

# Sunway-REIT in green building commitment

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**PETALING JAYA:** Sunway Real Estate Investment Trust  (SunREIT) targets to add one green building to its portfolio annually by way of acquisitions or asset enhancement initiatives on its existing properties.

Hong Leong Investment Bank (HLIB) Research said this is in line with the REIT's commitment to develop all new buildings acquired from 2025 onwards into green-certified buildings.

Currently, four buildings under SunREIT have been green certified, namely, Sunway Carnival Mall, Sunway Pinnacle, Sunway Resort Hotel and Sunway Lagoon Hotel.

In 2022, SunREIT began integrating environmental, social and governance assessments as part of its due diligence process for new acquisitions, such as energy efficiency, greenhouse gas emissions, biodiversity and habitat considerations, HLIB Research said in a note.

It added SunREIT is the first REIT in Malaysia to introduce Green Lease Partnership Programme, in a bid to reduce scope 3 emissions. Scope 3 emissions are the result of activities not controlled by an organisation, but by those that it's indirectly responsible for, across its value chain. Scope 1 and 2 emissions are generally within the control of an organisation.

SunREIT aims to achieve 100% tenant participation in the programme by 2030.

“Although management stated that it is a non-binding agreement, we view this development positively as it is a step forward in promoting shared efforts with tenants towards reducing its carbon emissions across its value chain,” the research firm opined.

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According to HLIB Research, through the programme, tenants will provide a more comprehensive disclosure about their utilities consumption and have a two-way discussion with SunREIT to explore areas for improvement.

“Management does not rule out the possibility of offering incentives in the future to attract and reward participants of this programme,” it added.

At the end of financial year ended Dec 31, 2022, SunREIT had garnered 100% of hotel lessees and 21% of retail and office tenants.

SunREIT also aims to derive 40% of energy from renewable energy sources by 2030, with 5% of that locally generated and remaining 35% purchased from green sources or solar farms.

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SunREIT , acquisition , greenbuilding , portfolio , tenants