

# ENVIRONMENTAL POLICY

## 1. Introduction

The “2030 Sustainability Vision” of Sunlight Real Estate Investment Trust (“**Sunlight REIT**”) established in the financial year 2019/20, is the sustainability strategy framework that guides the management team in identifying and managing the most critical and material sustainability issues to our business and stakeholders. In the sustainability strategy framework, Henderson Sunlight Asset Management Limited (“**the Manager**”) has identified twelve focus areas under four strategic pillars, of which “land” is one of the main strategy pillars with the focus areas comprising green buildings, energy and carbon emissions, waste and water and climate change.

As the Manager of Sunlight REIT, we strive to support land use and real estate practices that contribute to the development of a resilient community, and to construct a greener portfolio which helps to create a more sustainable environment. We operate our properties in accordance with a holistic set of green building principles and benchmarks for continuous improvement of our performance.

The Manager is committed to managing environmental as a whole and the associated risks across our operations, guided by global best practices. We also address environmental risks as part of our corporate risk management process. The Environmental Policy sets out our initiatives on environmental protection to minimize our environmental footprint, mitigate the environmental impacts on our operations and create sustainable value for our stakeholders, the community and society at large.

## 2. Scope

The main responsibility of the Manager is to manage Sunlight REIT and all of its assets in accordance with the Trust Deed in the sole interest of the unitholders of Sunlight REIT. Henderson Sunlight Property Management Limited (“**HSPM**”) has been delegated the responsibilities of providing property management, lease management and marketing services solely and exclusively for the properties of Sunlight REIT located in Hong Kong, subject to the overall management and supervision of the Manager.

This Environmental Policy applies to all directly-managed properties and will be communicated to the Deed of Mutual Covenant Managers (“**DMC Managers**”) of all non-directly managed properties on a regular basis. We shall share this policy with our stakeholders such as our employees, tenants, contractors and suppliers and encourage them to support environmental protection.

## 3. Approach

Sunlight REIT strictly complies with applicable environmental-related regulations and standards including air quality and greenhouse gas (“**GHG**”) emissions, effluent discharges and the handling of hazardous and non-hazardous waste materials in our operations. Also, we have classified our commitments into four categories, namely green buildings, energy and

carbon emissions, waste and water, and climate change in addressing environmental protection in our operations:

### **Green buildings**

- We prioritize the acquisition of quality properties that are of better energy performance, lower environmental impact, and higher climate resilience when possible.
- We strive to operate our properties in accordance with green building principles set out in global and local green building certification schemes such as Hong Kong BEAM Plus issued by HKGBC and to continuously improve our environmental performance.
- We are committed to advocating green buildings through effective and high standard of management, responsible operations and sound maintenance that incorporate environmental considerations.
- We will devote substantial effort to upgrading existing building facilities to become more resource-efficient and implementing green procurement principles, while adopting multiple measures and assessments to ensure effective green property management practices.

### **Energy and carbon emissions**

- We are committed to improving the energy efficiency and reducing the carbon footprint in daily operations of our properties under management, guided by our **Energy Management Policy** to promote industry best management practices and innovations.
- To achieve our carbon emissions reduction targets, we will continue to monitor the energy consumption and analyse the energy use data by carrying out energy audit periodically for identifying opportunities to improve energy performance and charting a path towards achieving net-zero potentially in the future.
- We will seek to implement energy saving projects and proptech innovations to optimize energy efficiency by increasing the use of renewable energy in our properties through on-site energy generation.

### **Waste and water**

- We are committed to managing waste generated and water consumed in our operations, guided by our **Waste and Water Management Policy** with related initiatives to achieve our established targets.
- We identify the significant sources of waste from our business activities and their impacts. We set and regularly review waste management objectives and revise performance

targets as necessary. We will incorporate waste prevention measures such as products' efficiency, endurance, and reusability into our procurement process.

- We identify the water usage from our business activities and implement water efficiency measures in the planning stage of our properties under management. We also collect the water consumption data for monitoring and setting water consumption targets.
- We strive to engage and partner with our employees, suppliers, tenants, customers and other stakeholders through awareness programs to minimize waste generation and water consumption in our daily business operations wherever practicable.

### **Climate change**

- Guided by our **Climate Change Policy**, we are committed to identifying and managing climate change risks across our operations to enhance the resilience of our business and stakeholders.
- We aim to minimize our environmental footprint, mitigate the impact of climate change on our operations and, where necessary, adapt our operations and increase our resilience to climate change.
- With reference to the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), we will provide relevant information and regular disclosures for stakeholders to review and monitor our climate-related performance and assess the climate change impacts on our operations.
- We strive to promote awareness on climate change and carry out continuous improvement of resource-efficient practices through training, inspections and supervision, and regular performance review to our employees and other stakeholders.

## **4. Monitoring**

We will monitor, track and report on all aspects of our Environmental Policy and associated strategy on a regular basis. We will keep appropriate records over time and report to the ESG Committee and the Board (if applicable) on progress towards our targets. We welcome scrutiny from our stakeholders and seek to be accountable for all our actions and decisions relating to environmental protection.

## **5. Review**

This Environmental Policy will be periodically reviewed by the ESG Committee and be amended and updated according to latest market trends, codes, regulations and standards as appropriate.