



# CLIMATE CHANGE & GREENHOUSE GASES POLICY

Version 1 (2025)

Process Owner: Sunway REIT – Sustainability

Intended Users: Sunway REIT

Process / Knowledge Area: Policy Statement

Last Updated: 12 August 2025

COMMITTED TO  
**SUSTAINABLE  
DEVELOPMENT GOALS**



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*The Board of Sunway REIT endorses the policy, and it is effective on 12 August 2025*

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## 1. INTRODUCTION

- 1.1. The effects of climate change are evident from rising sea levels, ocean acidification, melting ice caps and extreme weather conditions. These effects threaten the well-being of people and the planet.
- 1.2. Sunway REIT Management Sdn Bhd (hereinafter refer to as “The Manager”) is committed to adapting to climate change and mitigating climate risks primarily by reducing emissions from greenhouse gases.

## 2. PURPOSE

- 2.1. The Manager recognises the importance of mitigating and adapting to the effects of climate change in all the operations.
- 2.2. This policy outlines Sunway REIT’s commitment to decarbonisation and set forth action plans and targets to reduce carbon emissions generated across Sunway REIT’s operations.
- 2.3. This policy should be read in conjunction with Sunway REIT’s Energy Policy.

## 3. SCOPE

- 3.1. Sunway REIT’s Climate Change & Greenhouse Gases Policy (the “Policy”) applies to both owned and managed properties, where practicable.

## 4. POLICY STATEMENT

- 4.1. The Manager demonstrates commitment to reduce its direct (Scope 1) and indirect (Scope 2 and 3) GHG emissions by integrating energy efficiency, renewable energy adoption, and sustainable operational practices. This commitment aligns with global climate goals and includes the following actions:
  - a) Adhere to all applicable environmental-related laws, regulations and obligations imposed by governments or environmental authorities
  - b) Align with Intergovernmental Panel on Climate Change (“IPCC”) and the Paris Agreement, targeting a 45% reduction in carbon emission intensity by 2030, with a focus on Scope 1 and Scope 2 emissions
  - c) Work towards reduction in Scope 3 emissions by 2050 through the implementation of green leases, engagement with tenants and suppliers, and sustainable procurement practices
  - d) Regular monitor, report and review progress to ensure transparency and ongoing improvement in emissions reduction efforts

## 5. IMPLEMENTATION

5.1. The Manager's is committed to decarbonisation efforts include but not limited to the following:

- a) Track, measure and disclose GHG emissions (Scope 1, 2 and 3) annually in accordance with the GHG Protocol Corporate Standard, and benchmark performance against established reduction targets and adjust strategies as needed
- b) Continuously expand its Scope 3 category reporting, whenever practicable
- c) Conduct annual reviews of GHG data, methodologies, and progress
- d) Conduct comprehensive Climate Value-at-Risk ("VaR") assessment every three (3) years to evaluate Sunway REIT's exposure to climate-related risks
- e) Consider climate-related risks and opportunities during new assets acquisition by carrying out climate VaR assessment as part of the Environmental, Social and Governance due diligence before any new asset acquisition
- f) Develop a detailed climate risk and opportunity profile through scenario analysis, enabling proactive decision-making and strategic adaptation
- g) Manage energy consumption and continuously improve energy efficient practices across Sunway REIT's operations, and increasing energy substitution by using renewable energy
- h) Implement Green Lease Partnership Programme for all new and existing tenants across retail, office, hotel, and industrial segment
- i) Engage with supply chain, tenants and other stakeholders to mitigate climate impact and reduce its Scope 3 emissions
- j) Practise sustainable procurement strategies with suppliers, focusing on the reduction of embodied carbon in products and services
- k) Explore Corporate Power Programme and Virtual Power Purchase Agreement
- l) Align to Sunway Berhad's internal carbon pricing framework to encourage low-carbon initiatives across our operations

### 5.2. Targets:

- a) In recognising the importance of mitigating and adapting to the effects of climate change, as well as transforming our portfolios to low-carbon assets, the Manager has set an overall 22% reduction target (from baseline year 2023) on its Scope 2 carbon emission intensity, with a 3.5% reduction year-on-year basis from 2023 up till 2030, and achieve net zero carbon emission by 2050.

**6. RESPONSIBILITIES AND REPORTING**

- 6.1. The oversight of this Policy is led by the Board of Directors, Sustainability Committee (“SC”) and Sustainability Working Group (“SWG”). The implementation and administration of this policy are the responsibility of the Manager.