
SUNWAY[®]

REIT

BIODIVERSITY POLICY

Version 1 (2024)

Process Owner: Sunway REIT – Sustainability

Intended Users: Sunway REIT

Process / Knowledge Area: Policy Statement

Last Updated: 05/02/2024

COMMITTED TO
**SUSTAINABLE
DEVELOPMENT GOALS**



The Board of Sunway REIT endorses the policy, and it is effective on 6th February 2024

CONTENTS

1. PURPOSE	3
2. SCOPE	3
3. POLICY STATEMENT	3
4. IMPLEMENTATION	4

1. PURPOSE

- 1.1. Sunway REIT Management Sdn Bhd (hereinafter refer to as “Sunway REIT”) identifies biodiversity as the combination of elements related to the conservation and sustainable use of biological diverse ecosystems and habitats to create significant public benefits and contribute to social well-being.
- 1.2. Sunway REIT’s ability to operate effectively and meet all the needs of its stakeholders depends on the projects on both greenfield sites and brownfield sites that are in or near to sensitive areas such as nature reserves, nature areas as well as areas of biodiversity, marine or riverine interest.
- 1.3. In order to minimise the business’ impact to wildlife and their habitat, Sunway REIT carefully considers its responsibilities to stakeholders, employees and the community at large in addressing these biodiversity-related challenges.
- 1.4. Sunway REIT’s biodiversity management strategies include mitigating its negative impacts on biodiversity by applying the principle of mitigation hierarchy (avoid, minimise, rehabilitate/restore).

2. SCOPE

- 2.1. Sunway REIT Biodiversity Policy (the “Policy”) applies during ESG Due Diligence for new acquisitions; and in both owned and managed properties, where practicable.

3. POLICY STATEMENT

Sunway REIT aims to be a catalyst for other developments in the region to reduce the overall impact of the built environment on their surroundings, by focusing on preservation, conservation, restoration and rehabilitation. Sunway REIT shall be guided by the following main principles of conduct, which apply to all its activities and businesses:

- 3.1. Comply with all relevant environmental legislation and obligations imposed by the governments or regulators
- 3.2. Integrate biodiversity considerations in internal strategic and decision-making processes of Sunway REIT, as well as in the analysis, management and reporting of long-term risks
- 3.3. Apply the principle of mitigation hierarchy (avoid, minimise, restore and compensate as a last resort) in negative impacts, for all phases of our businesses/ projects
- 3.4. Avoid or reduce deforestation associated with their activities and supply chain
- 3.5. Maintain natural water bodies to serve as retention ponds to mitigate flooding and enable aquatic creatures to thrive

4. IMPLEMENTATION

Our approach to reduce negative impacts to the ecology and biodiversity in areas we operate include but is not limited to establishing standard operating procedures to:

4.1. Governance and Compliance:

- a) The Sustainability Committee (“SC”) oversees and monitors the development of sustainability strategies approved by the Board and monitor the adequacy of resources allocated in achieving compliance with strategies, targets, policies and roadmap pertaining to Sunway REIT's sustainability agenda
- b) Comply with all relevant environmental legislation and obligations imposed by the governments or regulators
- c) Disclose Biodiversity Action Plan (“BAP”) audits as required by authorities
- d) Compliance to Sunway REIT Sustainable Procurement Policy¹

4.2. Operations:

- a) Conduct environmental risk assessments at the pre-development stage where practicable
- b) Regularly review environmental-related risks and opportunities in new and existing operations
- c) Introduce urban agriculture practices where practicable, such as local and organic farming
- d) Manage and compensate in quantity and quality the negative impacts produced on the environment, giving priority to solutions based on nature and encouraging the development of special protection or private conservation area

4.3. Stewardship:

- a) Protect biodiversity and make sustainable use of natural capital by adopting a hierarchy of conservation, preservation, integrating best practices throughout the life cycle in the management thereof and promoting actions for the regeneration and conservation of natural heritage
- b) Identify proposed conservation areas where practical to preserve the ecosystem and ensure the least disturbance to these conserved areas

4.4. Awareness and Commitment:

- a) Highlight and raise awareness of the importance of biodiversity protection and conservation
- b) Engage with stakeholders by participating in research, preservation, and education projects, cooperating with authorities, employees, local communities, and stakeholders
- c) Demonstrate a commitment to environmental protection, efficient resource use, regular reporting, stakeholder consultation, and environmental awareness

5. RESPONSIBILITIES AND REPORTING

- 5.1. The oversight of this Policy is led by the Board of Directors, SC and Sustainability Working Group (“SWG”). The implementation and administration of this policy is Sunway REIT and the management within each Business Units (“BU”).

6. EFFECTIVE DATE

The policy was endorsed by the Board and effective as of 6th February 2024.

Note:

1. Sunway REIT Sustainable Procurement Policy

<https://www.sunwayreit.com/wp-content/uploads/2024/02/231106-Suway-REIT-Sustainable-Procurement-Policy-v9.pdf>