

## SUPPLIER ENGAGEMENT

In 2022, the business segments of Sunway REIT integrated ESG-specific activities into its procurement processes. Moving forward, Sunway REIT will improve on supplier engagement to make sure suppliers are aligned with Sunway REIT's agenda. In addition the business segments also engage with the suppliers and tenants by conducting an annual programme review and evaluation, as well as feedback sessions with stakeholders.

### SUNWAY GREEN LEASE PARTNERSHIP PROGRAMME

**Sunway REIT remains committed to its Net Zero Carbon Emissions by 2050 Roadmap and will continue to explore further methods of cutting emissions from its properties. Operationally, our focus has been on reducing Scope 1 and 2 emissions. However, in the context of our business, it is Scope 3, in particular our tenants, that contributes the highest emissions.**



For instance, a simple comparison of electricity usage in Sunway Pyramid Mall demonstrates that the common areas managed by landlord and tenanted areas are almost equally split. This indicates the strong potential for emissions reduction that can be obtained by engaging with and guiding our tenants in best energy practices. Other benefits for Sunway include a reduction in the building's overall management cost, added value as a green building and increased appeal for ESG-oriented investors.

Thus, it is crucial to the success of our net zero journey that we recruit and partner with our tenants to collaborate and finds ways to reduce our environmental footprint and promote responsible resource management. To do this, we rolled out a Green Lease Partnership Programme in July 2022 and became the first REIT in Malaysia to implement a green lease programme. The programme aims to encourage best international practices in sustainability and drive sustainable solutions through behavioural change, while boosting Malaysia's commitment to net zero carbon emissions by 2050.

As of 31 December 2022, the Green Lease Partnership Programme has garnered the participation of 100% of hotel master lessees and 21% of retail and office tenants. The tenants have signed a memorandum of understanding (MoU) and are committed to working closely with us to improve building energy efficiency, water-saving measures and diversion of waste from landfills towards a circular economy. Among the prominent tenants were The Body Shop, Muji, L'OCCITANE, Starbucks Coffee, Roche (Malaysia), Accenture Technology Solutions and Sunway Hotels. These global brands have long embraced and cultivated sustainable practices within their respective organisations as well as their product and service offerings.



The Green Lease Partnership Programme has garnered the participation of

**21%**  
Office and Retail Tenants

**100%**  
Hotel Master Lessees



We target to have  
**100% tenant participation**  
with more than 1,300 tenants  
on board the Green Lease  
Partnership Programme by 2030