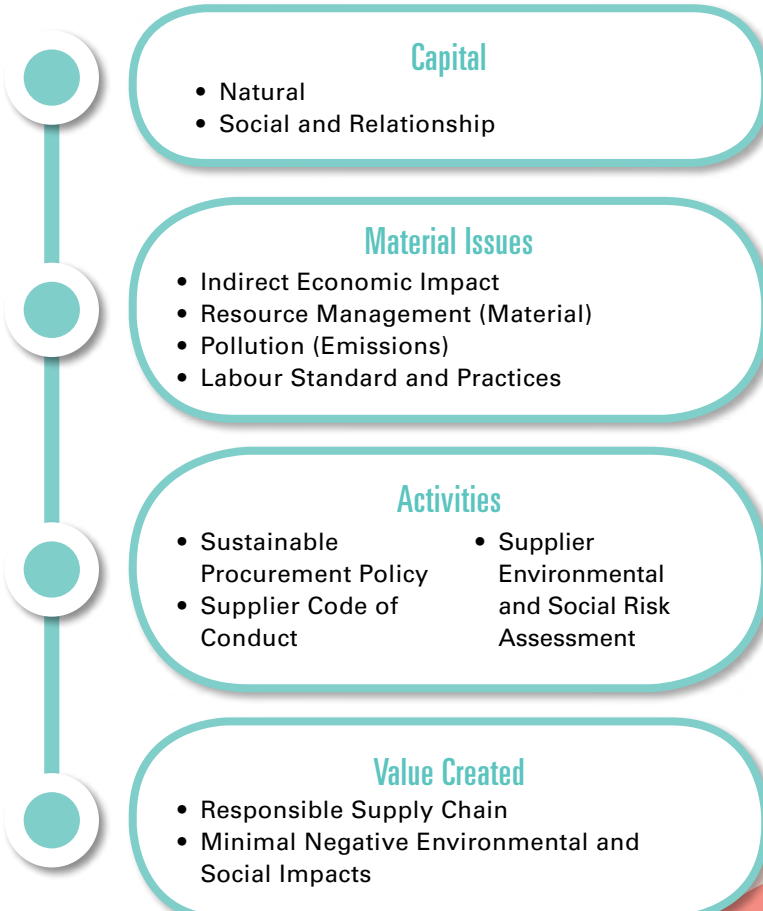


GOAL 2: ADVOCATING A RESPONSIBLE VALUE CHAIN



Capital

- Natural
- Social and Relationship

Material Issues

- Indirect Economic Impact
- Resource Management (Material)
- Pollution (Emissions)
- Labour Standard and Practices

Activities

- Sustainable Procurement Policy
- Supplier Code of Conduct
- Supplier Environmental and Social Risk Assessment

Value Created

- Responsible Supply Chain
- Minimal Negative Environmental and Social Impacts

EMBEDDING SUSTAINABILITY IN OUR VALUE CHAIN

GRI 2-6, 2-15, 2-30, 3-3, 204-1, 308-1, 308-2, 407-1, 408-1, 409-1, 414-1, 414-2

At Sunway REIT, responsible sourcing goes beyond appointing suppliers who demonstrate sustainability practices. Our approach is both external and internal, whereby we not only assess and guide our suppliers in ESG-compliance, but also provide sustainability training to our employees to ensure a robust and sustainable supply chain in our value creation journey.

In FP2021,

100%

Sunway REIT suppliers **completed the supplier environmental and social risk assessment** starting July 2021

To the Manager's knowledge, Sunway REIT suppliers **have not been identified to commit any non-compliance** in the areas assessed such as freedom of association and collective bargaining, child labour, or forced or compulsory labour

Sunway REIT's procurement budget was used for significant locations of operations, which included operations in Malaysia

Sunway REIT's staff from the Contract & Project department attended the **Sustainable Procurement Training**

Sunway REIT suppliers had **minimal negative environmental and social impacts** on the supply chain

In 2020, Sunway Berhad developed a Sustainable Procurement Policy to establish a best practice approach to sustainable procurement. This year, Sunway REIT adopted the policy and required all suppliers who completed the supplier registration forms to declare their current ESG practices via Supplier Environmental and Social Risk Assessment forms. The information provided was recorded and kept by all business segments. We introduced sustainable procurement best practices to our employees and suppliers. Our suppliers are able to refer to the Sustainable Procurement Policy as a guideline to benchmark their ESG practices against industry best practices. All Sunway REIT suppliers must comply with all relevant laws, regulations and standards, and any supplier found to have violated these will be removed from our supply chain.

GOAL 2: ADVOCATING A RESPONSIBLE VALUE CHAIN

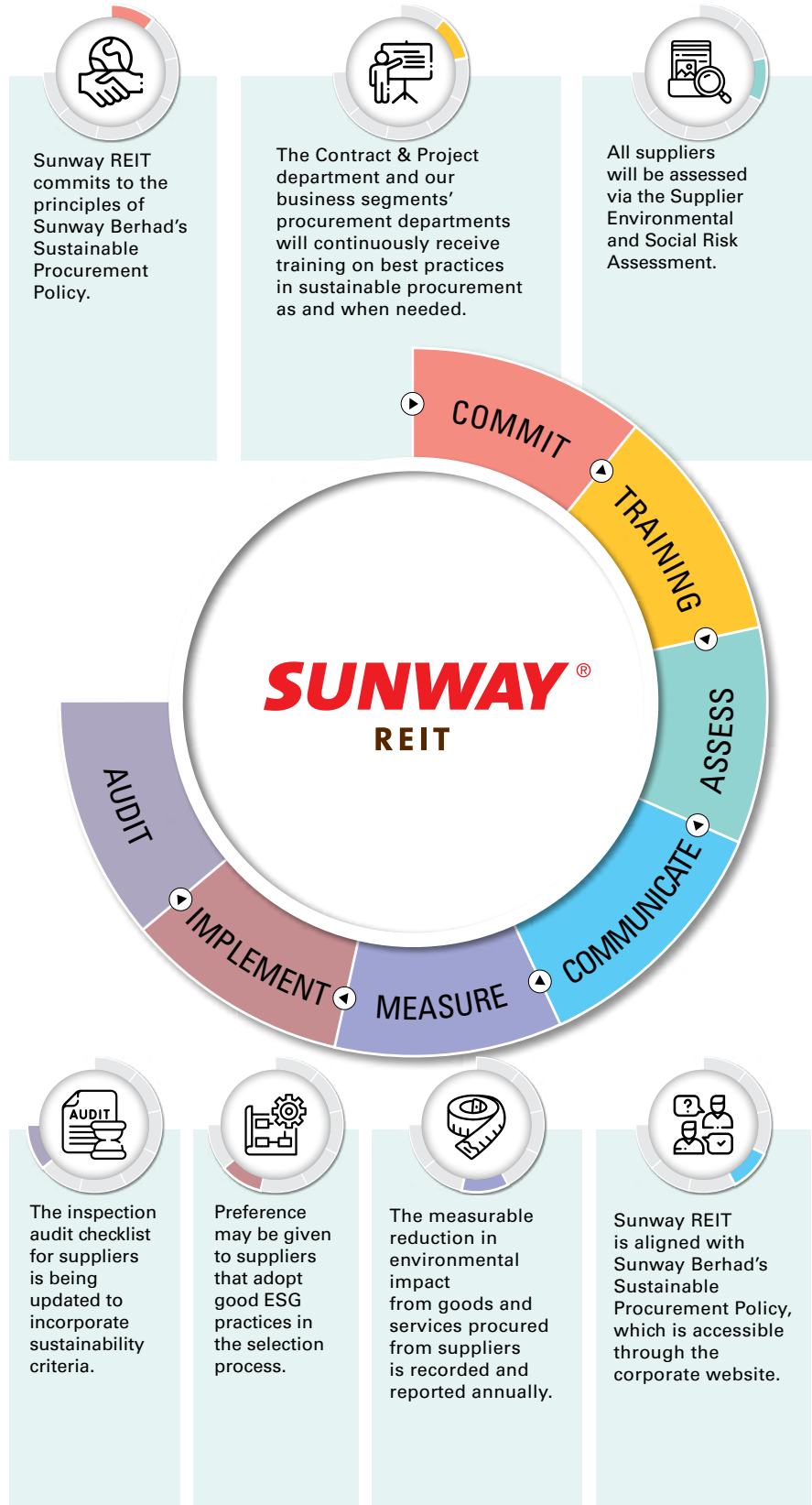
Our suppliers are given equal access to purchasing opportunities via credibility screening, which involves a tendering and bidding process that is done both online and offline, guided by transparent procurement policies and practices. They are also required to:

RULES

- 1 Comply with Sunway REIT's Supplier Code of Conduct and Sustainable Procurement Policy, which are adopted from Sunway Berhad, and Sunway's policies and procedures, including conflicts of interests, procurement relationships and Code of Conduct & Business Ethics.
- 2 Comply with all relevant ethical laws and regulations, including fair trade practices and intellectual property rights, as well as laws against bribery, kickbacks and fraud.
- 3 Observe all applicable labour and employment laws, ordinances, by-laws, rules, regulations or orders, and stipulations on how information is managed, monitored and reviewed.



SUSTAINABLE PROCUREMENT



**GOAL 2:
ADVOCATING A RESPONSIBLE
VALUE CHAIN**



IMPACT STORY: FOREST STEWARDSHIP COUNCIL (FSC) LEADERSHIP AWARD

Since gaining recognition from the Forest Stewardship Council (FSC) in 2019 as a leader in the Asia Pacific in promoting forest sustainability awareness and educating shoppers, Sunway Malls has continued to implement eco-friendly efforts.

Sunway Malls’ most notable effort is its commitment to providing toilet paper from FSC-managed forests and FSC-certified mills, which helps to safeguard the sustainable cycle of responsible harvesting and replanting to maintain the ecology of the forests. Its friendly notices, which are placed in every washroom to educate and remind shoppers to save the trees by reducing paper wastage, helped to save 35 million sheets of paper in 2021.

In September 2021, Sunway Malls and Sunway XFarms co-organised the FSC Friday 2021 Virtual Event with FSC. Themed “Save Our Forests. Save Our Climate”, the event covered topics on sustainable products

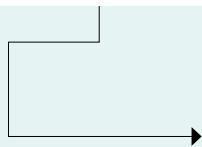
including sustainable wood crafting and sustainable paper sourcing and products. In addition, Sunway XFarms and Sunway Malls shared their experiences as FSC promotional licence holders with the 66 participants, who were also given a virtual tour of the Taman Tugu Forest.

Sunway XFarms’ participation as a co-organiser supported Sunway Malls’ advocacy of FSC’s aim of matching market supply and demand for sustainable products.

The event was also aligned with Sunway XFarms’ objective to scale and operate sustainable urban farms with pesticide-free produce that are close to consumers, thus reducing carbon footprint, food wastage and nutrition lost through complex food travel processes.



 For more information on Sunway XFarms, please visit www.sunwayxfarms.com/.



3,500 trees saved
due to reduction in paper consumption

IMPACT STORY: SUNWAY SMART PARKING SYSTEM

Sunway Malls has avoided printing 3.52 million parking tickets since the launch of the Sunway Smart Parking System in 2019, equivalent to avoiding 282 kg of parking tickets.

The system, which recognises car registration numbers, allows visitors, shoppers and tenants to enter and exit Sunway REIT properties within Sunway City Kuala Lumpur, including Sunway Pyramid Shopping Mall, Sunway Resort Hotel, The Pinnacle Sunway and Menara Sunway, without using paper tickets.

THE SUNWAY SMART PARKING SYSTEM WAS THE 1ST RUNNER-UP AT THE ANUGERAH INOVASI NEGERI SELANGOR (AINS) 2021.

AINS, which aims to cultivate creativity and innovation within Selangor, recognised the system as an innovation that enhanced Sunway’s parking system by enabling a ticketless and cashless experience. The Sunway Smart Parking System is Malaysia’s largest fully unified smart parking system with multiple cashless payment options.



The benefits of the Sunway Smart Parking System include:



Promoting paperless habit



Allowing a hassle-free experience for users



Reducing paper waste