

## ADVANCING SUSTAINABILITY IN SUNWAY REIT

Sustainability has been at the core of Sunway REIT long before sustainable development rose to its current prominence in Malaysia. Leading the organisation in its business strategy, goals, targets and operations; sustainability practices have been embedded in our value creation journey and supported by its sustainability framework in accordance with the 17 UN SDGs. In line with Sunway Berhad's vision of being Asia's model corporation in sustainable development, we at Sunway REIT strive to go beyond minimum regulatory compliance to contribute towards building a sustainable future for all.

Our aim is to create long-lasting positive impacts as we continue to adopt and adapt to change, bringing progress to people while protecting the planet. Taking into consideration the impacts of our actions on our stakeholders, we are always identifying opportunities, mitigating risks and engaging with stakeholders to identify their key concerns and meet their needs.

In 2021, we continued to create value in the areas of Environmental, Social and Governance (ESG) by strengthening our strategy, policies and frameworks and implementing robust initiatives and programmes.



### STRONGER GOVERNANCE

Focusing on Governance, we established a Sustainability Committee comprising Board Members, responsible for oversight and strategic management of sustainability matters in Sunway REIT, ensuring that our sustainability strategy, goals, targets and progress are aligned with Sunway Berhad's sustainability commitment. The Sustainability Committee is supported by a Sustainability Officer and a Sustainability Working Group (SWG) to embed sustainability considerations and practices in Sunway REIT's daily operations. This new sustainability governance led to various developments in our sustainability strategy, one of which included the 2030 Sustainability Goals and Targets, which we believe will lead us to realising the vision of building a sustainable future.

**GOAL 1:** Transforming our portfolios to low-carbon assets

**GOAL 2:** Advocating a responsible value chain

**GOAL 3:** Investing in community inclusivity

**GOAL 4:** Respecting ethical principles



For more information on Sunway REIT's 2030 Sustainability Goals and Targets, please refer to pages 140 and 141.



### BETTER CLIMATE ACTION

The year under review also saw us deepening our commitment to climate action by revealing a Net Zero Carbon Emissions by 2050 target. We also became an official supporter of the Task Force on Climate-Related Financial Disclosures (TCFD) and disclose our climate risks according to the recommendations of the TCFD. To this end, we appointed the Jeffrey Sachs Center on Sustainable Development (JSC) to conduct a Value at Risk (VaR) assessment of our properties to determine the physical risks and the transition risks. Further to that, we contributed to accelerating the transition to a low-carbon economy by being the first REIT in Malaysia to venture into a Sustainability-Linked Bond through a collaboration with a financial institution.



### BIGGER SOCIAL IMPACT

Our sustainability journey in 2021 was further enhanced by the various positive social impacts that we generated for both internal and external stakeholders. Internally, we established a **Sustainability Policy** and a **Donations, Sponsorships and Corporate Responsibility Policy** to guide the execution of sustainability as well as our commitment towards contributing to the communities. We also stepped up our occupational health and safety governance by forming an Occupational, Health, Safety and Environment (OHSE) Committee at the business segment level. As for the communities, we continued reaching out to the underprivileged and the marginalised to enrich and empower them through various programmes and initiatives. Our efforts included contributing to the battle against the COVID-19 pandemic by offering rental-free spaces as vaccination centres.

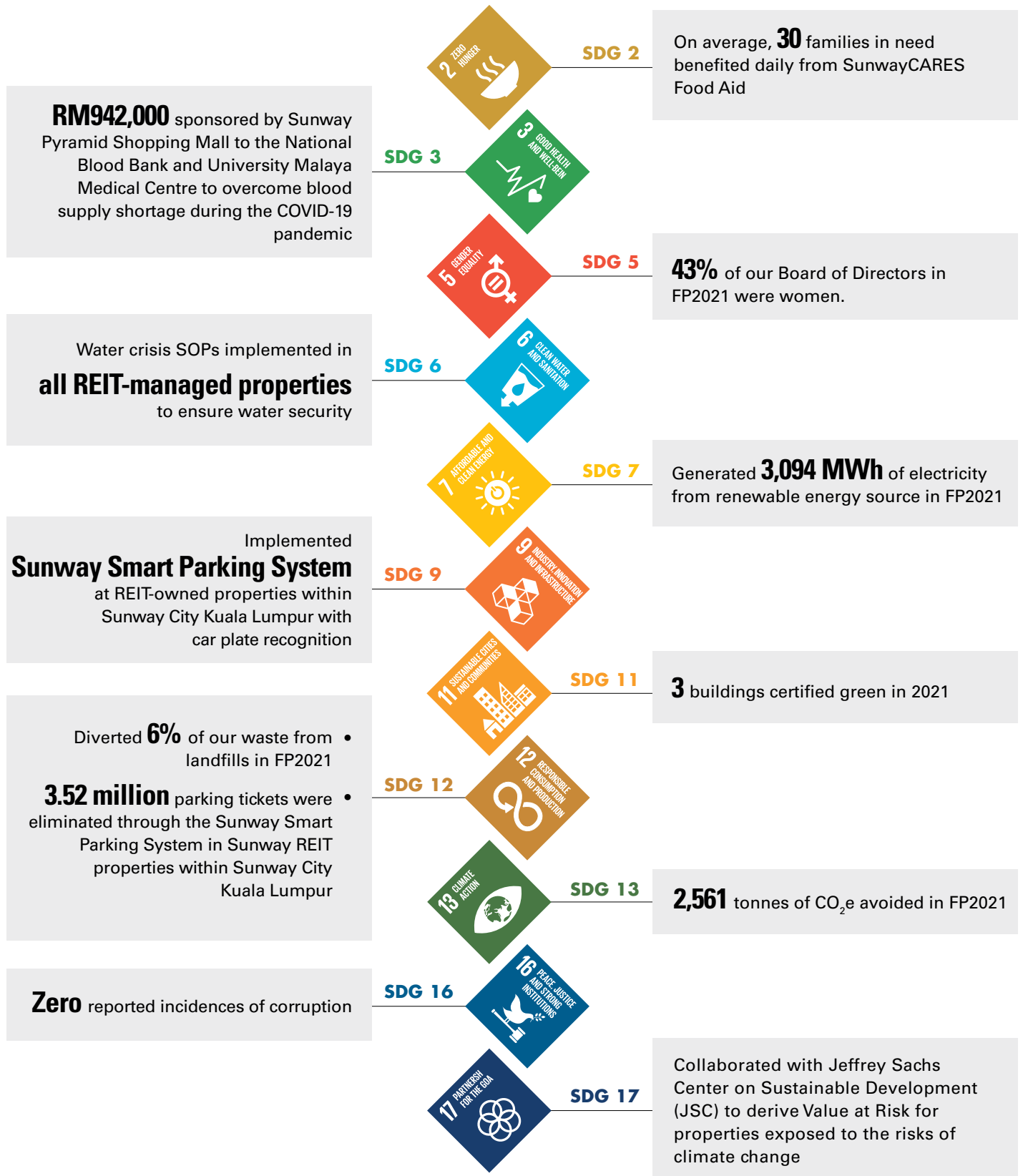
In the year under review, our innovative paperless parking system won the **ANUGERAH INOVASI NEGERI SELANGOR**



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

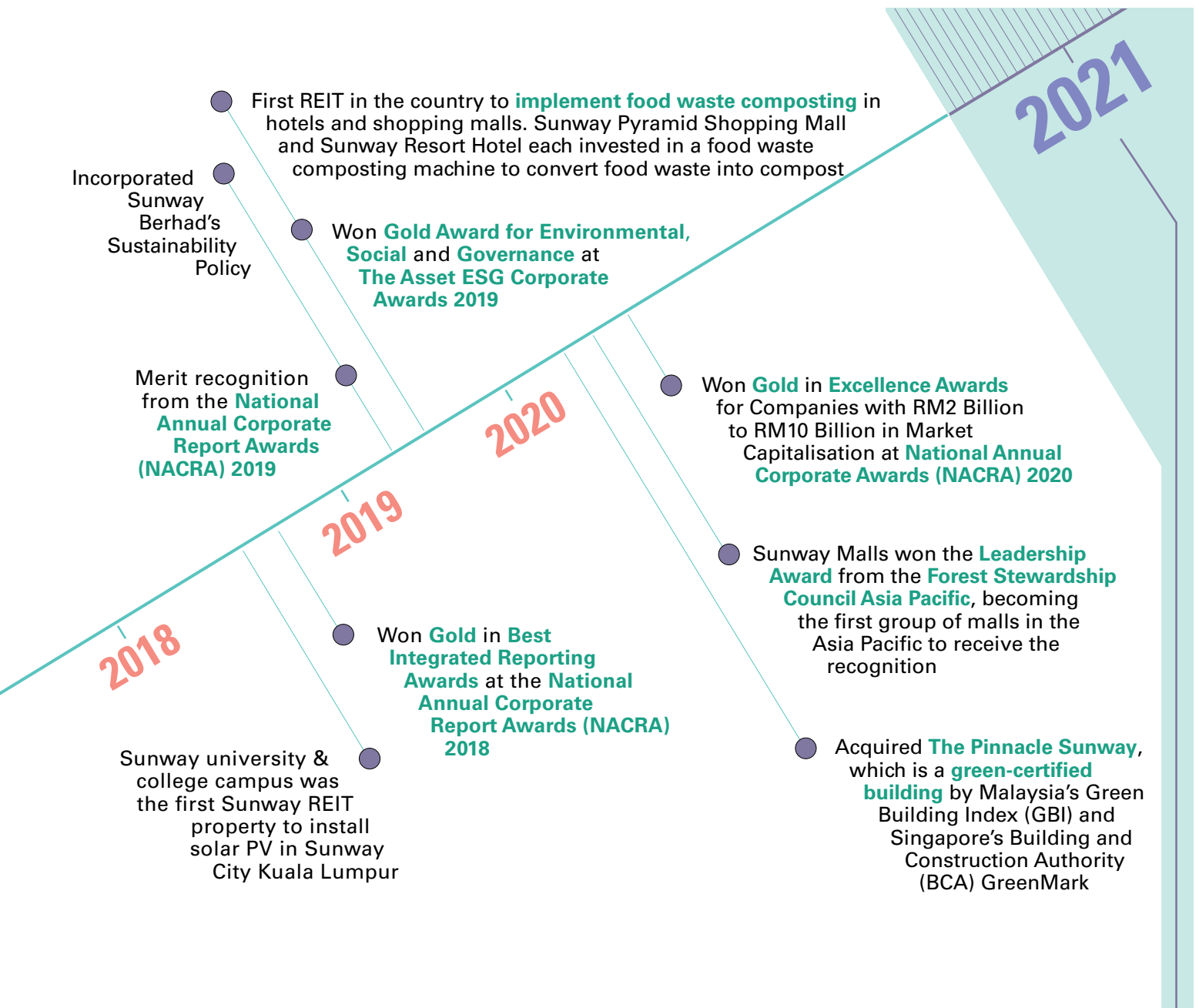
Going forward, we will place greater focus on governance to uphold good business ethics and integrity, which are fundamental to the long-term sustainability of the Company. We will also step up our climate action and further enhance our sustainability strategy and framework from time to time to continue to create value for all.

# UN SDGs SCORECARD



# SUSTAINABILITY JOURNEY





## MILESTONES IN 2021

- Constituent of:
  - FTSE4Good Bursa Malaysia Index for the 6<sup>th</sup> consecutive year
- Rated by:
  - Morgan Stanley Capital International (MSCI) ESG Ratings
  - S&P Global ESG Indices
- Official **supporter of the Task Force on Climate-Related Financial Disclosures (TCFD)**
- Aiming to achieve **Net Zero Carbon Emissions by 2050** and established **2030 Sustainability Goals and Targets**
- Established a **Sustainability Committee**
- Established a **Sustainability Policy**
- Replaced Charity Policy with **Donations, Sponsorships and Corporate Responsibility Policy**
- First Malaysian REIT** to venture into **sustainability-linked bonds** through a collaboration with a financial institution



# DETERMINING MATERIALITY

GRI 3-1, 3-2, 3-3

**Materiality assessments are integral in helping us to identify the sustainability issues that matter most to Sunway REIT and its stakeholders. We conduct a materiality assessment once every two years to understand our position, align with industry peers, meet stakeholder needs and address the risks and opportunities of the identified material issues. Assessing our material issues also enables us to engage with our stakeholders and better meet their needs.**

In 2021, we conducted an in-depth materiality assessment to assess the issues that will impact us and our stakeholders going forward. As part of the process, we conducted a focus group discussion with the Senior Management from assets managed and carried out an online survey for both internal and external stakeholders based on 18 identified material issues.

Our materiality assessment was conducted according to the following steps:

## STEP 1

### IDENTIFICATION OF OBJECTIVES AND SCOPE

We identified the objectives and scope of our materiality assessment.

#### STAKEHOLDER GROUPS:

##### Internal



Senior Management of Business Segments



Employees

##### External



Business Partners  
(Tenants and Lessees)



Investment Community  
(Unitholders, Analysts, Fund Managers)



Government, Local Authorities,  
Regulators and Industry Affiliations



Media



Communities  
(Mall Shoppers and Hotel Guests)



Suppliers and Contractors

## STEP 2

### IDENTIFICATION AND CATEGORISATION OF MATERIAL ISSUES

18 material issues were identified and categorised according to environmental, social and governance.

#### MATERIAL ISSUES:

1. Corporate Governance
2. Anti-Corruption
3. Risk and Crisis Management
4. Tax Transparency
5. Business Ethics
6. Indirect Economic Impact
7. Physical Impacts of Climate Change
8. Resource Management (Energy)
9. Resource Management (Water)
10. Resource Management (Materials)
11. Pollution (Waste/Effluents)
12. Pollution (Emissions)
13. Human Capital Development
14. Diversity and Inclusion
15. Labour Standard and Practices
16. Community Enrichment
17. Health and Safety
18. Customer Welfare

**STEP 3**
**STAKEHOLDER ENGAGEMENT THROUGH AN ONLINE SURVEY**

An online survey was conducted among internal and external stakeholders. In the first part of the survey, the respondents were asked to rate the significance of each material matter. In the subsequent part of the survey, the respondents were asked to provide their opinions on the importance of sustainability to Sunway REIT and on Sunway REIT's efforts in embedding sustainability in its business operations.

On the importance of sustainability to Sunway REIT, the stakeholders felt that sustainability enables the organisation to:

**01**

Enhance risk management

**02**

Promote innovation

**03**

Improve cost optimisation

**04**

Enhance brand value and reputation

**05**

Improve productivity

As for embedding sustainability in the business operations, in terms of governance, the stakeholders felt that it should continue to monitor its sustainability practices and improve on its ESG disclosures through measures such as training and having an information-sharing platform for the business segments.

In regard to environmental-related issues, the respondents suggested that Sunway REIT undertake environmental and climate change assessments, further advocate sustainability through its diverse business operations, raise awareness among the community and support environmental NGOs. They also suggested that Sunway REIT improve its green technologies and products to meet stakeholders' demands for more green products and services.

As for social-related issues, the stakeholders suggested that Sunway REIT set up a social community committee to address its social impacts such as supporting various NGOs and to also increase community engagement. There were also suggestions to promote awareness on social welfare and to increase the upskilling of employees.

Lastly, the results of the online survey were collated and plotted against the importance to business and to stakeholders in a materiality matrix, where the prioritised issues were shown in the top quadrant. The results were as follows:

**Customer Welfare**

Customer welfare refers to the individual benefits derived from the consumption of goods and services.

**Business Ethics**

Business ethics prepare companies to take pre-emptive actions on ESG-related matters.

**Anti-Corruption**

Corruption undermines human development, increases inequality and hinders national and local economies.

**Health and Safety**

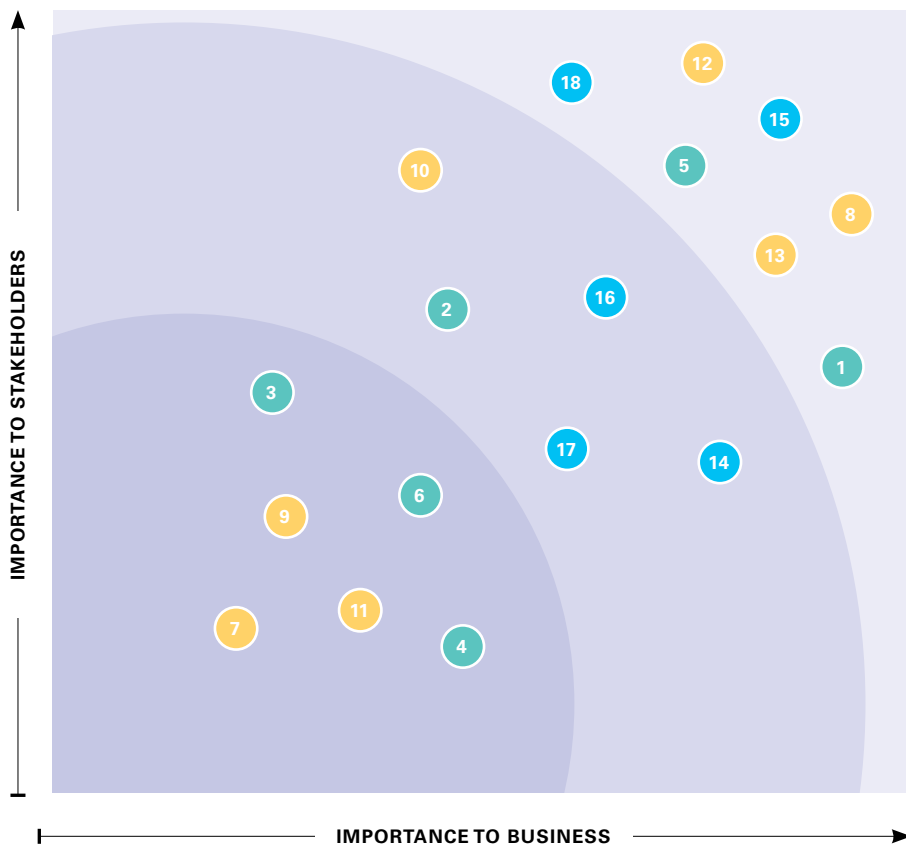
A safe and healthy workplace keeps workers safe, increases productivity and boosts employee morale.

A focus group discussion was held following the online survey.

## DETERMINING MATERIALITY

### STEP 4

#### OUR MATERIALITY MATRIX



#### MATERIAL ISSUES

##### ENVIRONMENTAL

1. Physical Impacts of Climate Change
2. Resource Management (Energy)
3. Resource Management (Water)
4. Resource Management (Materials)
5. Pollution (Waste/Effluents)
6. Pollution (Emissions)

##### SOCIAL

7. Indirect Economic Impact
8. Human Capital Development
9. Diversity and Inclusion
10. Labour Standard and Practices
11. Community Enrichment
12. Health and Safety
13. Customer Welfare

##### GOVERNANCE

14. Corporate Governance
15. Anti-Corruption
16. Risk and Crisis Management
17. Tax Transparency
18. Business Ethics

#### FOCUS GROUP DISCUSSION

At the focus group discussion, which comprised Senior Management from the different business segments, most of the participants opined that Corporate Governance, Business Ethics and Anti-Corruption were the fundamentals of good governance for any foundation, organisation or even a community. They agreed that the practice of good governance would naturally lead to efficient environmental management and social development. They also agreed that poor governance would expose Sunway REIT to various risks such as legal and reputational risks, which would eventually impact the business.

However, they felt that environmental issues such as Pollution (Waste/Effluents) should be prioritised, given the seriousness of the negative impacts of pollution. This material issue reflects Sunway REIT's commitment to reducing waste to landfill through initiatives such as investing in food composting machines and distributing compost to the local communities to promote a circular economy.

The group also agreed that Human Capital Development should be given priority to ensure a skilled and knowledgeable workforce for the sustainable growth of the organisation.

Overall, they believed that Sunway REIT should continue to embed sustainability in its business management and operations to ensure continuous value creation for the organisation and its stakeholders.

## DETERMINING MATERIALITY

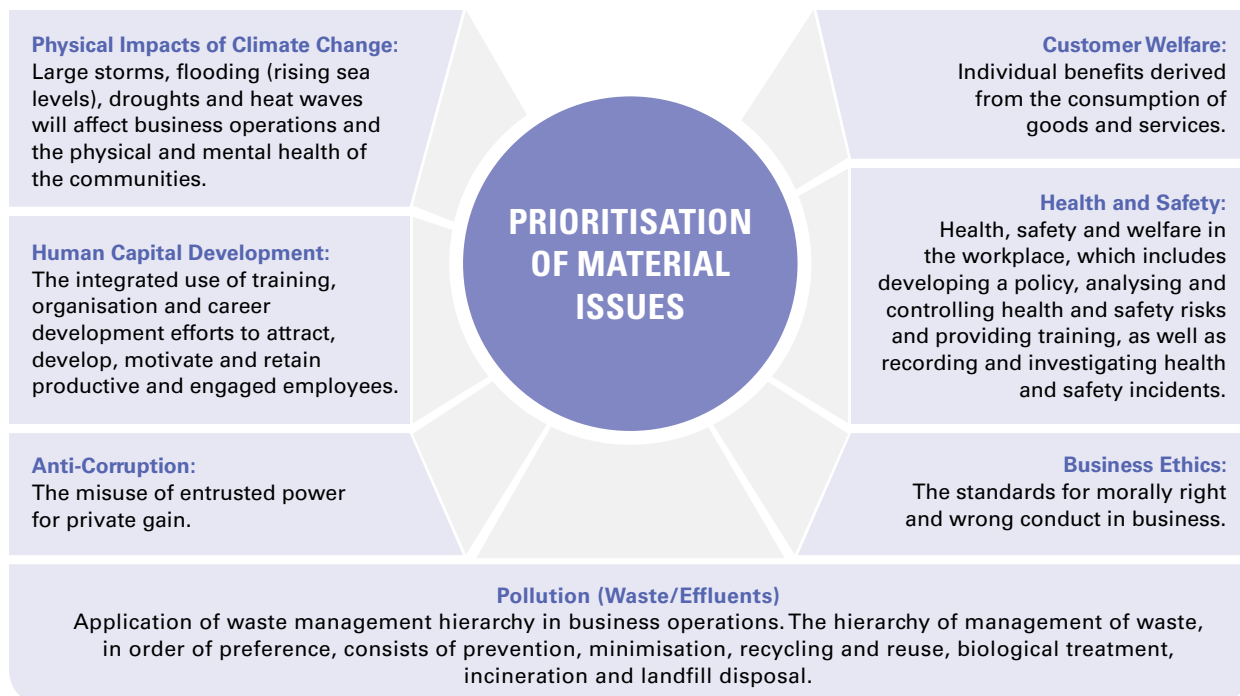
### PRIORITISATION OF MATERIAL ISSUES

As a result of the discussion, the focus group felt strongly that three material issues, Pollution (Waste/Effluents), Human Capital Development and Physical Impacts of Climate Change, needed to be prioritised, resulting in seven prioritised material issues.

Physical impacts of climate change such as increased rainfall intensity and frequency and

flooding are material to Sunway REIT because the damage to its assets is significant. Thus, Sunway REIT takes steps to conduct a Value at Risk\* (VAR) study on its properties to analyse the potential financial implications from these impacts and to take appropriate action to manage its risks.

The seven prioritised material issues stated below reflect Sunway REIT's commitment to sustainability:



Besides the seven prioritised issues, we are committed to the other 11 issues and take into consideration factors such as global megatrends, which will impact our business and stakeholders.

### STEP 5

#### ENDORSEMENT

The results of the materiality assessment were approved and endorsed by the Board of Directors.

- \* For more information on Sunway REIT's key risks and Value at Risk analysis, please refer to the following sections and pages:
1. Net Zero Carbon Emissions by 2050 on pages 142 and 143.
  2. Mitigating Our Risks on pages 124 to 131.



For more information on how the Manager engages with its stakeholders, please refer to Corporate Governance Overview Statement - Stakeholder Engagement section.

# SUSTAINABILITY SCORECARD - GOALS AND TARGETS

GRI 2-20, 2-22

## ACHIEVING NET ZERO CARBON EMISSIONS BY 2050

The negative effects of climate change have become more extreme in recent years, causing devastating natural disasters that threaten the lives and livelihoods of people. More recently, Malaysia was hit by one of the worst floods in decades and the amount of losses is still being counted at the time of reporting. As extreme weather events are expected to worsen, many countries including Malaysia have declared their support for the Paris Agreement, which calls for limiting global temperature rise to below 2.0°C compared to pre-industrial levels. In line with Malaysia's commitment, Sunway REIT aims to achieve Net Zero Carbon Emissions by 2050 to combat climate change through robust policies and strategies that are guided by globally recognised frameworks. This includes reporting our disclosures in accordance with the recommendations of the TCFD. Our efforts towards achieving net zero carbon emissions will be supported by a stronger strategy in the management of our organisation. Going forward into 2022, we will be integrating sustainability into Senior Management performance evaluations and

Key Performance Indicators (KPIs) that are linked to remuneration. This includes linking the remuneration for senior executives to climate change performance and ESG performance, such as their management of Sunway REIT's material sustainability risks and opportunities

### SUSTAINABILITY-LINKED BOND

In supporting national and global decarbonisation goals, Sunway REIT has established and issued its inaugural Sustainability-Linked Bond (SLB) under the existing unrated medium-term notes (MTNs) programme of SUNREIT Unrated Bond Berhad (SUB). SUB has mandated OCBC Bank (Malaysia) Berhad (OCBC) as the sustainability structuring coordinator of the medium-term notes.

OCBC was also tasked to review the alignment of Sunway REIT's overall sustainability agenda, encompassing its ESG initiatives, in accordance with sustainable financing principles developed by capital market regulators. In December 2021, SUB issued the first tranche of the SLB, which

features a pricing adjustment mechanism benchmarked against the achievement of the predetermined Sustainability Performance Targets (SPTs). The SPTs are measured against two selected Key Performance Indicators (KPIs), which are core, relevant and material to the business of Sunway REIT. The KPIs measure sustainability improvements of Sunway REIT in terms of renewable energy consumption and energy efficiency. The selected KPIs are:

- KPI 1: Annual Renewable Energy Generation (MWh) (primarily provided by existing rooftop solar photovoltaic (PV) system on Sunway university & college campus); and
- KPI 2: Building Energy Intensity (BEI) measured in terms of kWh/m<sup>2</sup>/year (the weighted average of Sunway Pyramid Shopping Mall, Sunway Carnival Shopping Mall and Sunway Putra Mall).

The success of the SLB issuance represents the next big step for Sunway REIT in integrating ESG practices at the heart of its financing strategy.

### Legend: Progress Tracking

● ● ● Progressing with delays, to review current approach

● ● ● Progressing but slightly behind target, to increase efforts

● ● ● Progressing well and on track to achieve targets by 2030

ENVIRONMENTAL			
Future Value Goals	2030 Targets	FP2021 Performance (Jul 2020 - Dec 2021)	CY2021 Performance (Jan 2021 - Dec 2021)
<b>Goal 1:</b> Transforming Our Portfolio to Low-Carbon Assets  <b>Capital</b> Natural Capital, Manufactured Capital, Social and Relationship Capital  <b>Material Issues</b> Physical Impacts of Climate Change, Resource Management (Energy), Resource Management (Water), Pollution (Waste/Effluents), Pollution (Emissions)	To achieve average 4% reduction annually of Building Energy Intensity (BEI) from 2022 to 2030, starting from the Green Building Index's BEI baseline minimum based on different business segments  At least 25% of electricity from renewable energy source by 2030 (5% locally generated, 20% purchased from green sources/solar farms)  40% waste diverted from landfill by 2030	● ● ● (kWh/m <sup>2</sup> /year) Office: 96 Retail: 185 Hotel: 186  ● ● ● 1.34% (3,094 MWh) of electricity was generated from our solar panels  ● ● ● 6% waste diverted	● ● ● (kWh/m <sup>2</sup> /year) Office: 90 Retail: 205 <sup>1</sup> Hotel: 178  ● ● ● 1.38% (2,240 MWh) of electricity was generated from our solar panels  ● ● ● 5% waste diverted
















<sup>1</sup> Consist of Sunway Pyramid Shopping Mall, Sunway Carnival Shopping Mall, Sunway Putra Mall and Sunway Clio Property (Retail).

<sup>2</sup> Consist of Sunway Pyramid Shopping Mall, Sunway Carnival Shopping Mall and Sunway Putra Mall.



# SUSTAINABILITY SCORECARD

## - GOALS AND TARGETS

ENVIRONMENTAL & SOCIAL			
Future Value Goals	2030 Targets	FP2021 Performance (Jul 2020 - Dec 2021)	CY2021 Performance (Jan 2021 - Dec 2021)
<b>Goal 2:</b> Advocating a Responsible Value Chain  <b>Capital</b> Natural Capital, Social and Relationship Capital  <b>Material Issues</b> Indirect Economic Impact Resource Management (Material) Pollution (Emissions) Labour Standard and Practices        	<p>To record measurable reduction in environmental impact from goods and services procured from suppliers</p> <p>Zero tolerance for procurement of goods and services from suppliers that violate human rights throughout their supply chain processes</p>	<p>●●● <b>209</b> tonnes of CO<sub>2</sub>e avoided due to the purchase of eco-label products</p> <p>●●● <b>Zero</b> confirmed incidences of non-compliance with relevant laws, regulations and standards</p>	<p>●●● <b>209</b> tonnes of CO<sub>2</sub>e avoided due to the purchase of eco-label products</p> <p>●●● <b>Zero</b> confirmed incidences of non-compliance with relevant laws, regulations and standards</p>
SOCIAL			
<b>Goal 3:</b> Investing in Community Inclusivity  <b>Capital</b> Social and Relationship Capital, Human Capital  <b>Material Issues</b> Indirect Economic Impact, Human Capital Development, Diversity and Inclusion, Labour Standard and Practices, Health and Safety, Community Enrichment, Customer Welfare      	<p>To reach out and support 1 million beneficiaries by 2030</p> <p>To support the national Shared Prosperity Vision 2030 in addressing inequalities, wealth and income disparities by providing support and assistance to the underserved and B40 communities in particular</p>	<p>●●● <b>319,000</b> beneficiaries</p>	<p>●●● <b>316,058</b> beneficiaries</p>
GOVERNANCE			
<b>Goal 4:</b> Respecting Ethical Principles  <b>Capital</b> Social and Relationship Capital  <b>Material Issues</b> Indirect Economic Impact, Corporate Governance, Anti-Corruption, Business Ethics    	<p>Zero tolerance for bribery and corruption</p>	<p>●●● <b>Zero</b> confirmed incidences</p>	<p>●●● <b>Zero</b> confirmed incidences</p>

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

GRI 2-22, 305-1, 305-2, 305-3

Sunway REIT is committed to reducing the impacts of global warming and achieving Net Zero Carbon Emissions by 2050. In the year under review, we aligned the reporting of our climate action to the TCFD's four overarching recommendations to enable us to identify climate-related risks and opportunities and ensure we remain resilient during the transition to a lower-carbon economy. The four recommended areas of disclosures are Governance, Strategy, Risk Management and Metrics & Targets.

## GOVERNANCE

Sunway REIT's sustainability governance is led by the Sunway REIT Sustainability Committee.

### CHAIRPERSON



Yeo Kar Peng

### COMMITTEE MEMBERS



Dato' Jeffrey Ng Tiong Lip



Sarena Cheah Yean Tih,  
S.M.S.



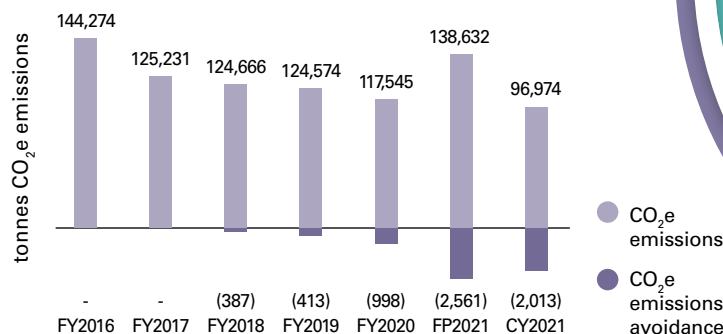
For more information on Sustainability Governance, please refer to page 177.

## METRICS & TARGETS

Sunway REIT has been disclosing Scope 1, 2 and 3 greenhouse gas (GHG) emissions of our operations since 2016. To ensure proper accounting of our GHG emissions, we scope our data on emissions generated by using the relevant emission factors from the Department for Environment, Food & Rural Affairs (DEFRA), United Kingdom and Malaysian Green Technology and Climate Change Centre (MGTC). Our carbon emissions are calculated in accordance with the World Business Council for Sustainable Development and World Resources Institute's (WBCSD/WRI) GHG Protocol, a corporate accounting and reporting standard. The protocol is currently deemed best practice for corporate or organisational emissions reporting.

Sunway REIT has set four goals and eight targets to achieve by 2030, which have been endorsed by the Sustainability Committee in 2021. The targets include targets for energy and water usage, waste generation and supply chain. The progress against the targets is tracked and reported annually in our Sustainability Statement, which serves as a guide for us towards meeting our 2030 goals progressively.

### TOTAL CO<sub>2</sub>e EMISSIONS AND CO<sub>2</sub>e EMISSIONS AVOIDANCE



### TOTAL CO<sub>2</sub>e EMISSIONS AND CO<sub>2</sub>e EMISSIONS AVOIDANCE IN FP2021 (SCOPE 1, 2 AND 3)

CO <sub>2</sub> e emissions	 Company vehicles 82 tonnes CO <sub>2</sub> e	 Purchased electricity 19,650 tonnes CO <sub>2</sub> e	 Waste generated in operations 4,848 tonnes CO <sub>2</sub> e	 Downstream Leased Assets 113,994 tonnes CO <sub>2</sub> e	 Business Travel 58 tonnes CO <sub>2</sub> e
	SCOPE 1	SCOPE 2	SCOPE 3		
CO <sub>2</sub> e emissions avoidance			 Downstream Leased Assets (Renewable Energy) 1,810 tonnes CO <sub>2</sub> e	 Waste generated in operations 543 tonnes CO <sub>2</sub> e	 Purchased goods and services 209 tonnes CO <sub>2</sub> e

Note: CO<sub>2</sub>e emissions refers to carbon dioxide equivalent emissions.

NET  
BY

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

### INTERNAL CARBON PRICING FRAMEWORK

We have set clear targets to drive our decarbonisation efforts, which include reducing energy consumption through improving energy efficiency and substitution with cleaner energy sources. This year, we established an Internal Carbon Pricing framework to start preparing for the potential transitional risks from climate-related issues. The carbon pricing framework simulates the scenario wherein a cost of RM15 per tonne is imposed on CO<sub>2</sub>e emitted above the Management-approved limit for each business segment.



#### VALUE AT RISK (VaR) ASSESSMENT

As part of our risk management approach towards climate-related issues, we have appointed the Jeffrey Sachs Center on Sustainable Development (JSC) to conduct a Value at Risk (VaR) assessment on our properties to assess Sunway REIT's risk exposure to climate change. JSC has categorised the levels of VaR as below:

VaR	High
	Vulnerable to physical risks due to sea level rise (SLR) or higher rain density <b>AND</b> Vulnerable to material physical risks (i.e. Max historical annual damages cost ratio >>5%)
	Vulnerable to physical risks due to SLR or higher rain density <b>BUT NOT</b> Vulnerable to large potential damages physical risks (i.e. Max historical annual damages cost ratio >>5%)
Medium	
Low	Low vulnerability to physical risks due to SLR or higher rain density

JSC assessed all our 18 properties, including leased properties, across the business segments against two types of climate risks:

#### Physical Risks

- The risks of climate events physically damaging the properties in Sunway REIT's portfolio.
- Consisting of:
  -  SLR, which can lead to more coastal and riverine floods.
  -  Increased rainfall intensity, which can lead to more flash floods and water seepages into buildings.

#### Transition Risks

- The risks of regulatory costs that could be imposed on Sunway REIT such as carbon tax introduced by the government to transition to a low-carbon economy.
- Carbon tax may be extended to include tax exemptions for low-carbon buildings to incentivise property owners to transform their properties into low-carbon buildings.

#### METHODS

To systematically assess the material physical risks for each property, JSC utilised an analytical procedure:

- The buildings were categorised according to the level of VaR – High, Medium and Low. High-risk properties have a higher

One of the 2030 targets that we have set is to achieve an average 4% annual reduction in Building Energy Intensity (BEI) using 2021 as a baseline in three phases. We also target to source at least 25% of electricity from renewable energy source by 2030.

PHASE 1	PHASE 2	PHASE 3
2022-2024	2025-2027	2028-2030

exposure to physical risks and financial risk such as building repair costs due to floods, while low-risk buildings have a lower exposure to the risks.

- The properties were assessed against the worst-case scenario described by the Intergovernmental Panel on Climate Change (IPCC) Assessment Report 6, which was published in August 2021, whereby:

- The global annual carbon emissions will rise above **120 gigatonnes** per year by 2100
- The SLR upper bound is forecast to be **1.1 m**
- The median temperature is expected to increase by **4.4°C** over pre-industrial levels (higher than the 2°C scenario)
- The maximum 1-day rainfall increase will be **46.6%**

- The elevation of each property vis-à-vis sea level was determined using an online topographic map, and the location relative to the coast and rivers was determined using Google Maps to gauge SLR risk.
- The historical flooding and water seepage incidences and damage cost of each property were obtained to gauge the likelihood of floods and water seepages as suggested by historical incidences at the local level.

#### CONCLUSION

##### Physical Risks

From the assessment, all Sunway REIT properties are exposed to the following climate-related physical risks, where 10 of the properties have Low VaR and eight properties have Medium VaR:

- Flash floods** in times of heavy rain.
- Water seepages** in times of heavy rain.

Additionally, five of the 18 properties are vulnerable to SLR that will cause coastal and riverine floods to become more likely and more severe for properties that are low-lying and close to the coast or river. However, these following mitigation steps can be considered to minimise risks to the portfolio.

- Continuous monitoring of **drains and gutters** to ensure that they are clear
- If economically viable, permanently **stop water** seepages from external gaps
- If practicable, increase the **drainage and gutter system's** maximum capacity
- Set an **annual agenda** to review the status of the physical risks above for the entire portfolio

##### Transitional Risks

Sunway REIT's transitional risks could be significant due to the significant amount of carbon emitted by its properties. However, the implementation of decarbonisation efforts will adequately mitigate the transitional risks.

**ZERO  
2050**

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



### Capital

- Natural
- Manufactured
- Social and Relationship

### Material Issues

- Physical Impacts of Climate Change
- Resource Management (Energy)
- Resource Management (Water)
- Pollution (Waste/Effluents)
- Pollution (Emissions)

### Activities

- Green Buildings
- Energy-saving Initiatives
- Water-efficient Fittings
- Rainwater Harvesting
- Waste Segregation
- Waste Diversion from Landfills

### Value Created

- Efficient Energy and Water Management
- Lower GHG Emissions
- Reduced Waste to Landfills
- Community Engagement

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 CO<sub>2</sub>e from FY2020 to FP2021 due to the longer financial period in FP2021. However, our carbon emissions showed a reduction of 20,571 tonnes CO<sub>2</sub>e 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 CO<sub>2</sub>e/m<sup>2</sup>



For more information on CO<sub>2</sub>e 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

#### EARTH HOUR LIGHTS OFF

All Sunway REIT business segments took part in this initiative by switching off any non-essential lights in common areas and on the facades of their buildings. The initiative helped to save electricity and create awareness on energy reduction as well as reducing the impacts of global warming.

#### UTILISING ENERGY-EFFICIENT APPLIANCES

Menara Sunway utilised energy-efficient appliances by replacing analog thermostats with digital thermostats and upgrading closed-circuit television (CCTV) cameras to reduce electricity consumption.

At Sunway Putra Tower, four lifts were refurbished for better energy efficiency.

#### OTHER ENERGY-SAVING INITIATIVES

Sunway Offices maximised the use of natural lighting and ventilation and switched off air conditioning and lighting at vacant units as well as tenanted levels during the MCOs, while only selected car park lifts were operating.

Sunway Resort Hotel, Sunway Clio Hotel and Sunway Pyramid Hotel reduced energy consumption by limiting the number of lifts in use during the MCOs, reducing the hot water temperature in guest rooms by adjusting thermostat set points from 55°C to 50°C, dimming lights by 30% in lobbies and public areas through dimmer controllers and turning off 50% of lights in car parks.



RETAIL



HOTEL



OFFICE

#### LED LIGHTING

Sunway Putra Hotel and Sunway Hotel Georgetown completed the replacement of LED lighting at balconies and common areas.

Almost all Sunway REIT offices have completed switching to LED lighting. In FP2021:

- Menara Sunway replaced the LED lights at the foyer of its main building and annexe.
- At Wisma Sunway, T5 fluorescent lights were replaced with LED lights, which were estimated to save more than 4,600 kWh per month.
- Sunway Putra Tower replaced T5 fluorescent lights with LED lights in its lift lobby, riser room and common areas, which were estimated to save more than 650 kWh per month.

Sunway Putra Mall completed replacing all the lights in common areas with LED lighting to reduce operating cost and maintenance.

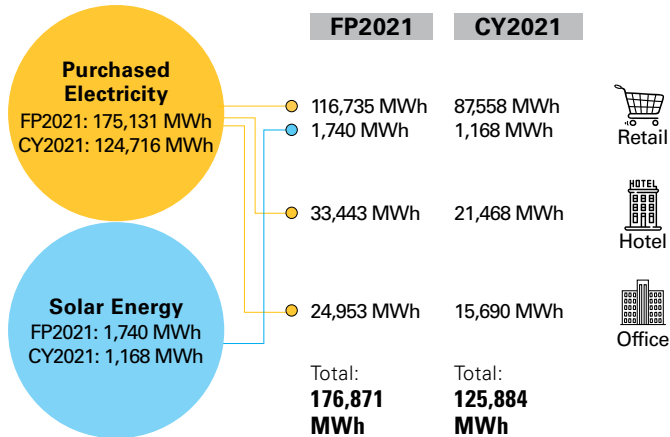
#### ENERGY-EFFICIENT AIR CONDITIONING SYSTEM

Sunway Malls ensured their air conditioning systems were adjusted according to the condition of the buildings to save energy.

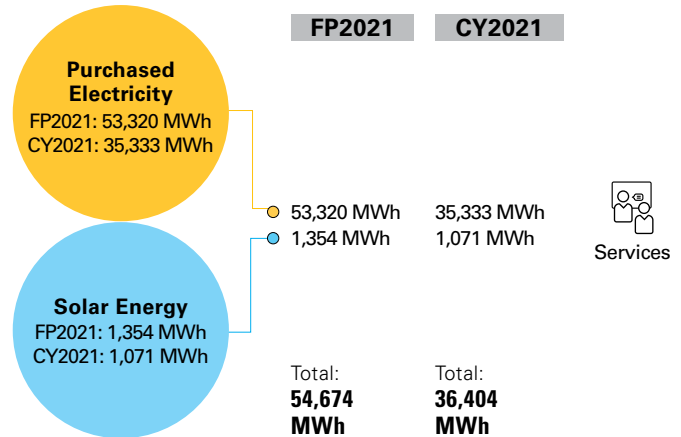
Menara Sunway used a magnetic bearing chiller to reduce energy consumption, which was estimated to have saved more than 185,000 kWh per year.

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

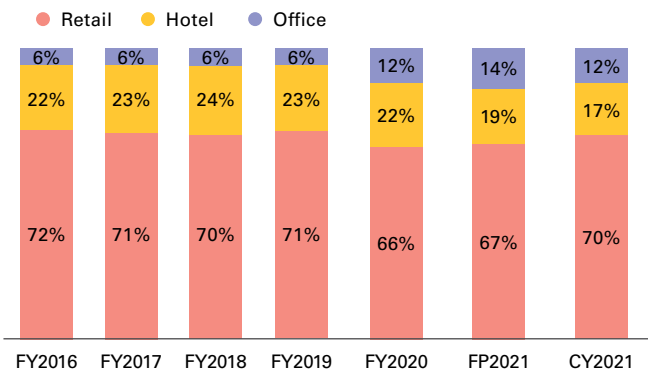
### Managed Assets: Total Energy Consumption (MWh) by Business Segments in 2021



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



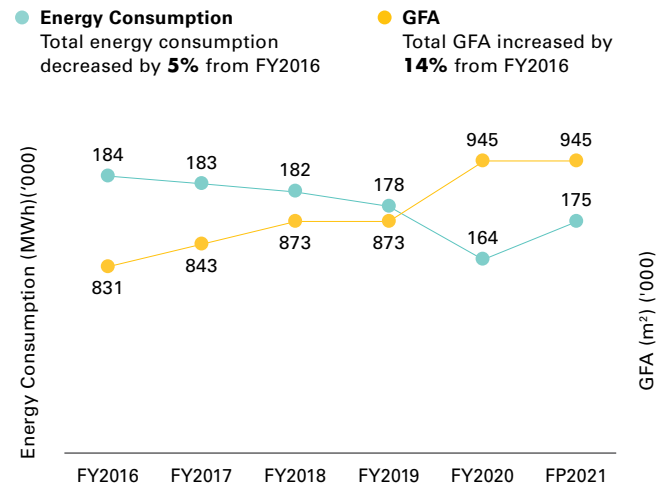
### Managed Assets: Total Energy Consumption (%) by Business Segments



#### Notes:

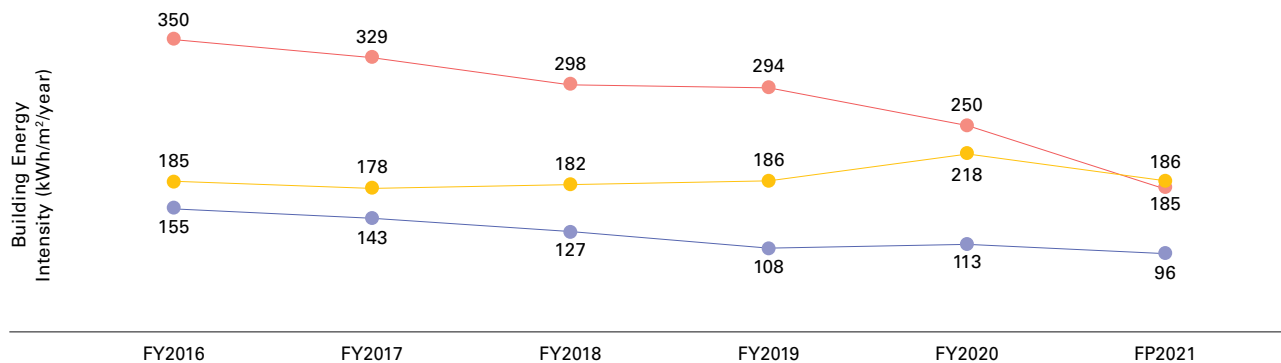
- FY refers to the financial year from July to June.
- FP2021 refers to the financial period of 18 months from 1 July 2020 to 31 December 2021.
- CY2021 refers to the calendar year from 1 January 2021 to 31 December 2021.

### Managed Assets: Total Energy Consumption (MWh)('000) and Total Gross Floor Area (GFA)(m<sup>2</sup>)('000)



### Managed Assets: Building Energy Intensity (kWh/m<sup>2</sup>/year)

- **Retail** - BEI decreased by 47% from FY2016
- **Hotel** - BEI increased by 1% from FY2016
- **Office** - BEI decreased by 38% from FY2016



- 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.

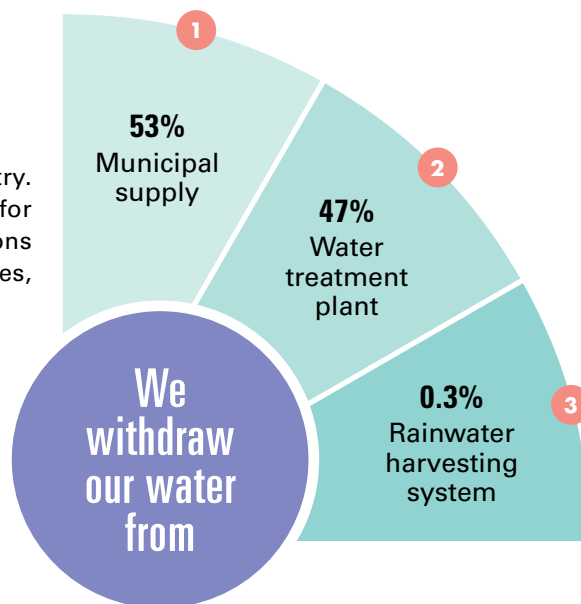
## GOAL 1: TRANSFORMING OUR PORTFOLIOS TO LOW-CARBON ASSETS

### 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 m<sup>3</sup> 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

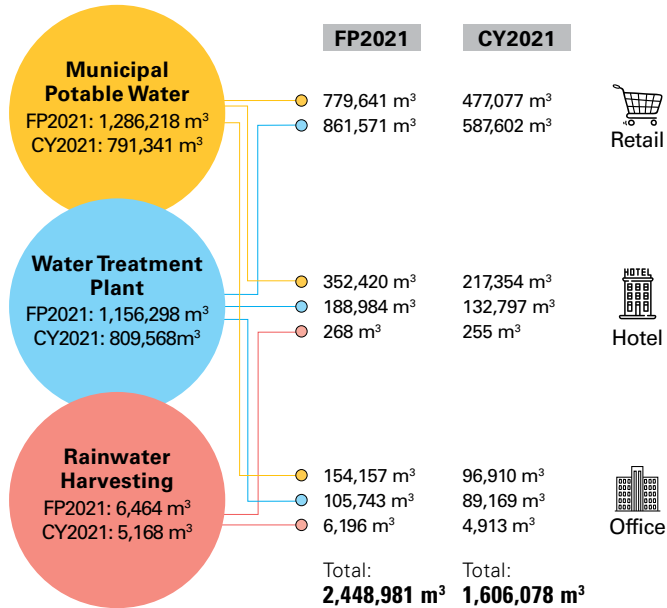
03

Apart from municipal potable water, we consume water from alternative water sources including:

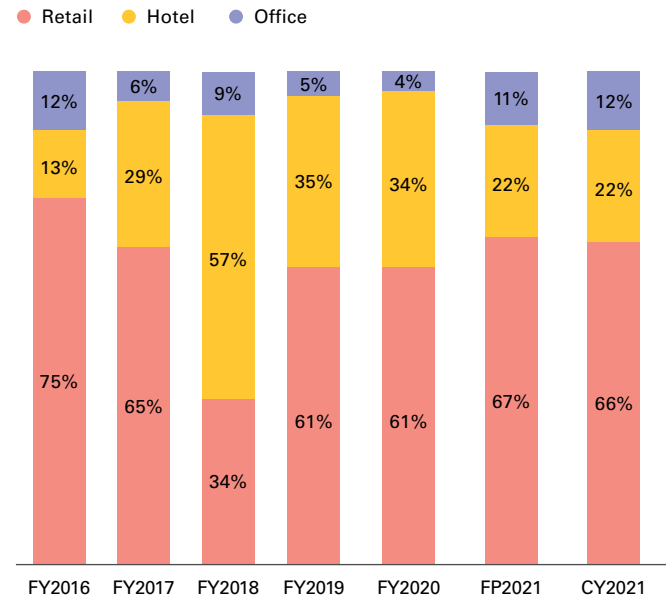
- Lake water
- Rainwater

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

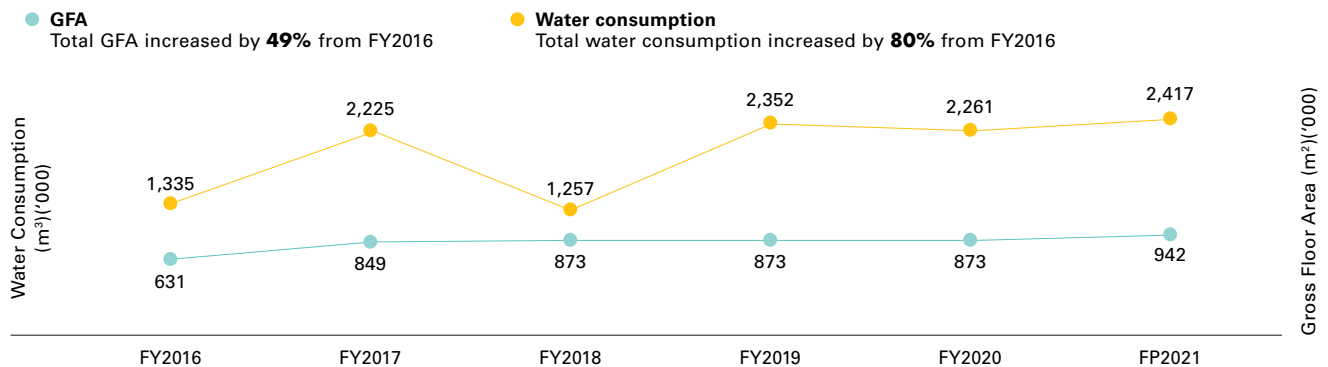
### Managed Assets: Total Water Consumption (m<sup>3</sup>) by Business Segments in 2021



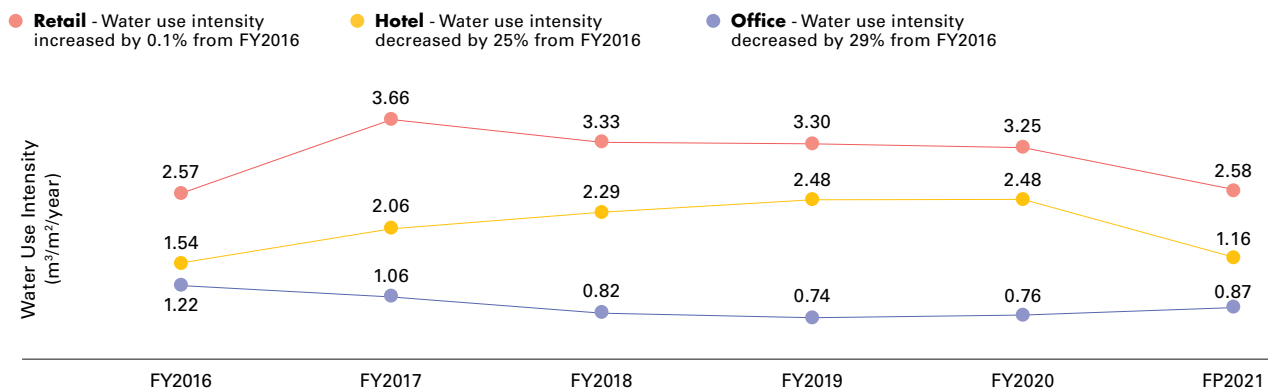
### Managed Assets: Total Water Consumption (%) by Business Segments



### Managed Assets: Total Water Consumption (m<sup>3</sup>)('000) and Total Gross Floor Area (GFA)(m<sup>2</sup>)('000)



### Managed Assets: Water Use Intensity (m<sup>3</sup>/m<sup>2</sup>/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.

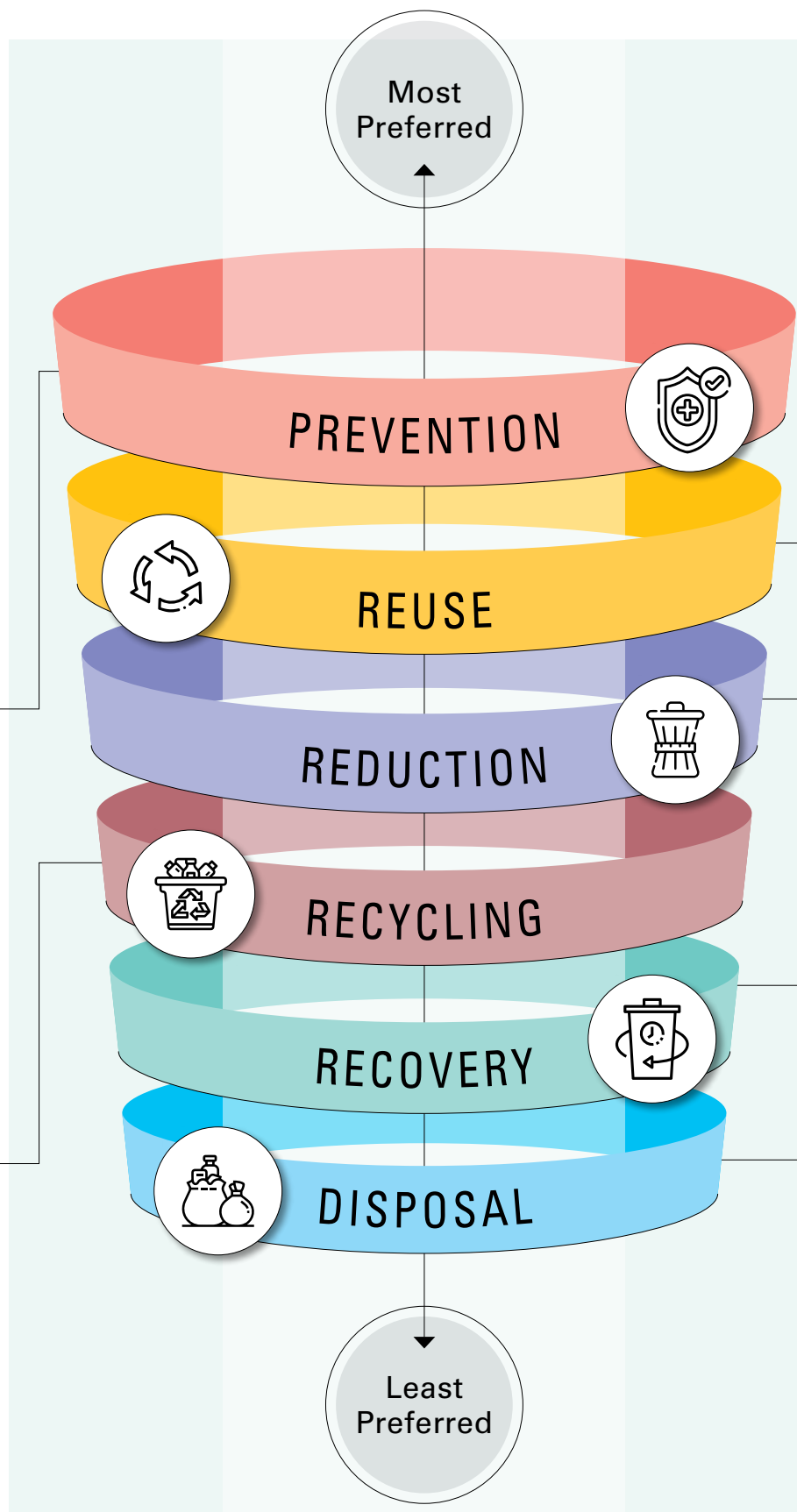
At Sunway REIT, our waste management is focused on the prevention and reduction of waste through a six-level waste management hierarchy. We also comply with all the necessary local regulatory rules and work closely with the local communities to reduce and reuse waste where possible. In FP2021, there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



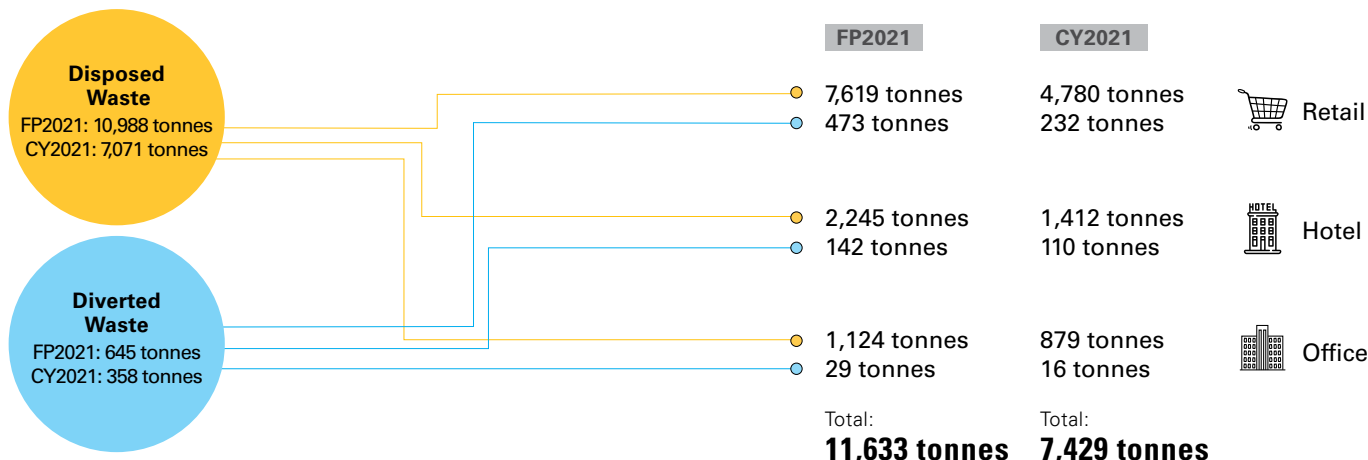
### WORLD ENVIRONMENT DAY



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: TRANSFORMING OUR PORTFOLIOS TO LOW-CARBON ASSETS

### Managed Assets: Total Waste Generated by Business Segments (Tonnes) in 2021



### 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](https://www.nst.com.my/news/nation/2020/10/633738/swcorp-food-waste-drops-during-mco-rises-again-soon-after)

3,081kg

COMPOST  
USED FOR  
LANDSCAPING

COMPOST  
DONATED  
TO LOCAL  
COMMUNITY

## 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%.

COLLECTING FOOD WASTE

**REDUCING  
WASTE  
THROUGH  
A CIRCULAR  
ECONOMY**

COMPOSTING FOOD WASTE

BENEFITTING FROM FOOD WASTE

## GOAL 2: ADVOCATING A RESPONSIBLE VALUE CHAIN



### 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.

#### 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

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

In FP2021,

**100%**

#### 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

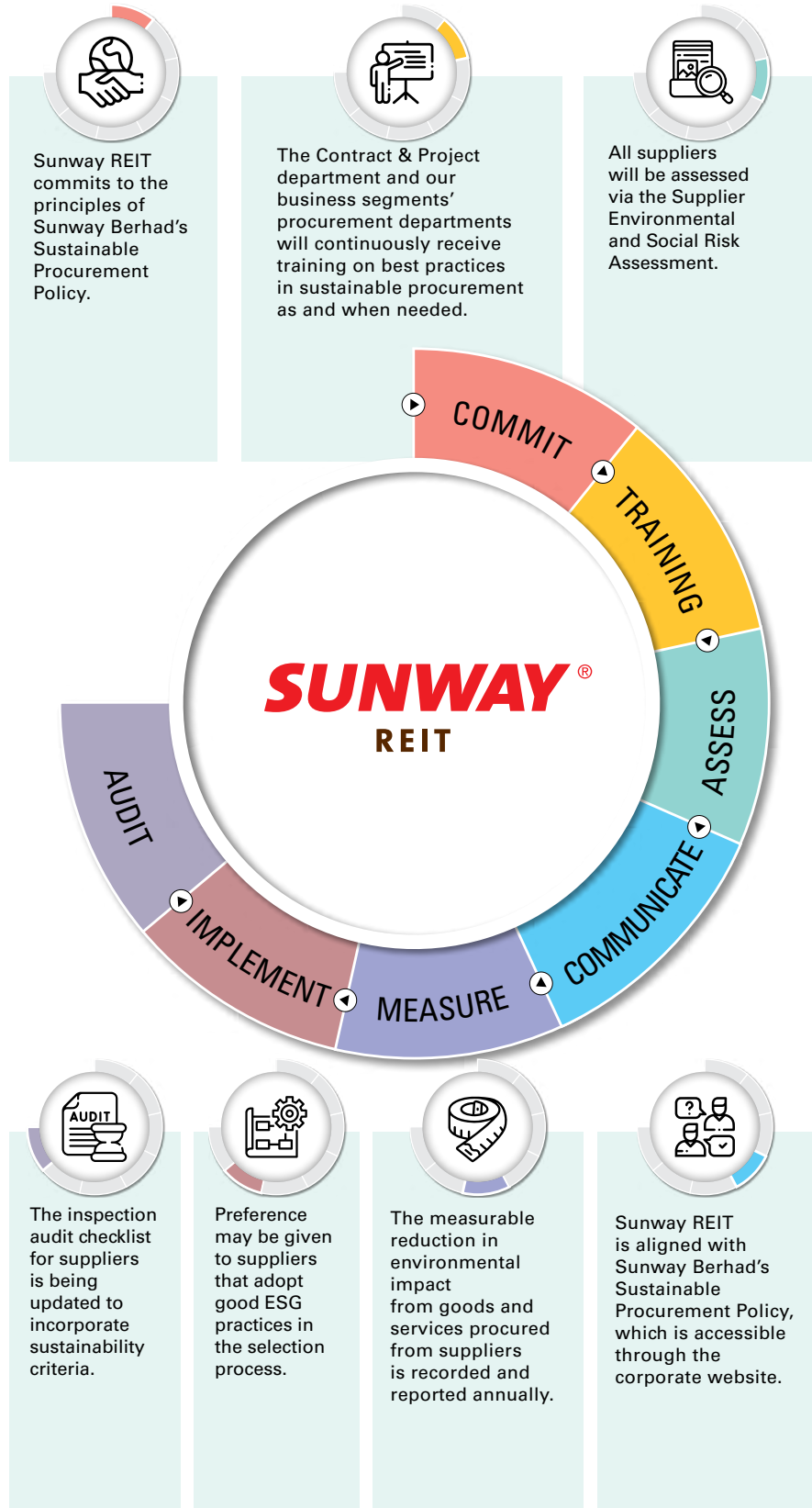
Our suppliers are given equal access to purchasing opportunities via credibility screening, which involves a tendering and bidding process that is done both online and offline, guided by transparent procurement policies and practices. They are also required to:

### 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.

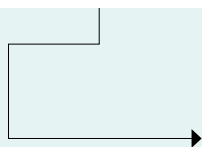
In September 2021, Sunway Malls and Sunway XFarms co-organised the FSC Friday 2021 Virtual Event with FSC. Themed "Save Our Forests. Save Our Climate," the event covered topics on sustainable products

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/](http://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.**



**The benefits of the Sunway Smart Parking System include:**



Promoting paperless habit



Allowing a hassle-free experience for users



Reducing paper waste

## GOAL 3: INVESTING IN COMMUNITY INCLUSIVITY



Sunway REIT is committed to protecting the interests of both the Manager's employees and the local communities in which it operates. To continue to create value for our stakeholders, we strive to help our people grow professionally while keeping them safe and well at the workplace. The Manager's employees are also encouraged to volunteer in community engagement programmes to create long-lasting positive social impacts.

### OUR PEOPLE

GRI 3-3

Our employees are our most precious asset and the backbone of our organisation. We believe that it is vital for us to prioritise their needs, health and safety by going beyond regulatory compliance and ensuring job satisfaction. Fulfilling the needs of our people is key to the long-term growth of our business organisation.

During the year, our commitment to the health and safety of our people was recognised by Randstad Malaysia, a leading global human resources consultancy firm, which named us as the only local private sector conglomerate among the top 10 most attractive employers to work for in Malaysia in 2021.

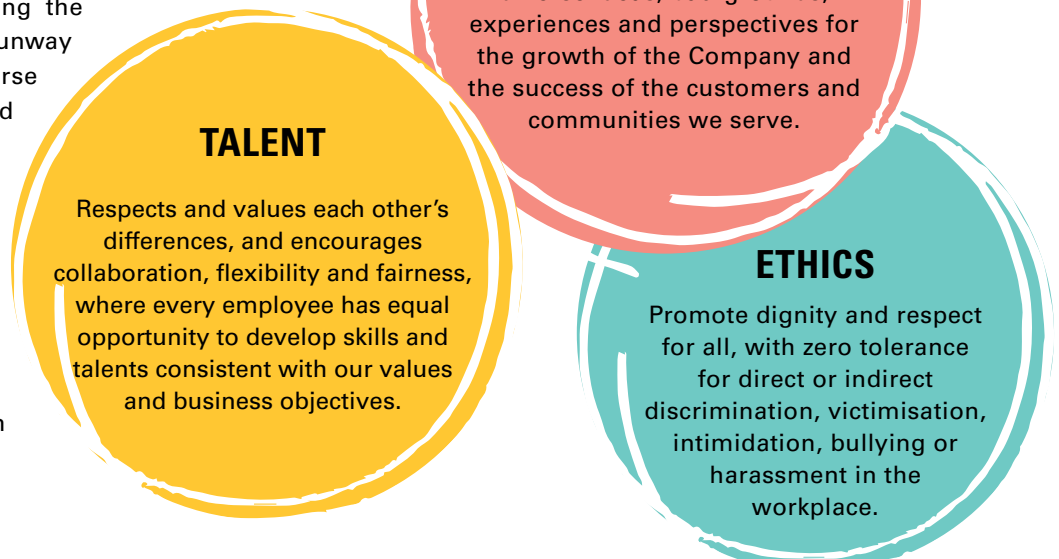


For more information about the recognition by Randstad Malaysia, please visit [www.sunway.com.my/stories/the-award-for-most-attractive-local-employer-in-2021-goes-to/](http://www.sunway.com.my/stories/the-award-for-most-attractive-local-employer-in-2021-goes-to/).

### DIVERSITY AND INCLUSION

GRI 2-7, 3-3, 202-2, 401-1, 405-1, 406-1

Diversity and inclusion are among the most important issues for Sunway REIT because they promote diverse perspectives, which will lead to innovation and enable our business to thrive even in the most difficult of times. Guided by Sunway Berhad's Diversity and Inclusion Policy, the Manager strives to provide equal opportunities to all employees at all levels, regardless of gender, age, ethnicity, disability, religion or any other status.



### GOAL 3: INVESTING IN COMMUNITY INCLUSIVITY

The Manager's aim is to create a culture that:

1

Respects and values each other's differences

2

Promotes equality and diversity

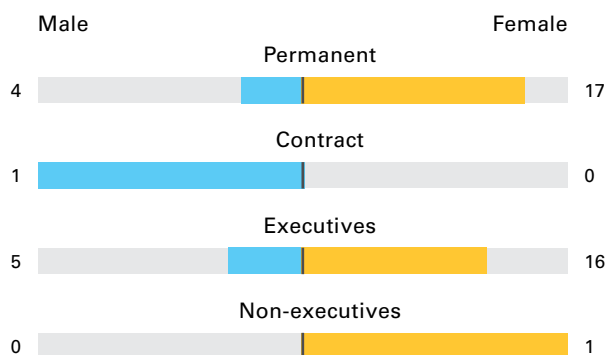
3

Encourages individuals to grow and develop in order to realise their full potential

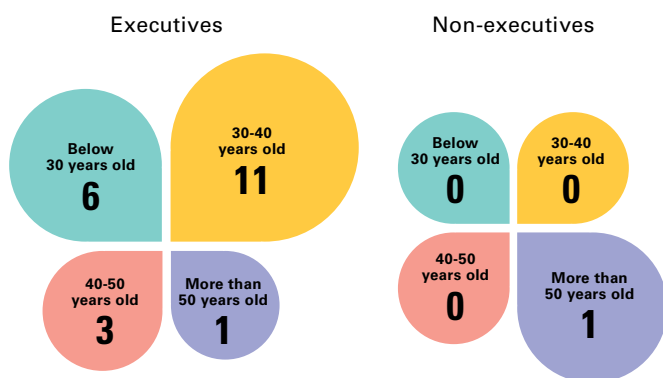
To provide a safe and equal workplace, our Whistleblowing Policy allows employees to report discrimination without fear of reprisal through our Whistleblowing hotline (+603 5639 8025) or email (whistleblowing@sunway.com.my). In FP2021, there were zero reported cases of discrimination.

**Total Number of Employees (as at 31 December 2021): 22 Employees**

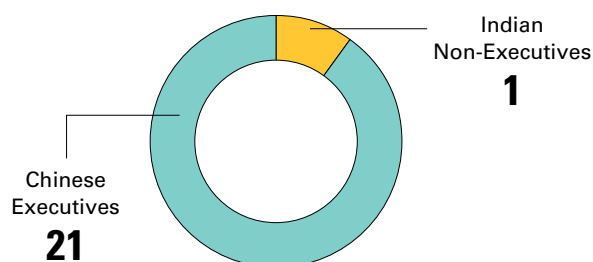
#### Employment Status by Gender



#### Employee Diversity (Age Group)



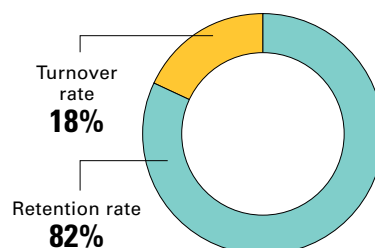
#### Employee Diversity (Ethnicity)



The Manager has  
**22 employees**  
who are  
**100% domestic**,  
including Senior Management.

**0**  
Overseas  
Employment

#### Turnover Rate and Retention Rate



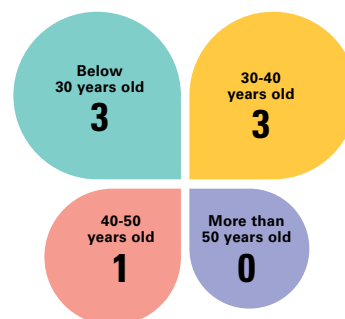
#### Attrition Rate

Number of  
Attritions  
**5**  
  
Rate of  
Attrition  
**23%**

#### Total Number of New Hires (Gender)



#### Total Number of New Hires (Age Group)



## GOAL 3: INVESTING IN COMMUNITY INCLUSIVITY

### HUMAN CAPITAL DEVELOPMENT

GRI 401-1, 401-2, 401-3, 402-1, 404-1, 404-2, 404-3

As a forward-looking Manager, we fully support the professional and personal aspirations of our people by providing a continuous learning and development environment at the workplace. We nurture our people by equipping them with industry knowledge and leadership skills as we seek to shape a high-performing workforce.

IN FP2021, WE ACHIEVED

# 1,220

TOTAL LEARNING HOURS

AN AVERAGE OF

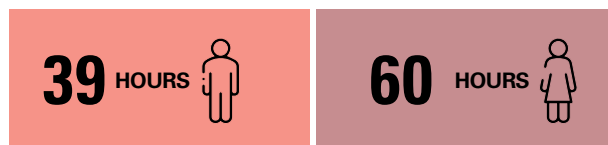
# 55

TRAINING HOURS PER EMPLOYEE PER  
YEAR (EXECUTIVE LEVEL AND ABOVE)

TOTAL INVESTMENT IN TRAINING  
AND DEVELOPMENT

# RM16,754

### Average Training Hours by Gender



### Average Training Hours by Employee Category



Amid disruptions from the pandemic, our employees continued to attend learning and development programmes through our three main learning platforms:

- 1 Online learning
- 2 Seminars and Webinars
- 3 Conferences

The learning platforms offer a wide range of topics that include professional certification, team building, leadership and soft-skills training. Most of the programmes were conducted online in the year under review to maintain social distancing and curb the spread of the virus.

### LEADERSHIP PROGRAMMES

To nurture young leaders and develop a leadership pipeline, the Sunway Group's leadership programme, Excellence in My Career and Leadership (ExCeL@Sunway), supports employees in their leadership and career development. Established in 2018, the platform helps to identify growth areas in both personal and professional capacities, facilitates frequent and meaningful career conversations with leaders and develops personalised learning opportunities and a focused development journey.

The ExCeL@Sunway programme is open to all Sunway employees who wish to develop leadership qualities. Growth areas are identified through our Leadership Development Centre with a concerted effort from Sunway leaders across Sunway Group to ensure consistency in standards and expectations.

Sunway Group's other leadership competencies training programmes include First-Time Manager, Situational Leadership® II and 7 Habits of Highly Effective People.

### LEARNING AND DEVELOPMENT PROGRAMMES IN 2021

#### Types of Learning and Development Courses and Programmes

- People Manager Series: Quality Conversation (Part 2)
- Personal Finance Talk
- Self-Disruptive Leader by Korn Ferry

#### Webinars

- The Power of Self-Reflection
- Combating Burnout Virtual Talk
- Happiness Talk
- Parenting Talk



### GOAL 3: INVESTING IN COMMUNITY INCLUSIVITY


#### EMPLOYEE ENGAGEMENT

Engaging regularly with our employees is vital for the sustainable growth of our business organisation. Through employee engagement, we will better understand the needs of our people and fulfil their demands, ultimately enabling us to provide job satisfaction and retain our talent pool.

We engage with our employees through various channels of engagement such as birthday celebration gatherings, festive celebrations and team-building events. In terms of changes in employment terms and conditions, our employees will be notified based on the discretion of the Management as well as on an individual case basis.

However, in the year under review, we acknowledged that it was more important than ever to engage with our employees to ensure their mental well-being amid the new normal of working from home. We continued to hold dialogue sessions, albeit online via digital platforms, to communicate with employees and address issues such as safety concerns amid the ongoing health crisis.

Employees were also notified of return-to-work SOPs towards the end of the MCO, under which only fully vaccinated employees were allowed to return to work. Employees were also given a "Return to Office Care Kit" each, which consisted of face masks and self-testing kits, while new hires were presented with a "New Hires Care Kit" and a "Kelab Sosial Sunway Care Kit" each.

 For more information on return-to-work SOPs, please refer to the COVID-19 Business Continuity Plan, on page 49.

#### Talent Management

To retain and attract the best talent for the sustainability of Sunway REIT, we hire and promote based on merit and credibility. We manage our talent by conducting an annual performance review, which involves goal-setting, performance chat and a final performance evaluation.

In FP2021, **100%** of our employees received a performance review.











Care Kits provided to employees.

## GOAL 3: INVESTING IN COMMUNITY INCLUSIVITY



### EMPLOYEE BENEFITS

At Sunway REIT, we go beyond regulatory compliance to compensate the contributions of our employees. Our salary structure is reviewed every year against industry peers and best practices. In addition to ensuring monthly salaries, we offer our full-time employees a set of comprehensive benefits that are competitive and relevant to current needs.

PROGRAMMES	DESCRIPTION
<b>FAMILY-FRIENDLY POLICIES</b>	
 <b>Supporting Working Mothers</b>	<ul style="list-style-type: none"> <li>• Our premises offer designated car parks and escort assistance by security officers.</li> <li>• Mothers' rooms are provided to facilitate the needs of mothers who wish to continue breastfeeding after returning to work from maternity leave.</li> </ul>
 <b>Childcare Subsidy</b>	<ul style="list-style-type: none"> <li>• Sunway Group partially subsidises the tuition fees for R.E.A.L. Kids Sunway and The Parenthood, as well as the fees for Sunway Little Sunshine, a childcare centre catering to babies from two to three months old, if parents are employees.</li> <li>• This subsidy is available for up to two children per family, with a monthly maximum of RM200 per child.</li> <li>• Childcare subsidies of up to RM2,400 are tax-exempted.</li> </ul>
 <b>Leave</b>	<ul style="list-style-type: none"> <li>• Extended maternity leave</li> <li>• Maternity leave</li> <li>• Medical/hospitalisation leave</li> <li>• Parental/childcare leave</li> <li>• Paternity leave</li> <li>• Special leave (e.g. compassionate leave, marriage leave)</li> <li>• Examination/study leave</li> </ul>
<b>WORK + LIFE INTEGRATION</b>	
 <b>Kelab Sosial Sunway</b>	<p>A social club for Sunway employees that organises various activities such as:</p> <ul style="list-style-type: none"> <li>• Blood donation drives</li> <li>• CSR activities</li> <li>• Donation drives</li> <li>• Health talks</li> <li>• Sports and recreational activities</li> </ul>
 <b>Staff Discounts</b>	<ul style="list-style-type: none"> <li>• Sunway Group acts as a co-investor in our integrated communities and we manage our assets within them.</li> <li>• As part of our long-term co-investor proposition, we encourage Sunway employees to be part of the communities they serve and live, learn, play and be healthy alongside our communities.</li> <li>• Live: discounts on property purchases.</li> <li>• Learn: discounts on selected educational programmes in all our learning institutions.</li> <li>• Play: discounts on theme park tickets, hotel room rates and food &amp; beverages.</li> <li>• Health: discounts on healthcare services.</li> </ul>
<b>HEALTH AND WELL-BEING INITIATIVES</b>	
 <b>Dental &amp; Optical Benefits</b>	<ul style="list-style-type: none"> <li>• Dental and optical benefits are extended to permanent confirmed executives; they are eligible for a maximum amount of RM500 per year.</li> <li>• For permanent confirmed non-executives, they are eligible for a maximum amount of RM150 per year for dental benefits.</li> </ul>
 <b>Staff Medical &amp; Life Coverage</b>	<ul style="list-style-type: none"> <li>• Medical coverage is provided to all staff, including both inpatient and outpatient care.</li> </ul>
 <b>Return to Office Care Kit</b>	<p>Care Kits that are provided to all staff include the following items:</p> <ul style="list-style-type: none"> <li>• Masks</li> <li>• COVID-19 Self-Testing Kit</li> </ul>



### GOAL 3: INVESTING IN COMMUNITY INCLUSIVITY

PROGRAMMES	DESCRIPTION
<b>HEALTH AND WELL-BEING INITIATIVES</b>	
 <b>Employee Health Screening</b>	<ul style="list-style-type: none"> <li>Employee health screenings are made available for the employees which can be done at Sunway Medical Centre in Sunway City Kuala Lumpur.</li> <li>Confirmed executives of Sunway REIT with a minimum of six months' service may undergo the Health Screening Programme either once every two years or once a year, depending on their age range.</li> <li>The Health Screening Programme is also extended to all confirmed non-executives of Sunway REIT depending on their age range and duration of service.</li> </ul>
<b>FLEXIBLE WORKING HOURS</b>	
 <b>Flexible Working Arrangements</b>	<ul style="list-style-type: none"> <li>The flexible work arrangements allow all confirmed Sunway working mothers with a minimum of one year of service to opt for a variety of start and end times as long as they fulfil the working hours stipulated in their employment letter.</li> <li>Each request will be assessed and approved on a case-by-case basis by the Line Manager and Head of Department.</li> </ul>

#### HUMAN RIGHTS

GRI 406-1, 410-1

Sunway REIT is committed to respecting the rights and dignity of every individual within our business operations and the communities in which we operate. We are guided by Sunway Berhad's Human Rights Policy, which was published in July 2021. The policy outlines Sunway Group's respect and support for the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights, as well as the rights of all employees. Sunway Group has been committed to respecting human rights as set out in the United Nations Guiding Principles on Business and Human Rights and UN Global Compact (UNGC) Principles, of which we have been a signatory since 2012.


Our human rights principles and practices are integrated into our daily operations. To ensure our employees, business partners, vendors and suppliers observe and uphold our human rights principles, we work closely with them and guide them in respecting human rights through


awareness, training and communication. Our business partners, vendors and suppliers are also encouraged to have similar commitments within their own business practices.

During the year under review, a Sustainable Procurement Policy and Supplier Risk Assessment training were provided to all business segments. All new suppliers were also subjected to Supplier Environmental & Social Risk Assessment beginning July 2021 as part of our procurement process. Additionally, 9% of Sunway's security personnel received training on human rights, which covered the basic course, customer service, law and authority and domestic inquiry.

We also comply with the Employment Act 1995 and other labour laws of Malaysia, which guide us in ensuring fair working hours, fair payment of wages and fair treatment of all regardless of age, race, gender and religion. In FP2021, there were no incidents and grievances relating to discrimination, child labour and forced labour reported in Sunway REIT.



 For more information about Sunway Berhad's Human Rights Policy, please visit [www.sunway.com.my/wp-content/uploads/2021/12/Sunway-Human-Rights-Policy.pdf](http://www.sunway.com.my/wp-content/uploads/2021/12/Sunway-Human-Rights-Policy.pdf).

 For more information on the integration of human rights and sustainability practices into our supply chain, please refer to Advocating A Responsible Value Chain section of pages 154 to 156 in this Report.

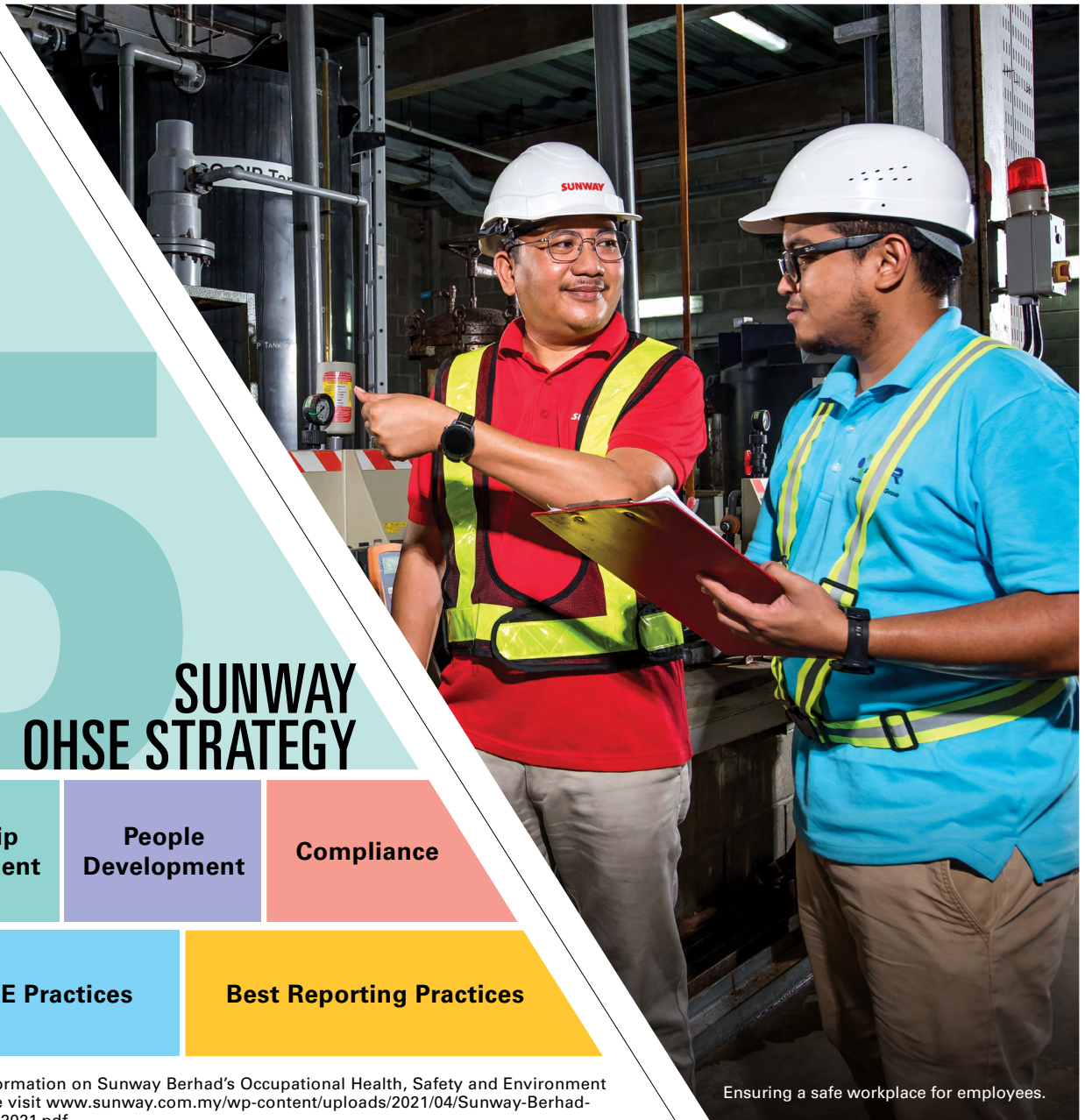
## GOAL 3: INVESTING IN COMMUNITY INCLUSIVITY

### ENSURING A SAFE WORKPLACE

GRI 2-7, 2-8, 3-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10, 416-1, 416-2

As a REIT with properties across three business segments, the health and safety of our people is vital for smooth daily business operations. We are guided by Sunway Berhad's Occupational Health, Safety and Environment (OHSE) Policy, which was established in January 2021, in governing the occupational health and safety of all our employees, contractors, visitors and other stakeholders.

Sunway REIT adopts Sunway Berhad's five-year strategic OHSE plan with the aim of achieving best practices across all our properties over the next 10 years and reaching a Level 5 (generative) safety culture. The plan is based on the National Occupational Health and Safety Management Plan (OHSMP) 2021-2025 to ensure that we align with the national directive.



## SUNWAY OHSE STRATEGY

**Leadership  
Empowerment**

**People  
Development**

**Compliance**

**Best OHSE Practices**

**Best Reporting Practices**



For more information on Sunway Berhad's Occupational Health, Safety and Environment Policy, please visit [www.sunway.com.my/wp-content/uploads/2021/04/Sunway-Berhad-OHSE-policy-2021.pdf](http://www.sunway.com.my/wp-content/uploads/2021/04/Sunway-Berhad-OHSE-policy-2021.pdf).

Ensuring a safe workplace for employees.

### GOAL 3: INVESTING IN COMMUNITY INCLUSIVITY

#### LEADERSHIP EMPOWERMENT FOR OHSE MANAGEMENT

Sunway REIT remains guided by Sunway Berhad's OHSE Policy. Our OHSE accountabilities, roles and responsibilities are incorporated through a top-down approach, cascading from the Board to Management and then to site employees. The Board exercises oversight on the management of Sunway REIT's OHS matters, which are governed by Sunway Berhad's OHS Council. Decisions in Sunway Berhad's OHS Council are made by the President, who is also part of the Sunway Berhad's Sustainability Committee.

Sunway REIT's asset managers have established OHSE Committees across 12 operational sites as required by the Occupational Safety and Health Regulations 1996. The OHSE Committees are responsible for managing the OHS Management System (OHSMS) within their business segments. All OHSE Committee members are provided with relevant training to ensure they possess the required competencies to manage any issues.

The OHS Committees organise quarterly meetings that are chaired by the respective Senior Management and attended by employer and employee representatives. This allows employee participation in the development, implementation and evaluation of the OHSMS. All our meeting minutes are shared across the business segments to ensure employees are kept up to date on safety and health matters.

#### Business segments' OHSE Committee

- 1 Chaired by Asset Managers' Heads
- 2 Secretary: Business segments' OHS coordinators
- 3 Reports OHSE performance and raises issues for discussion

#### OHSE COMMITTEE RESPONSIBILITIES

- 1 Develop OHS rules and Safe System of Work
- 2 Review the effectiveness of OHS programmes
- 3 Incident studies, corrective and preventive actions
- 4 Review of OHS Policy
- 5 Investigation of any accidents
- 6 Inspection of place of work
- 7 Corrective and preventive actions (CAPA) on OHSE reports
- 8 Investigation of complaints
- 9 Resolution of complaints

#### PEOPLE DEVELOPMENT

To put in place a safe and healthy environment at our workplace, relevant OHSE training is provided to the employees and workers at our respective properties based on scope of work, operational needs and legal requirements. The OHSE coordinators and members attend training on various OHSE topics to ensure they remain updated on these issues. The topics include indoor air quality, roles and responsibility of OHSE Committee members, awareness on safety, health and environment, hazard identification, risk assessment and risk control, as well as legal requirements and regulations. Individual professionals with OHSE competencies further drive OHSMS transformation within their respective business segments.

## GOAL 3: INVESTING IN COMMUNITY INCLUSIVITY

Training is provided to non-OHSE Committee members at the beginner, intermediate and advanced levels on over 18 general and specialised safety topics, covering induction and awareness, occupational safety, industrial hygiene and management systems. The training is conducted by trained instructors during paid working hours. To cater to our diverse employee demographics, our training sessions are conducted in both English and Bahasa Malaysia.

In CY2021,

**186** employees\* were inducted

**370** employees\* were trained on various OHSE topics

In FP2021,

**307** employees\* were inducted

**590** employees\* were trained on various OHSE topics

\* The numbers refer to employees from Sunway REIT's business segments.

In FP2021,

**301** OHS professionals from our business segments were engaged, including food trainers, search & rescue teams, fire fighters, HALAL officers & executives and OHS executives & coordinators, among others.

### COMPLIANCE WITH OHSE STANDARDS

The OHSMS at our business segments complies with relevant regulations such as the Occupational Safety and Health Act (OSHA) 1994, Environmental Quality Act 1974 (EQA 1974) and Factories and Machinery Act 1967 (FMA 1967).

In the year under review, the Safety and Health practitioners across our business segments conducted internal audits on OSHA 1994 compliance at nine out of 12 sites. Regulators also performed external audits involving employees at all our sites. These external audits were conducted in conjunction with the renewal of certificates of fitness, fire certificates, and HALAL status, as well as COVID-19 and environmental compliance. Going forward, the business segments will be working towards assessing their compliance with the system and will continue to conduct regular internal and external audits to progressively improve their OHSMS based on the PDCA cycle ("plan-do-check-act").



The percentage of our workers covered by our OHSMS and audited internally and externally during CY2021 were as follows:

**Workers\***  
**100%**  
17,107

**Covered by OHSMS**  
**99%**  
17,099 workers

**Covered by OHSMS & internally audited**  
**25%**  
4,347 workers

**Covered by OHSMS & externally audited**  
**9%**  
1,551 workers

\* Includes employees, contractors and business partners and excludes part-timers and interns hired on an ad hoc basis.

Note: Data compiled based on internal and certification audit procedures.

### RISK IDENTIFICATION AND ASSESSMENT

Our business segments proactively identify potential work-related hazards that could cause high-consequence injuries by reviewing accident statistics and conducting site inspections and quarterly audits, as well as paying attention to employee feedback.

All business segments are required to undertake formal risk assessments for all activities, including routine and non-routine activities, in accordance with the OHSMS prior to the commencement of any activities. These assessments include identifying ways to avoid or reduce risks as well as mitigation measures to be taken as per the hierarchy of controls. Assessments are conducted by personnel from our respective business segments who have been trained and certified by a Safety & Health Officer (SHO), as well as a member of the business segment's OHSE Committee. Risk assessments are approved by the Chairman of the OHSE Committee and depending on the business segments, each assessment is reviewed either every year or once in three years. Assessments may also be conducted in the event of any significant changes that may affect our risk exposure (e.g. legal requirements, activities, equipment, incident occurrences, etc).

**Risk assessments conducted in FP2021**  
**92%**  
11 out of 12 sites



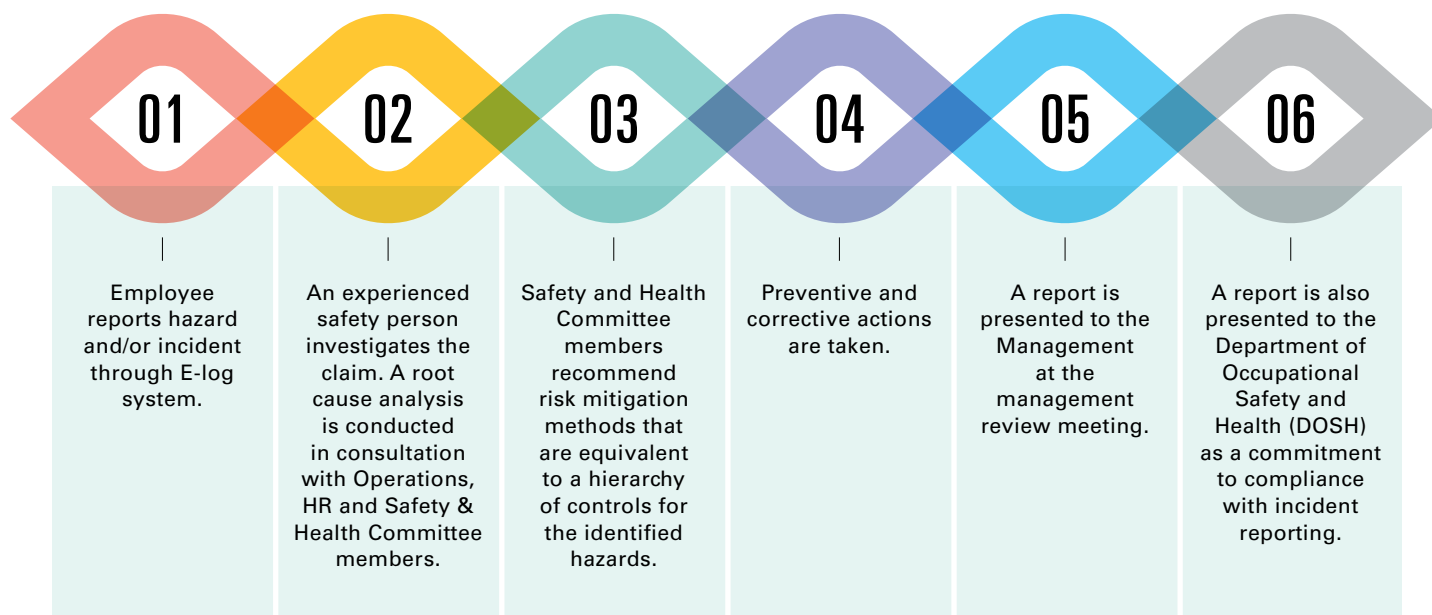
## GOAL 3: INVESTING IN COMMUNITY INCLUSIVITY

### BEST OHSE PRACTICES

#### INCIDENT REPORTING AND INVESTIGATION PROCESS

We are committed to providing a safe and healthy workplace to the employees across our business segments. This means ensuring relevant OHSE training for our workers to keep them informed and aware of their roles and responsibilities, as well as the risks involved in their daily jobs.

Employees are made aware of the risks and hazards as well as the process for reporting any hazards and incidents through OHS Induction training sessions. They are encouraged to be proactive in reporting all hazards and incidents, including near misses, to the Management, as well as assist with actions to reduce and eliminate risks. We align with Sunway Berhad's OHSE incident reporting process, which is outlined below:



To protect employees from reprisal, we treat all reports as private and confidential.

To maintain the confidentiality of workers' personal health-related information, only authorised staff, trained to adhere to legal requirements, are allowed to view the report in our E-Log System. This confidentiality requirement is highlighted during OHSE training.

#### OCCUPATIONAL HEALTH

Additionally, non-occupational medical and healthcare services that address major non-work-related health risks are made available to our employees. To ensure their quality, these services are conducted by relevant OHSE Managers, Fire, Life and Safety Officers and First Aiders from our business segments. The HR team of each business segment is responsible for creating awareness on and encouraging employee participation in these services and programmes through email blasts and communications on the HR portal.

In addition to the above, various occupational health services are offered to employees and tenants and are made available during working hours to further help identify and minimise health and safety risks, thus preventing harm and protecting workers from work-related injuries and ill health.

## GOAL 3: INVESTING IN COMMUNITY INCLUSIVITY

### ENSURING THE SAFETY OF OUR SUPPLIERS

Our suppliers are guided by Sunway Berhad's Sustainable Procurement Policy and Supplier Code of Conduct and they are required to comply with all applicable laws, codes or regulations in the areas in which they operate. Third-party contractors providing services at our workplace are also subject to the same health and safety requirements adopted internally. All contractors are briefed on safety and health aspects when working within the perimeter of the workplace. They are also required to undertake a risk assessment prior to the commencement of work. The assessment identifies potential impacts and ensures necessary mitigation measures are undertaken to remove or reduce risks. During the duration of the work, contractors are closely supervised through work permits and inspections by security staff at the respective workplaces.

### BEST REPORTING PRACTICES

In FP2021, there were no fatalities and no high-consequence work-related injuries reported. There were also 14 recordable work-related injuries involving employees from our business segments, which were mainly due to slips, trips and missteps. Following each incident, the OHSE Committee acted based on the hierarchy of controls to prevent such incidents from recurring in the future. From Q1 to Q3 2021, there was a downward trend in the number of incidents reported, which could likely be due to the MCOs in Malaysia, or the corrective actions taken, such as rectification work and training to increase staff awareness.

The data also suggests that our training session on slips, trips, falls and working at height has increased staff awareness on safety hazards. There were no cases of work-related injuries and ill health among the business segments' contractors.

Overall, the number of public incidents reported reduced substantially compared to previous years, mainly due to the closure of the majority of our sites during the MCOs. Moving forward, we expect to provide a centralised platform for the public to report any OHS complaints.

### SAFETY PERFORMANCE

In FP2021,  
we achieved

0

FATALITIES

0

HIGH-CONSEQUENCE  
WORK-RELATED  
INJURIES (WORKERS)

0

REPORTS OF  
CLOSE CALLS OR  
NEAR MISSES

#### Recordable Work-Related Injuries

FP2021

14

Employees

0

Non-Employees

CY2021

8

Employees

0

Non-Employees

FP2021

14

Employees

0

Non-Employees

CY2021

8

Employees

0

Non-Employees

#### Lost Time Injury (LTI)

Follow-up actions have been taken based on the hierarchy of controls to prevent cases mainly associated with slips, trips and missteps from occurring again. Some of the proposed initiatives include engineering controls such as flattening the walkway surfaces and administrative controls such as organising specialised training on slips, trips and missteps.

### NUMBER OF HOURS WORKED:

FP2021:

Employees

6,372,426 hours

Non-Employees

2,777,597 hours

CY2021:

Employees

4,644,338 hours

Non-Employees

1,822,801 hours

#### Notes:

1. Employees refers to employees from business segments.
2. The rates are calculated based on 1,000,000 hours worked.



For more information on Sunway REIT's Safety and Health Key Performance Indicators, please refer to page 315.



## GOAL 3: INVESTING IN COMMUNITY INCLUSIVITY

### SAFEGUARDING OUR COMMUNITIES

The safety of the communities in which we operate is as important as the safety of our employees. Safeguarding our communities will promote goodwill and instil trust in our stakeholders, including staff, residents, shoppers, tenants and the public, apart from increasing the value of our properties. Lack of safety precautions will expose our portfolios to loss of income and property damage.

Sunway REIT's stakeholders benefit from Sunway's Safe City concept, which is integrated into all Sunway's townships including Sunway City Kuala Lumpur, where most of our properties are located. The concept, which adopts the principles of Crime Prevention Through Environmental Design (CPTED) at the design and planning stage of all its integrated developments, keeps our stakeholders safe. Apart from closed circuit television cameras (CCTVs), our townships are guarded by security personnel and auxiliary police. We continue to work closely with our tenants, the local police departments and NGOs to address social issues and improve safety awareness.

## SUNWAY'S SAFE CITY CONCEPT

### 1 SECURITY AND CRIME PREVENTION

- Enforced by 1,082 security personnel including auxiliary police, in-house security and outsourced Nepalese guards.
- Partnered with the Royal Malaysian Police Force (PDRM) and Malaysian Crime Prevention Foundation (MCPF).
- Auxiliary police are put through a two-month intensive training programme at PDRM's training centre.

### 2 EMERGENCY RESPONSE PLAN

- Panic buttons are installed in all Sunway Mall car parks.
- At least one fire drill/ evacuation exercise is held annually to comply with the Fire and Rescue Department's (Bomba) requirements. Failure to comply will affect the renewal of fire safety certificates for Sunway REIT properties.
- Equipped Sunway City with Sunway Immediate Forward Teams (SWIFT) to respond to emergencies and disasters.

### 3 ESCALATORS

- All new escalators are installed with additional auxiliary brakes, in accordance with British Standard EN 115. Regular inspections are conducted on all escalators and travelators.

### 4 ENFORCEMENT OF CLEAN AIR

- Sunway's auxiliary police was empowered by the Ministry of Health in 2019 to issue a summons to anyone caught smoking in non-smoking zones in Sunway City.

### 5 MINIMUM TRAINING FOR AUXILIARY POLICE AND SECURITY PERSONNEL

- Auxiliary police attend at least two firearm training sessions conducted by PDRM - Security personnel attend monthly training sessions conducted by Sunway's Group Security, annual 48-hour foot drills and Bomba training, a two-month intensive training programme and 16 hours of classroom training each year.



## GOAL 3: INVESTING IN COMMUNITY INCLUSIVITY

### CUSTOMER SATISFACTION

Sunway REIT is committed to prioritising customer satisfaction and will do our utmost to address their concerns. We are dedicated to the process of obtaining feedback from our customers at all our properties through surveys and measurement tools to better understand what our customers think about our products and services. Through this important process, we are then able to introduce the appropriate measures and initiatives to improve customer satisfaction.

#### RETAIL

Due to the COVID-19 pandemic, customer satisfaction surveys have been suspended since the first Movement Control Order was implemented in March 2020. We are therefore unable to report customer satisfaction

scores for the period under review. However, ensuring our customers remained satisfied during the MCOs remained a top priority.

As safety, health and hygiene were identified as the main concerns of customers, we rolled out various initiatives and programmes to build confidence and gain customer satisfaction. These included the Safety, Health & Hygiene Programme and the Business Partners Assistance Programme. We also implemented the Safer Community Together initiative to drive home the message of combating the pandemic through collective efforts, such as being fully vaccinated, to enable business operations to continue over the long term. As a result of our proactive approach, our social media agency recorded positive responses from 98% of social media users.

#### Internet of Toilet

Sunway Malls continues to leverage innovation to enhance customer satisfaction by providing a seamless shopping experience through the Internet of Toilet. In 2021, Sunway Pyramid Shopping Mall unveiled its latest innovative facility, the Internet of Toilet system, for optimised performance and efficiency. The all-new smart toilet system, which was developed through a partnership with Singapore-based amenities expert Rigel Technology, aims to reduce cost, downtime and water consumption.

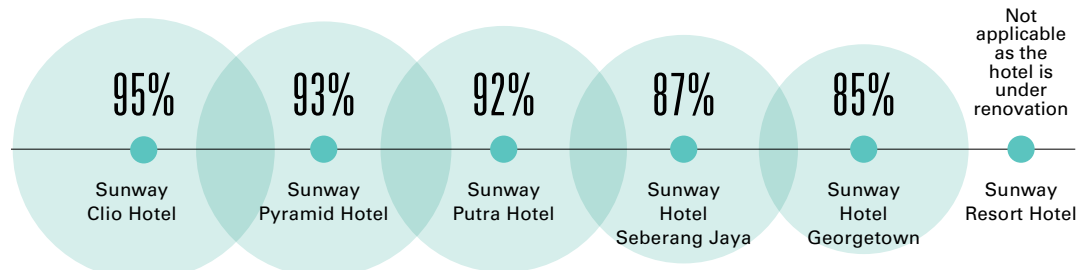


For more information on Sunway Pyramid Shopping Mall's Internet of Toilet system, please visit [www.youtube.com/watch?v=9zV9LMWqKYA](https://www.youtube.com/watch?v=9zV9LMWqKYA).

#### HOTEL

In the period under review, Sunway Hotels continued to score highly in the Global Review Index by ReviewPro, a measurement tool used by hotels globally to benchmark their reputation management efforts.

#### GLOBAL REVIEW INDEX SCORE FP2021

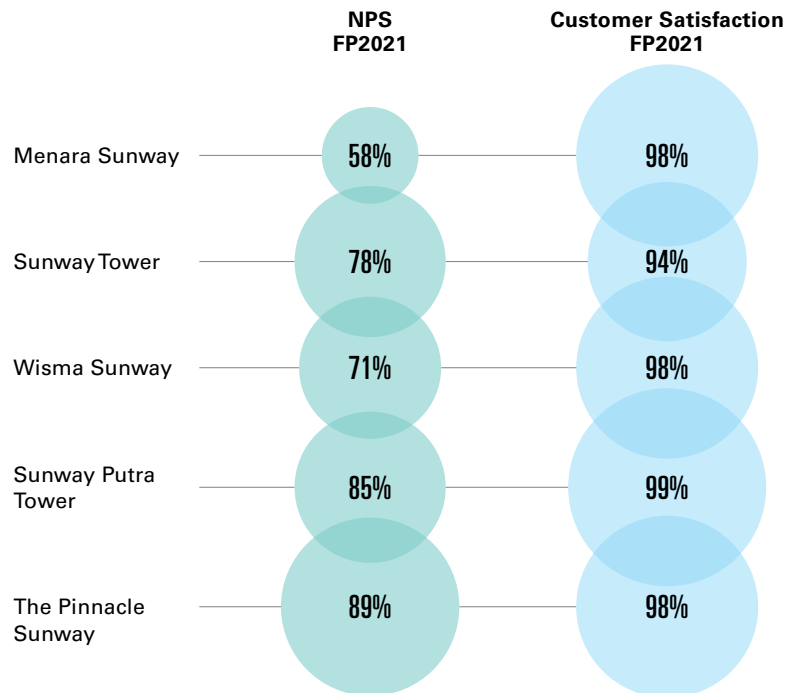


GOAL 3:  
INVESTING IN  
COMMUNITY INCLUSIVITY

OFFICE

Sunway Offices has once again improved its customer satisfaction scores, with nearly all five properties reaching near-perfect scores. The Net Promoter Score (NPS) has also increased significantly for all properties except for Menara Sunway.

One of the reasons for the improvements in these scores can be tracked back to the introduction of the Sunway Property Management App, which has been widely adopted, with 90% of building occupants being active users. It allows tenants to easily submit service requests, anytime and anywhere, through their mobile phones, after which their requests will be attended to and resolved within the time outlined in the service level agreement.



ENHANCING CUSTOMER EXPERIENCE

TECHNOLOGY SOLUTIONS  
FOR CUSTOMER  
SATISFACTION

At Sunway REIT, we always strive to enhance customer experience by leveraging technology and innovation across our properties. Most of our properties are currently equipped with smart technologies to provide seamless customer experience.

SMART PARKING

Our award-winning smart parking system recognises car registration numbers and allows cashless payments in all our properties.

SECURITY

Our shopping malls have upgraded building security through the installation of CCTVs with high resolutions, behaviour analysis and face detection.

SELF-SERVICE  
KIOSK

We are currently developing a self-service kiosk in Sunway Pyramid Shopping Mall's ice rink to deliver a seamless experience to customers.

DIGITALISED PAYMENT

Our shopping malls are equipped with a Unified Payment Terminal, enabling retail tenants to accept cashless payments from e-wallets, debit cards and credit cards via an all-in-one payment terminal.

BRIDGING  
COMMUNICATION

Tenants and mall operators are able to communicate via RetailTECH, a mobile app used by Sunway Malls to bridge communication gaps and improve the delivery of operational solutions.

INDOOR POSITIONING SYSTEM

Sunway Pyramid Shopping Mall offers an indoor positioning system facility on a mobile app, which allows shoppers to get directions within the mall via the app. The app will be available for other malls in the near future.



### GOAL 3: INVESTING IN COMMUNITY INCLUSIVITY



### GOAL 3: INVESTING IN COMMUNITY INCLUSIVITY



#### EDUCATION

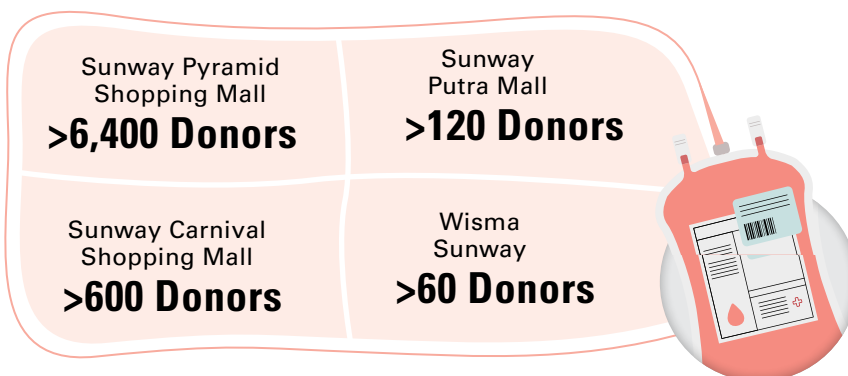
At Sunway REIT, education is a subject close to our heart. We believe everyone should be given equal access to quality education regardless of their race, religion or socio-economic status. As such, we are always reaching out to the underprivileged and children and youth from the lower-income community to help alleviate their financial burdens and ease their access to education.

Sunway REIT contributed towards Sunway Group's initiative of donating RM28,000 to Yayasan MyPrihatin to purchase 200 school uniforms sewn by single mothers for 100 students from B40 families and sponsored 200 units of tablets worth RM91,800 to 200 students from B40 families.



#### HEALTHCARE

In line with Sunway Group's commitment to building a sustainable future for all, we strive to support the public healthcare system and ensure access to healthcare for everyone. In 2021, we organised several blood donation campaigns to contribute to the blood supplies of local general hospitals and the National Blood Bank during the COVID-19 pandemic.



#### COMMUNITY ENRICHMENT

In 2021, we reached out to the communities in need to help ease their financial burdens amid several lockdown periods and a challenging economic landscape. These communities included the underprivileged, the lower group from the Bottom 40 (B40) income segment and frontliners, as well our tenants who needed financial and moral support.

##### Marketing efforts

Sunway Malls rolled out various innovative marketing efforts to boost the businesses of its tenants amid the pandemic recovery period. These included an Ultimate Spin & Win contest to attract shoppers by offering attractive prizes and cash vouchers worth up to RM1 million.



Sunway Putra Mall offered various rewards, such as F&B vouchers, to shoppers who had received their AstraZeneca vaccinations at the Putra World Trade Centre. To boost sales, retailers on the upper floors were given the opportunity to set up stalls at Level 1 to collect orders.



Sunway Pyramid Shopping Mall's ongoing "hands-free service" enables customers to shop freely in the mall and get their shopping delivered to them later. In addition, the mall's personal shopper service offers shopping services to unvaccinated customers who can order online and collect their shopping at the mall's entrance. The mall also implemented drive-through services, provided food delivery services and boosted sales via its mobile app by offering e-vouchers, goodies and rewards to shoppers who downloaded the app.



### GOAL 3: INVESTING IN COMMUNITY INCLUSIVITY

#### From Our Heart, For Our Heroes

In a joint effort with YB Puan Hannah Yeoh (Segambut Member of Parliament), Sunway Putra Mall contributed

**400** packed meals to Kepong healthcare frontliners in February 2021.

Additionally, Sunway Hotel Seberang Jaya and Sunway Hotel Georgetown contributed bottled water to

**90** police officers who were on duty during the MCO from January to February 2021.



Sunway Putra Mall contributed packed foods and drinks as part of the 'From Our Heart, For Our Heroes' initiative.

#### Tree of Wishes

In the spirit of giving, Sunway Putra Mall put up a Christmas tree tagged with wish lists from 40 underprivileged children from Angel's Children Home and The Comforter's Hope in December 2020. The 40 wishes were all fulfilled by shoppers, who purchased the items at the mall.

#### Keceriaan Bersama

Sunway Putra Mall collaborated with YB Puan Hannah Yeoh (Segambut Member of Parliament) and the Lions Club to give a home makeover to families affected by the pandemic from April to May 2021. To encourage shoppers to be part of the initiative, the mall partnered with Kloth Cares and gave out 300 units of Upcycled Raya Pouches to shoppers who had each donated RM15.



### GOAL 3: INVESTING IN COMMUNITY INCLUSIVITY



The Soapful Project by Sunway Hotels.

#### The Soapful Project by Sunway Hotels

This project is one of our core initiatives, which has benefitted thousands of individuals from the underprivileged community. The initiative enables us to donate soap bars to the communities in need, which indirectly helps to reduce waste to landfill. In 2021, Sunway

Resort Hotel, Sunway Clio Hotel, Sunway Pyramid Hotel and

Sunway Hotel Seberang Jaya donated 3,860 of soap bars to inmates of Sg. Buloh Prison, Kajang Women's Prison and Seberang Perai Prison.

#### World Cleanup Day @ Sunway City

On 15 September 2021, 33 employees from Sunway Resort Hotel, Sunway Pyramid Hotel and Sunway Clio Hotel cleaned up the surrounding areas of the hotels on World Cleanup Day. They collected 53 kg of rubbish and 35 kg of recyclables.

#### Making Fruit Tarts

Instead of discarding near-expired canned fruit, Sunway Resort Hotel chefs turned them into fruit tarts before selling the tarts at cost price to NGO What-A-Waste (WAW). The tarts were then sold by WAW to raise funds for the communities in need.

#### Flood Relief Donations

During the refurbishment of Sunway Resort Hotel, the hotel donated its old furniture to charitable homes. It also donated mattresses, divans, towels and blankets to flood victims in Pahang in January and February 2021.

In December 2021, Sunway Resort Hotel collaborated with WAW to reach out to the flood victims in Shah Alam, Selangor when several states in the country were hit by one of the worst floods in decades. The hotel supplied drinking water and personal hygiene kits to ensure the victims had sufficient basic supplies.

**500** bars of hand soap

**500** shaving kits

**400** toothbrushes

**1,680** bottles of 500 ml mineral water

#### Festivities

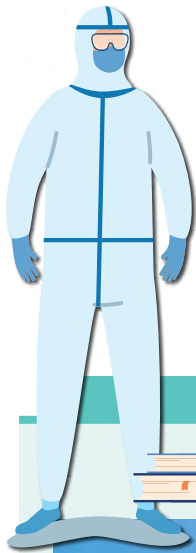
##### Chinese New Year Cheer 2021

In 2021, Sunway Resort Hotel, in a joint effort with various business units from Sunway Berhad, contributed more than RM42,000 worth of groceries, school bags, stationery, hand sanitisers, Vitamin C and festive goodies to eight orphanages in Perak. One laptop each was also given to seven homes while the other home received a one-year network data subscription fee. All the 230 children from the homes also received ang paws and packed lunches.

##### Raya Cheer 2021

Sunway Hotels and Sunway Malls, together with various business units from Sunway Berhad, contributed food, including bubur lambuk and packed food, and groceries worth more than RM300,000 to the less fortunate in Selangor, Kuala Lumpur, Perak, Penang, Johor and Kelantan from April to June 2021. The beneficiaries included inmates of Kajang Women's Prison.

### GOAL 3: INVESTING IN COMMUNITY INCLUSIVITY



## IMPACT STORY: SUNWAY REIT AND COVID-19

Amid the economic slowdown and lockdown periods, Sunway REIT helped its stakeholders and the nation overcome pandemic challenges by reaching out to its tenants and supporting the National COVID-19 Immunisation Programme.

### QUARANTINE CENTRE

Sunway Clio Hotel served as a quarantine centre for foreigners and returning Malaysians.

Sunway Clio Hotel



No. of  
room nights  
occupied

**>47,000**



No. of  
staff  
involved

**>150**



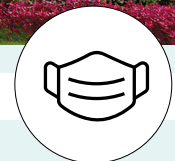
Cost of  
sanitising  
guest rooms

**>RM34,000**



Sponsorship of  
accommodation  
and food for  
on-duty authority  
officers

**>RM669,000**



Provision of personal  
protective equipment  
for staff (face masks,  
face shields, suits  
and gloves)

**>RM284,000**

### GOAL 3: INVESTING IN COMMUNITY INCLUSIVITY

#### VACCINATIONS

Sunway REIT provided rent-free spaces as vaccination centres to support the National COVID-19 Immunisation Programme, reaffirming its commitment towards nation-building.

##### Sunway Carnival Convention Centre

##### Sunway Pyramid Convention Centre

Total value: **> RM66.5 million**  
(Including utilities, paid volunteers, free parking spaces, publicity value, marketing and communication, vouchers and sanitisation)

Total manhours of volunteers: **> 22,500**

Total number of volunteers: **> 2,100**

#### RENTAL REBATES

Sunway REIT helped to ease the financial challenges of its tenants by allowing them rental rebates during the lockdown periods.



RETAIL



HOTEL



OFFICE

Total value of rebates:

**up to  
RM160 million**

#### TENANT SUPPORT

Sunway REIT rolled out various initiatives to alleviate the pandemic's impacts on its tenants.

##### Flexible operating hours

Tenants were allowed to operate for only eight hours compared to 12 hours during pre-pandemic days, enabling them to save on manpower cost.

##### Tenants' redemption vouchers/promotions in exchange for rental

The voucher redemption campaign required tenants to pay a certain percentage of their rental in vouchers, which were used by the malls to attract customers and boost sales.

##### Marketing support

Various initiatives were implemented to market the businesses of tenants, including blood donation drives, spin & win contests, food collection for the needy and festive and safety campaigns, among others.

##### Relief support through the #kitasupportkita initiative for the malls

The malls purchased vouchers from F&B and essential items tenants to be given as gifts to retailers' staff to encourage shopping and to boost business in the malls.

#### COMMUNITY

Sunway Malls organised several food collection campaigns through various initiatives, including the #SunwayforGood Food Bank, White Flag Campaign and New Hope Charity Drive, to contribute to the communities in need during lockdowns. Collection bins were placed in the malls for shoppers and visitors to donate non-perishable items such as rice, instant noodles, beverages, canned food and biscuits.

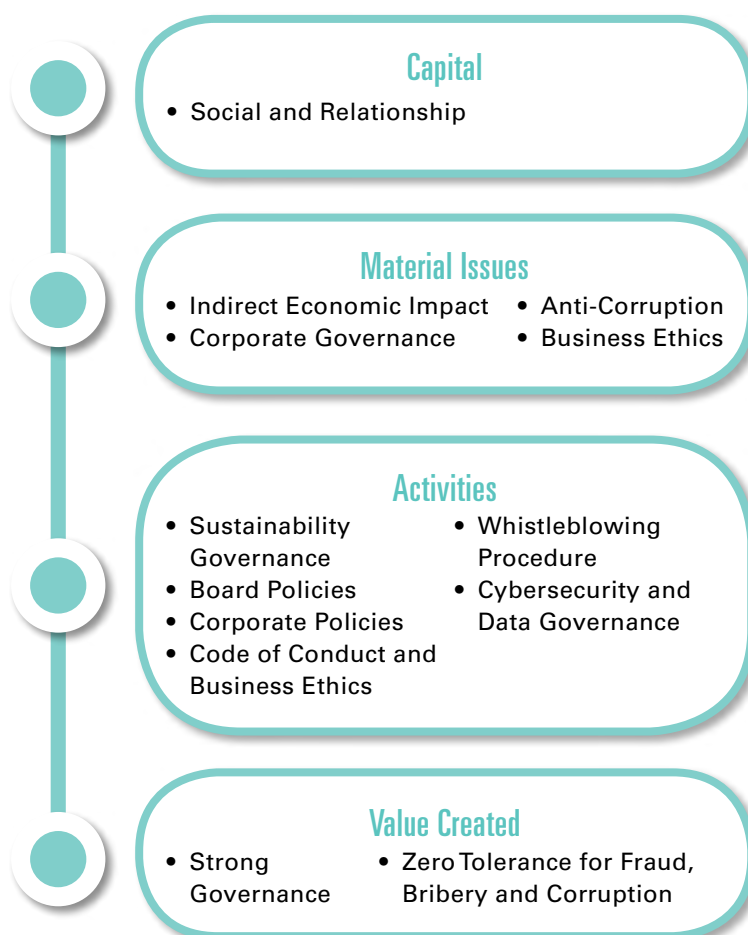
#### FOOD COLLECTION



Sunway Malls  
**> 2,400 kg**  
of food collected



## GOAL 4: RESPECTING ETHICAL PRINCIPLES



### SUSTAINABILITY GOVERNANCE

GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-17, 2-18, 2-24

### SUSTAINABILITY COMMITTEE

Sunway REIT's sustainability governance and strategy are driven by its Sustainability Committee, which was established in 2021. Chaired by Independent Non-Executive Director Yeo Kar Peng, the Sustainability Committee is responsible for reviewing, supervising and recommending to the Board of Directors on matters related to the three key areas that are aligned with Sunway Berhad's sustainability commitment:

Sustainability strategy and issues	Key ESG goals, targets and performance	Progress and scorecard
------------------------------------	----------------------------------------	------------------------

The Sustainability Committee also reviews feedback from relevant stakeholders including, but not limited to, authorities, regulators, investors and index funds on matters related to sustainability before advising the Board. Since its inception, the Sustainability Committee has recommended the following sustainability measures, which have been endorsed by the Board:

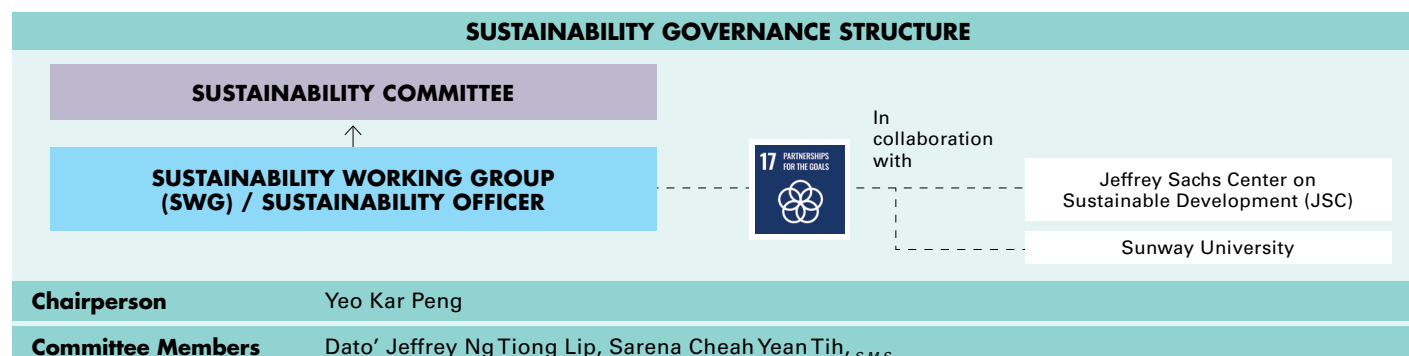
2030 Sustainability Goals and Targets	Donations, Sponsorships and Corporate Responsibility Policy
Sustainability Policy	Internal Carbon Pricing Framework

The Sustainability Committee meets twice a year to review Sunway REIT's sustainability plan and is supported by the Sustainability Working Group (SWG) and a Sustainability Officer.

### SUSTAINABILITY WORKING GROUP (SWG) AND SUSTAINABILITY OFFICER

Sunway REIT has appointed a full-time Sustainability Officer to oversee the management of sustainability matters that reside with the Board, including the integration of sustainability considerations into the operations of the Company. The SWG occasionally invites the JSC to provide advice based on its expertise in sustainability. In 2021, the JSC was tasked with assessing Sunway REIT's risk exposure due to the effects of climate change on its properties. In 2021, the three entities collaborated to assess Sunway REIT's risk exposure to climate change.

Led by Sunway REIT's Chairperson, Dato' Jeffrey Ng, the SWG serves as the executive arm of the Sustainability Committee. It supports the Sustainability Committee in making informed decisions in embedding sustainability strategies in the Company's business operations and in implementing sustainability initiatives. The SWG also monitors and updates the Sustainability Committee on the progress of sustainability projects, identifies sustainability risks relevant to Sunway REIT and ensures compliance with sustainability guidelines and regulatory requirements.



## GOAL 4: RESPECTING ETHICAL PRINCIPLES

### SUNWAY REIT'S POLICIES

GRI 2-15, 2-19, 2-22, 2-23, 2-24, 2-17, 205-1, 205-2, 205-3

#### BOARD POLICIES

01

##### Directors' Remuneration Policy

Guides the Remuneration Committee in ensuring appropriate and fair remuneration for Sunway's Directors



02



##### Non-Audit Services Policy

Sets the guidelines and procedures for the Audit Committee to assess and monitor the provision of non-audit services by external auditors

03

##### Policy on Selection and Assessment of Board of Directors

Communicates the processes and criteria for selection and assessment of potential candidates for election to the Board of Directors and the Board Composition of the Company



04



##### Policy on Selection of External Auditors

Communicates the selection criteria of independent external auditors, who are recommended by the Audit Committee to the Board of Directors for selection

#### CORPORATE POLICIES

01

##### Anti-Bribery and Corruption Policy (ABC)

Guides Sunway employees and its associates in dealing with bribery and corruption



02

##### Anti-Money Laundering Policy (AML)

Outlines the rules and regulations for Sunway employees to fully comply with the Anti-Money Laundering, Anti-Terrorism and Proceeds of Unlawful Activities Act 2001



03

##### Whistleblowing Policy & Procedures

Act a mechanism for Sunway employees and external stakeholders to report on any misconduct relating to fraud, corruption and/or abuse without fear of reprisal



04

##### Donations, Sponsorships and Corporate Responsibility Policy

Guides Sunway REIT in governing its donation activities

05

##### Sustainability Policy

Lays the groundwork for the growth of assets without compromising opportunities present in the future



#### Sunway REIT is aligned with Sunway Berhad's policies, including:

- Water Management Policy
- Diversity and Inclusion Policy
- Group Occupational Health, Safety & Environment Policy
- Human Rights Policy



For more information on Sunway REIT's policies, please refer to Corporate Governance Overview Statement section on pages 188 to 214.

## GOAL 4: RESPECTING ETHICAL PRINCIPLES

### DONATIONS, SPONSORSHIPS AND CORPORATE RESPONSIBILITY POLICY

GRI 415-1

As a responsible corporate citizen, Sunway REIT always seeks to give back to the community. Whether we contribute in cash or in kind, we believe that such contributions are important for improving the lives of the stakeholders we serve, for helping us build rapport with the community and for positioning Sunway REIT as a good corporate citizen.

Nevertheless, in carrying out this responsibility, we are also cognisant that donations and/or contributions and/or sponsorships can be seen as high-risk in the context of bribery, money laundering or other corrupt activities. To ensure that our efforts continue to be above board and are

in full compliance with all applicable laws and regulations, Sunway REIT enacted a Donations, Sponsorships and Corporate Responsibility Policy in FP2021 to govern our donation activities.

The Policy outlines the types of organisations and activities that Sunway REIT can and cannot donate to, in addition to a priority list of the types of organisations and activities that Sunway REIT may support. It also guides Sunway REIT in evaluating requests for donations in terms of whether they add tangible or intangible value to the overall business.

#### The Policy will:

Provide guidance for the donation and sponsorship strategy to ensure all proposals fit within the strategy and meet the established criteria.



Provide guidance on the conduct of due diligence on all proposed recipients to check whether they are affiliated with public officials or existing or potential customers, among other anti-bribery red flags.



Establish proper controls, including approval thresholds and counter-signatures, to counter the risk of kickbacks.



The Policy covers all donations of cash, services or donations in kind, to individuals, organisations or other bodies, excluding scholarships under the Education division. All donations, sponsorships and contributions referred to within the Policy must comply with the principles laid out in the Anti-Bribery and Corruption Policy and the Anti-Money Laundering Policy of Sunway REIT.

### DONATIONS TO POLITICAL CAUSES

Sunway REIT does not make donations to political causes or any politically affiliated institutions. However, to meet our obligatory requirements as a corporate citizen, we may contribute in kind to events organised by political parties, especially those concerning industry/policy issues with key regulatory bodies, with private sector involvement. We do not usually make any donations requested by politicians unless if it is for a good cause. The donations, which will be made in kind, will be provided directly to the beneficiaries.



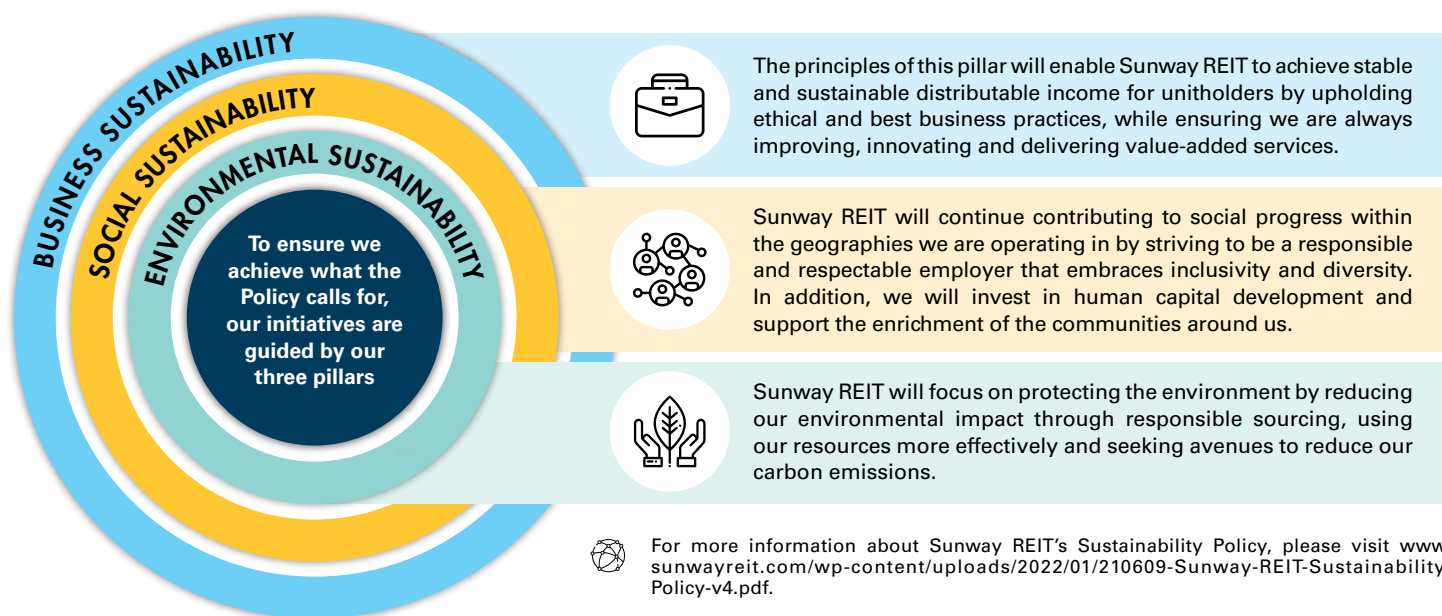
For more information about Sunway REIT's Donations, Sponsorships and Corporate Responsibility Policy, please visit <http://ir2.chartnexus.com/sunwayreit/docs/policies/Donations-Sponsorships-and-Corporate-Responsibility-Policy.pdf>.



## GOAL 4: RESPECTING ETHICAL PRINCIPLES

### SUSTAINABILITY POLICY

Sunway REIT aspires to be a good corporate citizen by accepting responsibility for its asset management activities and the impact they have on people, the environment and society. In the year under review, we established a Sustainability Policy to lay the groundwork for the growth of our assets within our portfolio, without compromising opportunities present in the future. Comprising robust principles and a governance structure that will enable us to foster sustainable value creation, the Sustainability Policy is aligned with our purpose, our commitment to the United Nations Sustainable Development Goals and our sustainability strategy that is anchored on three pillars:

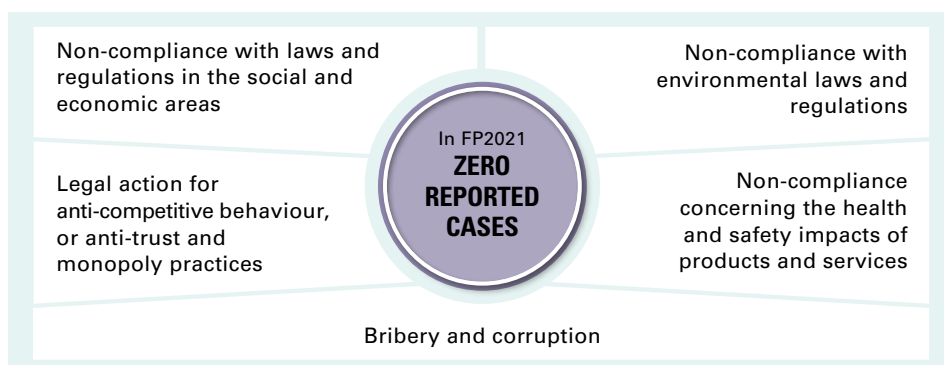


### UPHOLDING GOOD BUSINESS ETHICS

GRI 2-16, 2-25, 2-26, 2-27, 206-1, 307-1, 416-1, 416-2, 419-1

Good business ethics is vital for the sustainability of any business organisation. At Sunway REIT, we prioritise ethical principles in all that we do to uphold the highest standards of business ethics.

We remain guided by our Code of Conduct and Business Ethics, which comprises a set of robust corporate policies that are reviewed from time to time to keep up with the evolving regulatory landscape, ensuring we comply with all applicable laws, rules and regulations. Sunway REIT's Code of Conduct and Business Ethics does not only provide an ethical framework for our Directors and employees; it also ensures that our business partners, vendors and anyone who wants to engage in business activities with us upholds good business ethics and integrity.



### MEMBERSHIP IN ASSOCIATIONS

GRI 2-28

#### YEAR 2021

##### **Real Estate and Housing Developers' Association (REHDA) Institute**

Dato' Jeffrey Ng Tiong Lip,  
Chairman

##### **Malaysian REIT Managers Association (MRMA)**

Dato' Jeffrey Ng Tiong Lip,  
Immediate Past Chairman

##### **Malaysian Institute of Accountants (MIA) Professional Accountants in Business (PAIB)**

Irene Sin May Lin,  
Committee Member

##### **Malaysian Investor Relations Association (MIRA)**

##### **Climate Governance Malaysia**

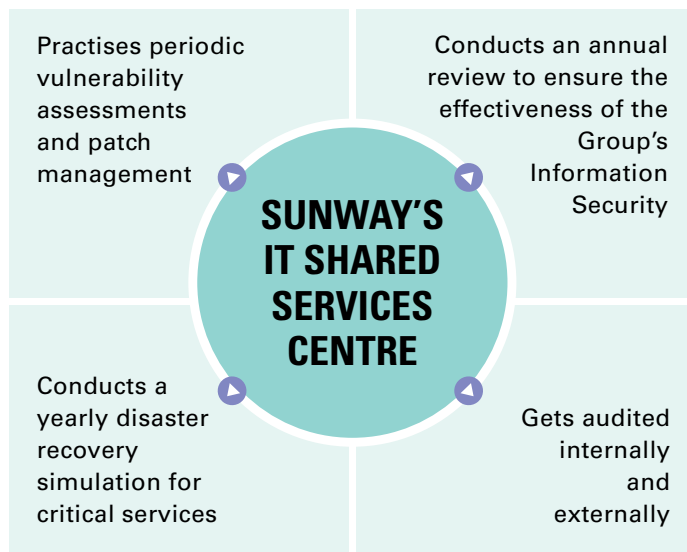
## GOAL 4: RESPECTING ETHICAL PRINCIPLES

### CYBERSECURITY AND DATA GOVERNANCE

GRI 418-1

Cybersecurity threats are becoming rampant as more businesses pivot to navigate the pandemic-led disruptions by shifting their business operations to digital platforms. An organisation may be exposed to financial, legal and reputational risks if it does not invest in cybersecurity.

At Sunway REIT, we are supported by a resilient and comprehensive Group-wide governance infrastructure. Certified with the ISO 27001:2013 international standard, Sunway's IT Shared Services Centre focuses on the Information Security Management System (ISMS) – a framework of policies and procedures that includes the legal, physical and technical controls involved in an organisation's information risk management processes.



Sunway Group's Chief Information Officer (CIO) is responsible for the shared services centre and reports to the Board on the Group's latest cybersecurity and technology strategy whenever necessary. The CIO is also a member of the National Tech Association of Malaysia (PIKOM) CIO Chapter and PIKOM Cybersecurity User Group.

To guide our employees, we have in place an ePolicy, which is accessible via our Online Learning System. We regularly raise awareness by sharing tips and reminders on data protection and privacy in our monthly newsletters and annual performance reviews via the Online Learning System, as well as by conducting phishing simulation exercises. In addition, we have an information security email for employees to report cybersecurity-related incidents. There was one reported case of a cybersecurity breach in the year under review.

#### Protecting Customers' Privacy

We are committed to protecting the privacy of customers and their personal data to maintain their trust and customer satisfaction. We comply with the Personal Data Protection Act 2010 (PDPA), which guides us in our approach to data privacy and security. All employees of Sunway Malls and Sunway Hotels are required to:

- ▶ Comply with the PDPA
- ▶ Comply with Sunway's compliance manual and all Sunway policies that are related to the PDPA
- ▶ Read, understand and acknowledge Non-Disclosure Agreements (NDAs)
- ▶ Attend PDPA training, including an annual internal audit for PDPA compliance

Group Information Technology (GIT) has established a Data Governance Framework, Policies and Procedures that outlines how businesses within Sunway should manage the availability, usability, integrity, sharing and security of data. The framework ensures that there is consistency in the way data is handled within Sunway and reduces the risk of data misuse.

Cybersecurity challenges are managed through a stringent series of codes, policies and security controls. Customer data is protected from intrusions and unauthorised access. Employees are subjected to the strictest standards of privacy and confidentiality. A Company-wide governance infrastructure was established by GIT to take a holistic approach to data privacy and security. These practices are applied across all business segments including protecting the privacy of all stakeholders, such as shoppers in our malls.

To assure customers' privacy, shoppers are encouraged to inform the malls on their preferred contact methods and any forms requiring their personal details are complying to the PDPA. There are also reminders at the malls to inform shoppers that pictures or video footage taken by the malls may be used by the malls. At hotels, the personal data of our hotel guests are only accessible to authorised users while at offices, tenants' information is not disclosed to any third party without approval from the tenants.