:**
Striving to achieve a stable and sustainable distributable income to unitholders by maintaining high level of integrity and adherence to ethical business practice.
- **SOCIAL SUSTAINABILITY:**
Contributing to improved social progress within the geographies we are operating.
- **ENVIRONMENTAL SUSTAINABILITY:**
Protecting the environment by actively striving to reduce environmental impacts as well as optimising the resources we use.

4.3. Sunway REIT has strong fundamentals in the three pillars described within this Policy.

4.4. To understand how operations affect the ongoing business environment and the expectations on the business, Sunway REIT endeavours to maintain a structured and active engagement with stakeholders to identify, analyse and manage their expectations, and also recognise risks and opportunities that exist in the operations. The findings of these engagements are presented to the Board Sustainability Committee ("BSC")

5. BUSINESS RESPONSIBILITY

5.1. Approach

- Sunway REIT aspires to deliver sustainable income distribution over medium to long term horizon supported by sustainable and ethical best business practices while also ensuring the portfolio under management provides a competitive, professional and value-adding service delivery based on continuous operational improvements.

5.2. Principles

- The business scope of Sunway REIT, directly or indirectly, where the operations are undertaken by the BUMTs shall focus on the following principles:
 - Professional operation, delivering value-adding and innovative solutions based on customer's standards of functionality, finances and reliability.
 - Perform duties professionally and in accordance with laws, regulations and industry best practice, and actively endeavour to minimize the consequences of potential disruptions through systematic business continuity plan.
 - Enhance customers' value by continuously developing, improving and adapting to changes in market expectation.
 - Committed to peace, justice and strong institutions which align to UNSDG 16 by adopting best practices through numerous robust policies and programmes
- All Sunway REIT's operations shall comply with best business practice, as stated in Malaysian Code on Corporate Governance (MCCG) 2021, the Securities Commission's Guidelines for Listed REIT and Bursa Malaysia's Main Market Listing Requirements (MMLR).
- In an effort to promote transparency and comparability in its financial reporting, The BOD ensures its financial statements are prepared in accordance with the applicable Malaysian Financial Reporting Standards, the International Financial Reporting Standards, the provisions of the deed dated 20 May 2010, a supplemental deed dated 10 June 2010 and an amended and restated deed dated 18 September 2018 entered into between the Manager and RHB Trustees Berhad, the Securities Commission's Guidelines on Listed Real Estate Investment Trusts, and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- In preparing the financial statements, the BOD has also:
 - adopted appropriate accounting policies and applied them consistently;
 - made judgments and estimates that are reasonable and prudent; and
 - prepared the financial statements on a going concern basis.

6. SOCIAL RESPONSIBILITY

6.1. Approach

Sunway REIT Real Estate Investment Trust (“Trust”)

- The Trust strives to contribute to a more equitable community by ensuring ownership and management of assets do not negatively impact but instead, contribute to the community within their vicinity.

Sunway REIT Management Sdn Bhd (“the Manager”)

- The Manager strives to be a responsible and respectable employer while embracing inclusivity and diversity in order to provide a conducive workplace culture.
- This will be achieved through inclusive practice of human rights and provide all employees with a conducive, safe, fair, non-discriminatory work environment. In addition, the Manager invests in human capital development and cultivating a culture that attracts and retain talents as one of the key priorities. We are committed to local community engagements through numerous involvements to support and enrich the communities for greater wellbeing.
- The Manager complies with the United Nations Global Compact and the Universal Declaration of Human Rights. Occupational health and safety as well as management and employee development shall be one of the key priorities, where applicable.

6.2. Principles

- Within the social pillar, the Manager focuses on the following:
 - Commit to promote the well-being of employees while seeking to achieve a good work-life balance.
 - Nurtures inclusivity, diversity, equality and the professional development of our employees.
 - Performs all employees’ yearly appraisals, and provide developmental opportunities through training and professional development programs to improve employees’ competence.
 - Provide all employees with fair and equitable market remuneration and benefits.
 - Provide its employees and external workers (whenever applicable), a safe and conducive working environment while pursuing a clear vision of zero workplace accident by ensuring stringent health and safety management policies and standards in all the properties under management.

- Ensuring proper and adequate protection of personal data within our control in compliance with the Personal Data Protection Act 2010 (PDPA).
- Contributes to social progress through active community involvement.

7. ENVIRONMENTAL RESPONSIBILITY

7.1. Approach

- Sunway REIT's environmental responsibility is to protect the environment by actively endeavouring to reduce environmental impact from our value chain, as well as to use resources more efficiently.
- To achieve this, Sunway REIT aims to improve environmental performance by seeking avenues to reduce our carbon emissions through better energy management, responsible waste management and efficient resource management.

7.2. Principles

- Within the environmental pillar, Sunway REIT focuses on the following:
 - Endeavours to minimise its environmental impact through procurement practices that advocate responsible sourcing where we select partners who uphold high standards in environmental management to ensure sustainable supply chain.
 - Conducts structured and proactive internal environmental management practices.
 - Proactively minimise the environmental impact arising from its operations – as well as for purchased goods and/or services. Sunway REIT hopes to achieve this by endeavouring to minimise our environmental impact, not least in terms of CO2 emissions from transportation, energy consumption, waste management, chemical handling and resource efficiency.

8. THE GOVERNANCE OF OUR SUSTAINABILITY PRACTICES

8.1. Sunway REIT's sustainability governance is led by the BSC.

8.2. The BSC reviews, supervises and recommends to BOD on Sunway REIT's:

- Sustainability strategy and issues
- Key economic, social and governance (ESG) goals, targets and performance
- Progress and scorecard

8.3. To further strengthen the sustainability strategy, BSC is supported by the Sustainability Working Group ("SWG"). The functions of SWG include:

- Executive arm of the BSC

- Supports the BSC in making informed decisions to integrate Sunway REIT's sustainability strategies into business operations.
- Monitor Sunway REIT's compliance with sustainability guidelines and regulatory requirements.
- Monitor sustainability risks relevant to the Sunway REIT and recommend appropriate risk management approaches.
- Monitor and update BSC on the progress of sustainability projects.
- Preparation of the annual sustainability statement for inclusion in the Integrated Report.