## **CLIMATE REPORT: NET ZERO CARBON EMISSIONS BY 2050**

## **STRATEGY**

Sunway REIT is committed to reducing the environmental impact that was caused by the business operations by achieving net zero carbon emissions and has drawn out a roadmap with a three-pronged strategic framework.

The Net Zero Carbon Emissions by 2050 roadmap outlines specific actions, milestones, and timeline to guide the transition towards a net zero carbon emissions footprint.

## Sunway REIT's Net Zero Carbon Emissions by 2050 Roadmap

### On Track Towards Achieving 2030 Targets

Future value goals and 2030 targets to transform Sunway REIT portfolio into low-carbon sustainable assets have been set

#### Strategic Framework:



Decarbonisation



Resource (Energy, Water and Materials) Management



Waste & Pollution Management

## **Accelerating Decarbonisation**

#### **Energy Efficiency Improvement Measures**

- Conducting energy audits
- Exploring installation of rooftop solar panels
- Replacing conventional lighting to LED
- Replacing ageing lifts, escalators and ACMV equipment
- Carried out Climate Value-at-Risk ("VaR") studies for all properties (19 properties)
- Supported the recommendation of TCFD
- Incorporated
  Sustainable
  Finance
  consideration
  into capital
  management
  strategy to
  support climate
  action
- Aligned to Sunway Berhad's Internal Carbon Pricing Framework (RM15/ton)
- Introduced Green Lease Partnership Programme for Retail, Office and Hotel Segments
- Carried out Climate VaR studies for all newly acquired properties

Certified

two existing

building, one

property under

construction is

designed with

green features

Updated climate

VaR studies for

newly acquired properties

Engaged with

emissions

stakeholders to

reduce Scope 3

all properties

including

properties

as green

- Installed > 3,000 kWp of solar rooftop solar PV cells as of FY2024
- Established 10-year Green Building Roadmap
- Carried out chiller plant audit and energy audit for two properties

## Getting to Net Zero

To explore Corporate Green Power Programme and Virtual Power

Purchase

Agreement

#### Business As usual:

Global temperature is estimated to rise between 4°C and 5°C without any mitigation efforts.

# If Paris Agreement is achieved:

Global warming is limited to 1.5°C with mitigation efforts, in line with the Paris Agreement goal.

2010 2021

2022

2023

2024

2025

2030
Target to reduce
45% of
residual emission
intensity

2050 Target to reach NET ZERO

Managed assets are to continue to stay below the set targets, with an annual reduction of 3.5% to 4% annually up to 2030 to align with Malaysia's commitment to the Paris Climate Agreement of achieving 45% reduction in carbon intensity by 2030.

## **RISK MANAGEMENT**

Jeffrey Sachs Center on Sustainable Development ("JSC") was engaged by Sunway REIT to conduct an updated climate VaR assessment in FY2024 covering all 28 properties. The assessment analysed Sunway REIT's risk exposure to climate change, focusing on short-, medium-, and long-term impacts based on data and projections for the financial year ending 31 December 2024.

 For more information on the list of Sunway REIT's properties, please refer to page 7 of this report. **Short-term** 

< 2 years

Immediate actions and decisions to address immediate climate-related risks and opportunities

Time Horizons Medium-term

Linked to Sunway REIT's mid-range strategic planning

Long-term

> 5 year

Aligned with Sunway REIT's vision for sustainable growth, addressing structural transformations, long-term asset planning, and global climate and industry trends