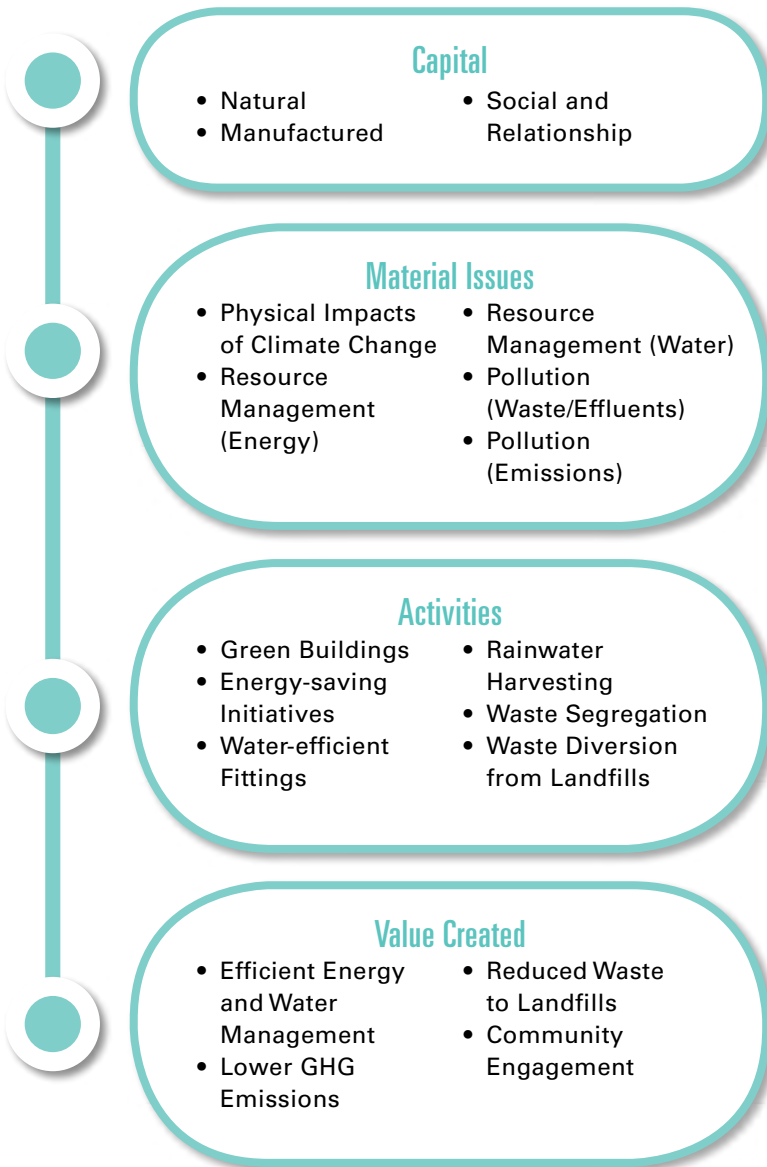


GOAL 1: TRANSFORMING OUR PORTFOLIOS TO LOW-CARBON ASSETS



The impacts of climate change are real, and they are fast affecting the world, especially developing countries. Climate change will not only impact our ecological systems and cause severe natural disasters, but will also affect our access to natural resources and impact industries and business operations, leading to financial losses and disrupted business growth.

CARBON EMISSIONS MANAGEMENT

GRI 3-3, 305-1, 305-2, 305-3, 305-4

In our effort to move towards a low-carbon economy, Sunway REIT is gradually shifting towards the use of renewable energy such as solar energy to reduce greenhouse gas (GHG) emissions. Through a strategic approach, we constantly review our targets against global standards and best practices to continuously improve our decarbonisation efficiency in all our operations.

As part of our decarbonisation effort, we continued to provide 14 charging stations for electric cars at Sunway Pyramid Shopping Mall. This is to encourage the use of electric vehicles that help decarbonise both transport and electric supply via reduced tailpipe emissions from vehicles. Our carbon emissions increased by 21,087 tonnes CO₂e from FY2020 to FP2021 due to the longer financial period in FP2021. However, our carbon emissions showed a reduction of 20,571 tonnes CO₂e from FY2020 to CY2021. This was due to current MCO in the country, however we have continuously increased our efforts to reduce emission by installing solar PV at our properties, diverting waste from landfills and practising sustainable purchase of goods and services.

Our GHG emissions intensity (Scope 1, 2 and 3) for FP2021 was 0.15 tonnes CO₂e/m²

For more information on CO₂e emissions Metrics & Targets, please refer to page 142.

GREEN BUILDINGS

GRI 203-1, 203-2, 302-4, 305-5

Green buildings are an important element in sustainable communities due to their positive impacts on the environment, the economy and society. Besides emitting lower carbon emissions, these buildings also use less water and increase property value. Incorporated with sustainable designs such as natural lighting and better ventilation, the buildings naturally promote greater health and well-being among their occupants.

Sunway REIT adapts to climate change by striving for green building standards in its properties. Currently, Sunway REIT has three green-certified buildings, which are The Pinnacle Sunway, Sunway Carnival Shopping Mall and Sunway Clio Hotel. As part of our journey towards low-carbon assets, we target to have more of our properties green-certified, including Sunway Putra Mall and Sunway Resort Hotel.

**GOAL 1:
TRANSFORMING OUR PORTFOLIOS
TO LOW-CARBON ASSETS**

THE PINNACLE SUNWAY

Built With Sustainable Designs

01 Reduced windows-to-wall ratio and the use of high-performance glazing as well as aluminium spandrel to reduce heat conduction

02 Selected glazing was used to reduce noise penetration

03 Air-Conditioning and Mechanical Ventilation (ACMV) systems are installed to ensure pre-cooled fresh air while carbon dioxide sensors are used to control the quality of the fresh air to ensure energy efficiency. A non-chemical water treatment system is used for the condenser water to allow optimum performance and maintenance to be carried out safely

04 All ceiling boards and partitions for tenanted areas are made with more than 30% recycled content while recycling bins are provided on every level

05 Digital sub-meters are used to monitor the energy performance of the building

06 The basement car park is mechanically ventilated and installed with carbon monoxide sensors to ensure the air is safe

07 All lifts are energy-efficient and are in hibernation mode during off-peak hours

08 The building is equipped with motion sensors and energy-efficient T5 and LED lighting

09 All adhesives, sealants and paints are low-Volatile Organic Compounds (VOC), which are safe for the environment and people

10 Stormwater is harvested from the tower roof and the surrounding area for irrigation and all toilets are fitted with water-efficient fittings

11 Water sub-meters are used to monitor water usage and detect leakages in the early stage

Sustainable Building Certifications Achieved:

01 Certified Grade A with Singapore's Building and Construction Authority (BCA) GreenMark Gold

02 Certified Malaysia's Green Building Index (GBI)

03 Accredited Multimedia Super Corridor (MSC)

Certified Green Buildings

1 Sunway Carnival Shopping Mall
GreenMark - Gold Plus (Provisional Cert)

2 Sunway Clio Hotel
GreenMark - Gold (Provisional Cert)
GBI - Certified (Provisional Cert)

3 The Pinnacle Sunway
GreenMark - Gold
GBI - Certified

Targeted Green Building Certifications

1 Sunway Putra Mall
Target GreenRE - Gold

2 Sunway Resort Hotel
Target GreenRE - Gold

3 Sunway Carnival Shopping Mall Expansion
Target GreenRE - Gold
Target GreenMark - Gold



The Pinnacle Sunway

GOAL 1: TRANSFORMING OUR PORTFOLIOS TO LOW-CARBON ASSETS

ENERGY MANAGEMENT

GRI 3-3, 302-1, 302-2, 302-3, 302-4, 302-5

At Sunway REIT, we are proactive in minimising our carbon footprint. Apart from implementing various initiatives to reduce our energy consumption, we monitor our energy intensity by setting an energy intensity target for each business segment and investing in renewable energy. Minimising energy consumption and ensuring optimised energy usage will help to lower our carbon emissions, thus allowing us to contribute to Malaysia's commitment to reducing GHG emissions by 45% by 2030.

Sunway REIT has invested in renewable energy as part of Sunway's long-term project to reduce fossil fuel consumption. In FP2021, 3,094 MWh of solar energy was generated from solar PV installed at Sunway Pyramid Shopping Mall, Sunway university & college campus and Sunway Medical Centre (Tower A & B). We target to have at least 25% of our electricity generated from renewable energy sources by 2030.



The overall energy consumption in CY2021 for all our business segments showed a decrease compared to FY2020's performance due to the MCOs. The consumption for FY2022 may change subject to the restriction or relaxation of business operation matters.

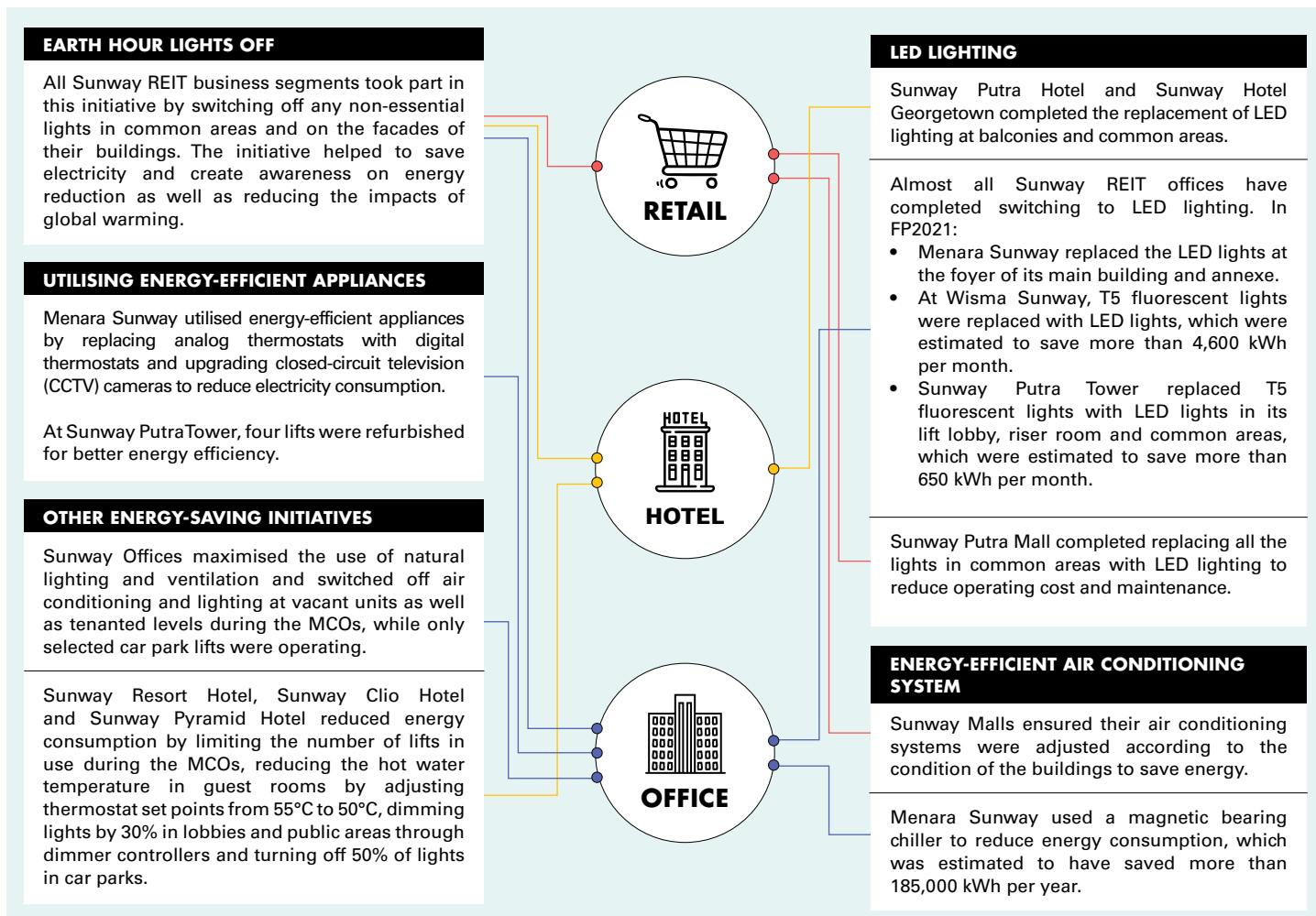
The BEI for office and retail segment decreased from lesser energy consumption likely due to the government's announcement of the MCO. The MCO has resulted in most offices and retail units being closed unless they were classified as essential services. On the contrary, the hotel segment showed a 1% increase in FP2021 from FY2016. The higher energy consumption could be due to renovation and upgrading works at certain hotels despite lower occupancy from MCO.

We continued implementing energy conservation initiatives, such as ensuring the use of energy-efficient appliances, replacing LED lighting and monitoring the use of air-conditioning systems. It is also our general practice to communicate energy-saving reminders to employees. As a result, we estimated a total savings of more than 11,000 MWh due to energy-efficient initiatives across all operations, which was equivalent to the energy used by 939 houses in a year.



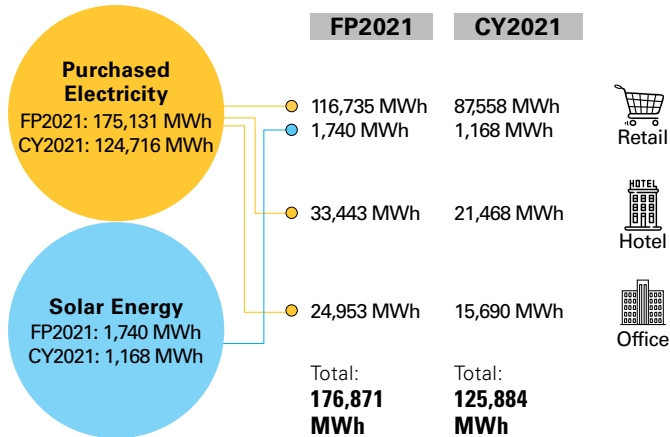
For more information on Sunway REIT's energy intensity targets, please refer to page 140.

WE REDUCE ENERGY CONSUMPTION THROUGH THESE EFFORTS

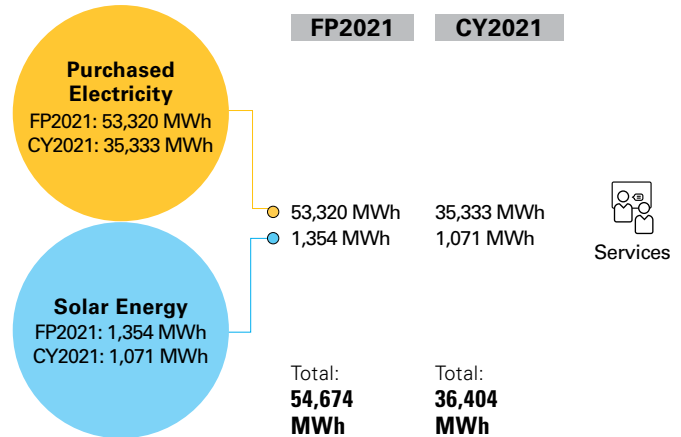


GOAL 1: TRANSFORMING OUR PORTFOLIOS TO LOW-CARBON ASSETS

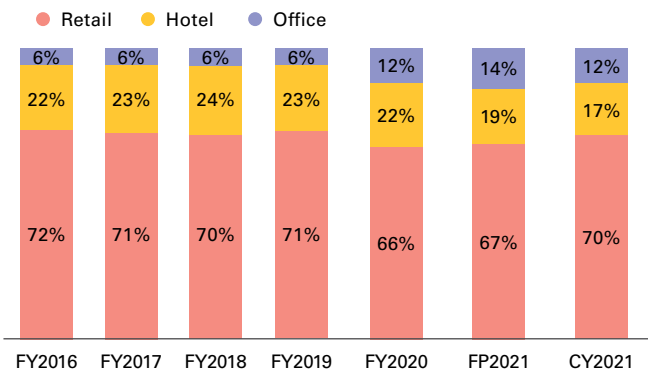
Managed Assets: Total Energy Consumption (MWh) by Business Segments in 2021



Leased Assets: Total Energy Consumption (MWh) by Business Segments in 2021

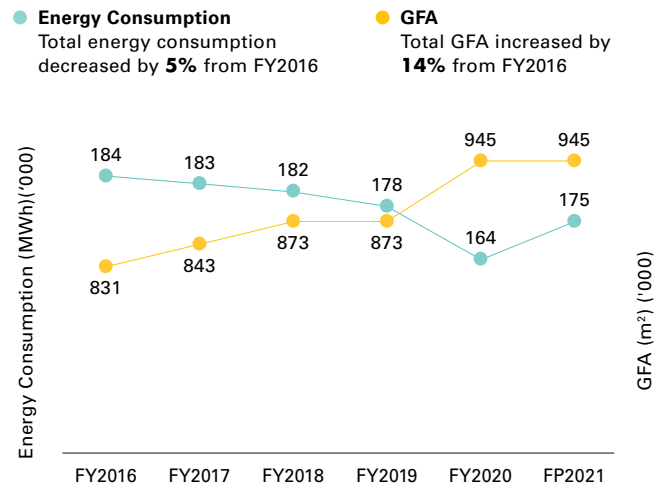


Managed Assets: Total Energy Consumption (%) by Business Segments

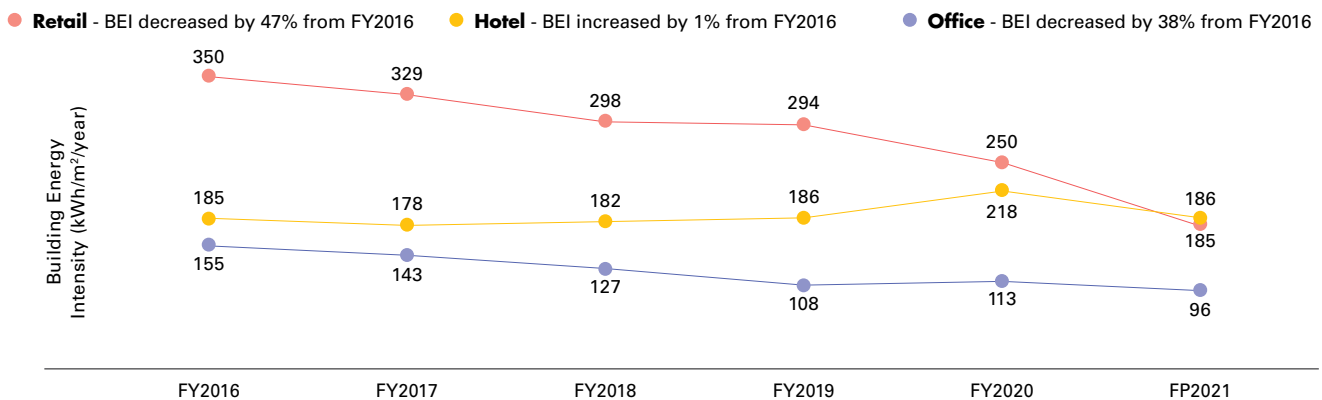


Notes:
 • FY refers to the financial year from July to June.
 • FP2021 refers to the financial period of 18 months from 1 July 2020 to 31 December 2021.
 • CY2021 refers to the calendar year from 1 January 2021 to 31 December 2021.

Managed Assets: Total Energy Consumption (MWh)('000) and Total Gross Floor Area (GFA)(m²)('000)



Managed Assets: Building Energy Intensity (kWh/m²/year)



Notes:
 1. Managed Assets include properties from Office, Retail and Hotel segments.
 2. Services segment includes Sunway university & college campus and Sunway Medical Centre (Tower A & B).
 3. Figures stated may not add up due to rounding of decimals.

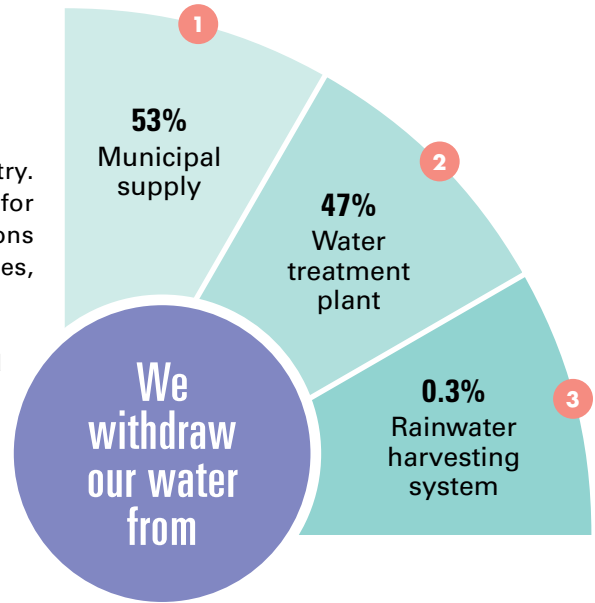
**GOAL 1:
TRANSFORMING OUR PORTFOLIOS
TO LOW-CARBON ASSETS**

WATER MANAGEMENT

GRI 3-3, 303-1, 303-2, 303-3, 303-4, 303-5, 307-1

Water is an essential natural resource for every community and industry. While Sunway REIT’s businesses are not water-intensive, water is vital for smooth daily operations in our Hotel and Retail segments. Any disruptions to our water supply will impact our tenants, hotel guests and our businesses, potentially exposing the Company to reputational and financial risks.

We are cognisant of our role in ensuring efficient water management and have taken a proactive approach in conserving the natural resource by embedding water-saving initiatives in our daily operations. We have also aligned our water management with Sunway Berhad’s Water Management Policy. We do not operate in water-stress areas and all our wastewater is discharged via the public wastewater management system.



The overall water consumption in CY2021 showed a decrease compared to FY2020 performance due to the current MCO. The water consumption for FY2022 may change subject to the restriction or relaxation of business operation matters. The water use intensity of all business segments decreased in FP2021 likely due to lesser water consumption during the MCO.

We continued to increase our efforts to reduce water consumption from the municipal potable water supply. We have reduced more than 1.16 million m³ of water consumption from the municipal potable water supply, which is equivalent to 464 Olympic-sized swimming pools.

WE CONSERVE WATER THROUGH THESE EFFORTS

Water Crisis SOPs

- 01** All Sunway REIT properties have established water crisis Standard Operating Procedures (SOPs) to address the issue of water disruption. The SOPs cover:
- Emergency planning to address a water disruption that occurs during business operation hours

Water-saving Initiatives

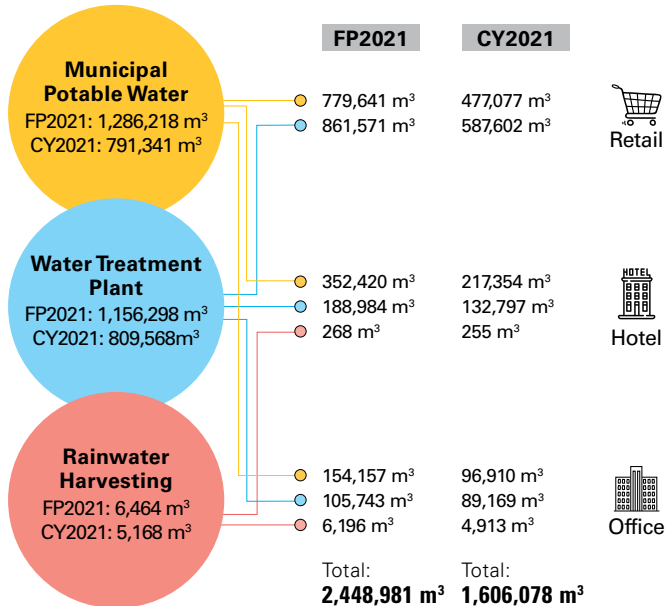
- 02** Installing water-efficient fittings such as sensor taps, new faucets and water-efficient taps

Alternative Water Sources

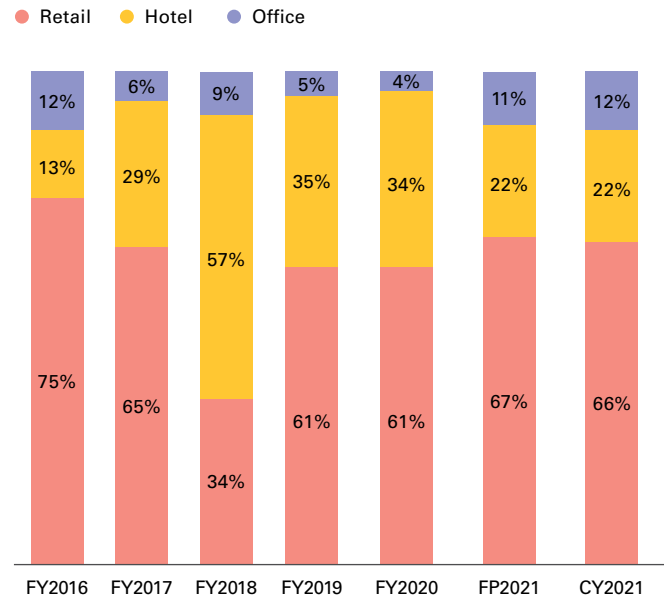
- 03** Apart from municipal potable water, we consume water from alternative water sources including:
- Lake water
 - Rainwater

GOAL 1: TRANSFORMING OUR PORTFOLIOS TO LOW-CARBON ASSETS

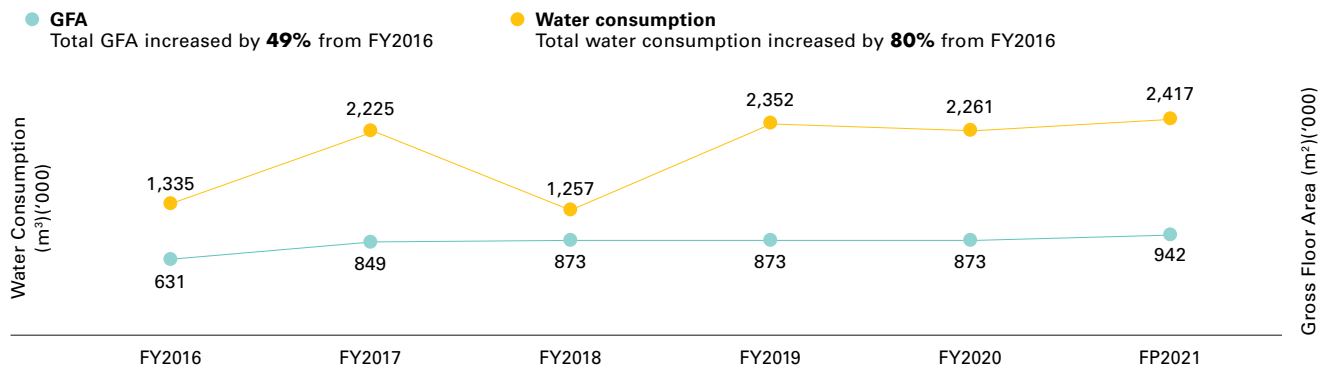
Managed Assets: Total Water Consumption (m³) by Business Segments in 2021



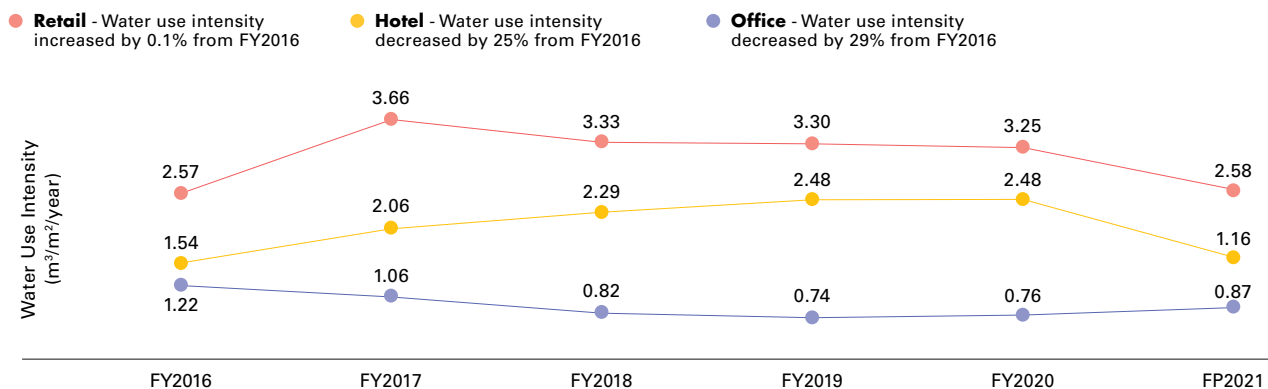
Managed Assets: Total Water Consumption (%) by Business Segments



Managed Assets: Total Water Consumption (m³)('000) and Total Gross Floor Area (GFA)(m²)('000)



Managed Assets: Water Use Intensity (m³/m²/year)



Notes: 1. Managed Assets include properties from Office, Retail and Hotel segments.
2. Figures stated may not add up due to rounding of decimals.

**GOAL 1:
TRANSFORMING OUR PORTFOLIOS
TO LOW-CARBON ASSETS**


WASTE MANAGEMENT

GRI 3-3, 306-1, 306-2, 306-3, 306-4, 306-5

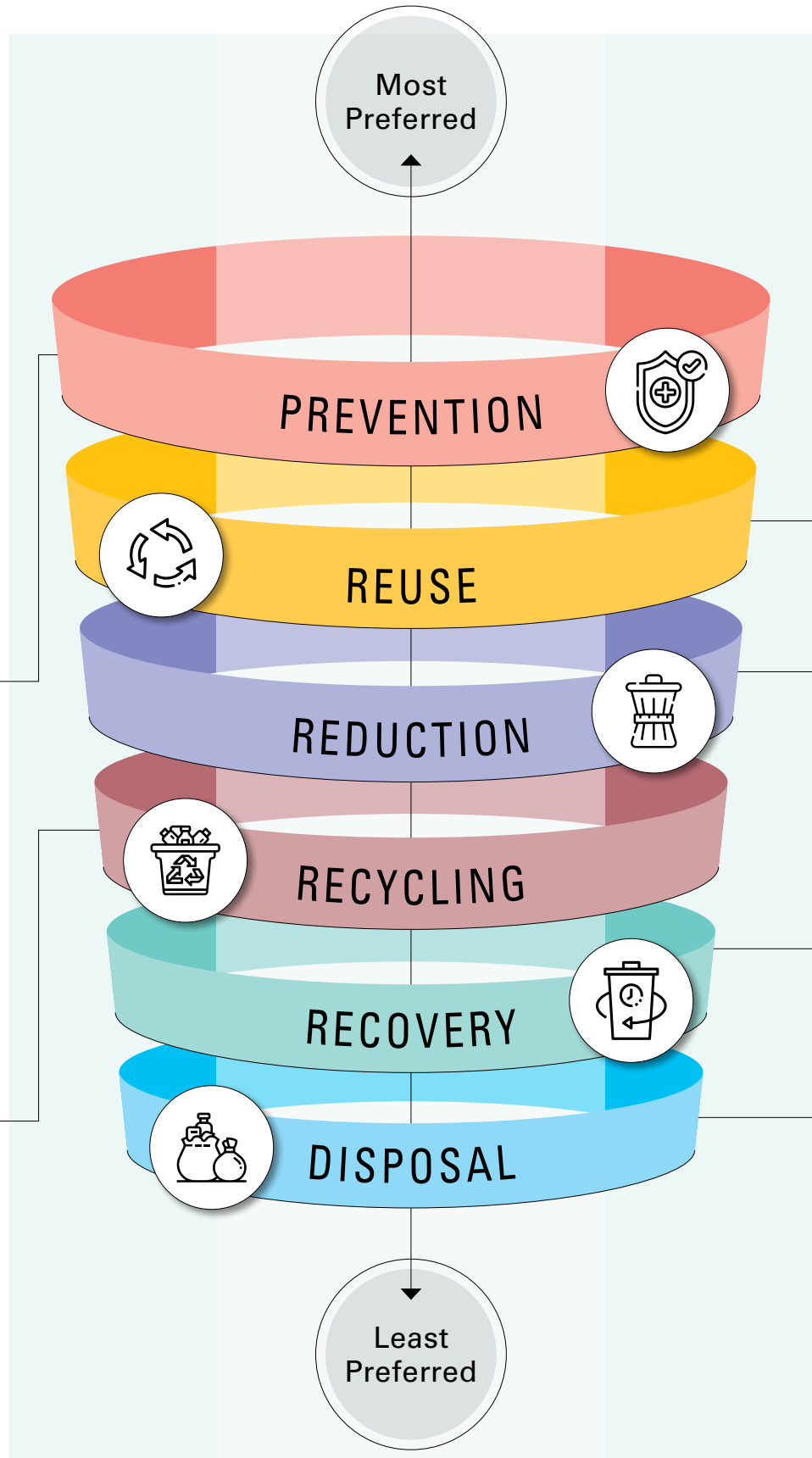
Proper waste management is imperative for the sustainability of our business operations and the communities in which we operate. Lack of proper waste management will lead to negative environmental and social impacts, which may affect our licence to operate and expose us to reputational and legal risks.

At Sunway REIT, our waste management is focused on the prevention and reduction of waste through a six-level waste management hierarchy. We also comply with all the necessary local regulatory rules and work closely with the local communities to reduce and reuse waste where possible. In FP2021, there were zero fines for non-compliance with environmental laws and regulations.

Since the launch of the Sunway Smart Parking System in 2019, the printing of 3.53 million parking tickets was avoided, which is equivalent to 282 kg of paper.

 For more information on the Sunway Smart Parking System, please refer to page 156.

- The Soapful project by Sunway Hotels is an initiative that was rolled out in 2018 to contribute to the communities in need. In FP2021, Sunway Hotels replaced the soap bars in their guest rooms with refillable bottled hair shampoo, shower gel and hand soap. The hotels collected and donated more than 100 kg of soap bars through this initiative to charitable organisations.
- Sunway Pyramid Shopping Mall has a recycling buy-back centre that encourages the public and tenants to drop off their recyclables.
- The Office segment started collecting e-waste in 2020 to encourage tenants and employees to recycle their old and broken digital devices.



GOAL 1: TRANSFORMING OUR PORTFOLIOS TO LOW-CARBON ASSETS

- During Sunway Resort Hotel's refurbishment, the hotel donated, transferred and sold its old furniture and fittings to charity homes, staff and other business segments, as well as to other Sunway hotels. The effort was part of the hotel's aim to divert waste from landfill and encourage the use of reusable items.
- All our business segments reuse the decorative items for festive seasons each year, thus minimising waste and resources.
- Sunway REIT contributes old clothes and fabrics to charitable organisations and to a non-governmental organisation, Kloth Cares Fabric Recycling Movement, which aims to save two million kilogrammes of unwanted fabrics from being sent to landfills. Kloth Cares bins are placed at selected Sunway malls and hotels for employees and shoppers to donate unwanted clothes and fabrics. In FP2021, Sunway Putra Mall rewarded its shoppers with Kloth Cares pouches for donating old clothes to Kloth Cares.

- Sunway Pyramid Hotel, Sunway Clio Hotel and Sunway Putra Hotel replaced single-use toiletries with refillable amenities as part of the initiative to remove single-use plastic.
- Sunway Malls placed notices in the toilets to remind shoppers to reduce water and paper consumption while Sunway Hotels displayed notices in guest rooms to remind guests to reuse their towels.

- Sunway Pyramid Shopping Mall collected food waste from tenants whereas Sunway Resort Hotel collected food waste from the kitchen to be composted.
- Sunway Resort Hotel, Sunway Clio Hotel, Sunway Pyramid Hotel and Sunway Putra Hotel sold used cooking oil to waste energy producer, FatHopes Energy.

Any waste that cannot be recycled or recovered is carefully disposed of in compliance with local environmental laws and regulations. Hazardous waste generated on-site is properly stored and transported to licensed facilities by authorised contractors.



Our total waste generated in CY2021 decreased compared to FY2020 due to lesser waste generated during the MCO. We managed to divert 6% of our waste from landfill in FP2021 as we continued to manage our waste based on the hierarchy.

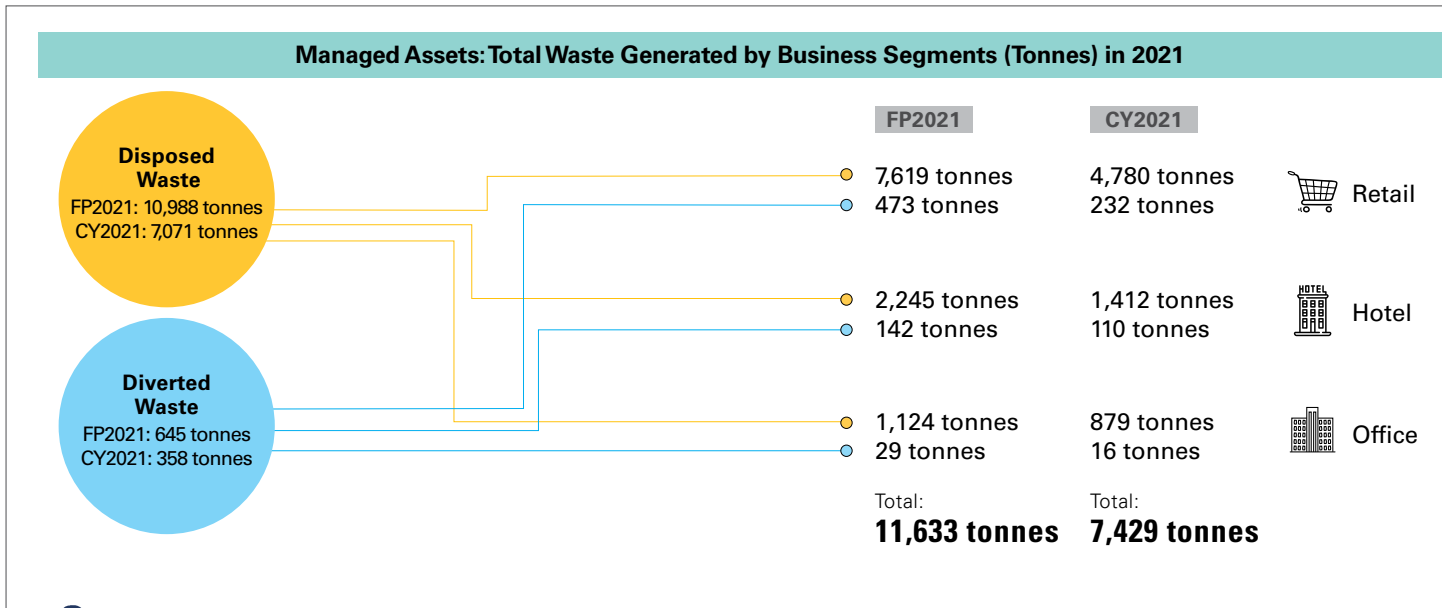


WORLD ENVIRONMENT DAY



In conjunction with World Environment Day 2021, an online talk was organised by Sunway Resort Hotel to share tips on reducing and composting food waste. Presented by the hotel's chef, together with Kechara Soup Kitchen and food waste specialist, MAEKO, the talk highlighted various ways to compost food, methods of handling leftover or expired food and some cooking tips on minimising waste and preserving the freshness of food. The talk attracted more than 100 viewers, including Sunway staff, through the digital platform, Microsoft Teams.

**GOAL 1:
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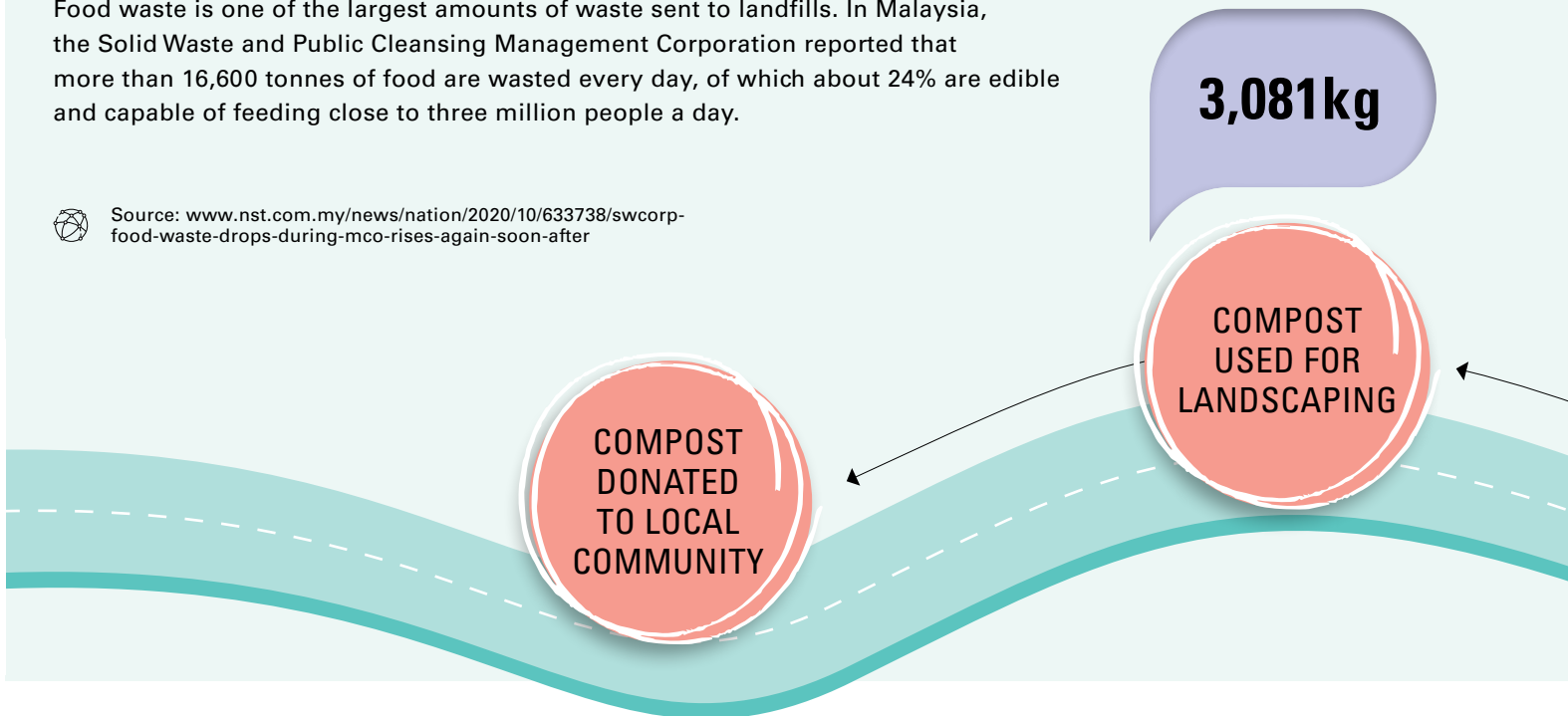


IMPACT STORY: SUNWAY REIT'S CIRCULAR ECONOMY

A circular economy takes place when the end-of-life of a product or a material is restored and turned into a useful resource that eliminates waste. Generating a circular economy will help to reduce waste and ultimately contribute to climate action.

Food waste is one of the largest amounts of waste sent to landfills. In Malaysia, the Solid Waste and Public Cleansing Management Corporation reported that more than 16,600 tonnes of food are wasted every day, of which about 24% are edible and capable of feeding close to three million people a day.

Source: www.nst.com.my/news/nation/2020/10/633738/swcorp-food-waste-drops-during-mco-rises-again-soon-after



**GOAL 1:
TRANSFORMING OUR PORTFOLIOS
TO LOW-CARBON ASSETS**

Breakdown of Waste Generated in FP2021

94%
Disposed Waste
10,988 tonnes

6%
Diverted Waste
645 tonnes

	Prevention	0.3 tonnes
	Reuse	69 tonnes
	Recycling	500 tonnes
	Recovery	75 tonnes

Amount of food waste collected
>60,000 kg

01 Sunway Pyramid Shopping Mall and Sunway Resort Hotel have each invested in a composting machine for the mall's tenants and the hotel's kitchens to compost their food waste.

Recognising food waste as one of the major problems that leads to waste, Sunway REIT has been actively converting food waste to energy or compost to reduce waste to landfills and generate a circular economy. Our circular economy starts with the collection of food waste from Sunway Pyramid Shopping Mall and Sunway Resort Hotel and used cooking oil from Sunway REIT hotels in Sunway City Kuala Lumpur.

To repurpose used cooking oil, Sunway REIT sells its used cooking oil to waste energy producer, FatHopes Energy. In FP2021 alone, more than 14,000 kg of used cooking oil was sold.

03 When the compost is produced, it is used as soil conditioner in Sunway City Kuala Lumpur's landscape to improve the quality of the soil. Some of the compost is also distributed to the local community and sold to a local landscaping company.

02

The collected food waste gets broken down in the composting machine, which is capable of decomposing all types of food.

Using controlled parameters, including temperature, agitation and airflow in an aerobic environment, the machine is able to convert all types of food into bio-organic compost within 24 hours. The food waste composting machine can reduce food waste volume by up to 80%.

