

**Sustainability Policy
(Rev 1)**

Prepared by:



AGV Sustainability and ESG Services Sdn. Bhd.

7th June 2023

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Prepared for:



1.0 Introduction

1.1 KIP Real Estate Investment Trust ("KIP REIT" or "the Manager") understands the value of sustainability and prioritises it in all of our decisions, ensuring that they are in line with KIP REIT's vision and mission. The Manager strives to increase its efforts in creating continual business improvements and fostering a high-performance workforce, all while emphasising the need for responsible environmental management.

1.2 KIP REIT Management Sdn Bhd and our operating subsidiaries (collectively referred to as "KIP REIT") have established this policy as a guide to embedding sustainable practises throughout our operations and value chain. The policy outlines the sustainability core principles and commitments of KIP REIT in the areas of Environment, Social, and Governance ("ESG") to align with our sustainability ambitions.

1.3 This Sustainability Policy ("the Policy") aims to guide the Manager towards achieving sustainability and should be read in conjunction with:

- KIP REIT's Code of Conduct and Business Ethic
- KIP REIT's Anti-Bribery Policy
- KIP REIT's Whistleblowing Policy
- KIP REIT's Health and Safety Policy
- KIP REIT's Enterprise Risk Management Framework

1.4 This Sustainability Policy ("the Policy") is aligned with the following:

i. Vision

To be a leading Real Estate Investment Trust with sustainability and community engagement at the forefront of our investment strategies.

ii. Mission

Creating value for our stakeholders to ensure sustainable growth for our KIP REIT community.

- **For our investors:** We strive to deliver sustainable returns to our investors through a steady stream of distribution income generated by our unique portfolio assets.
- **For our business partners:** We see and treat our tenants as our business partners. We are building a community of assets as a platform for our business partners, be they local SMEs or established brands, to expand their enterprises together with our growing community of properties.
- **For our shoppers:** We want our shoppers to feel at home at all of our community-centric malls, where they can access their daily necessities and create long-lasting memories with other members of their communities.
- **For our employees:** We prioritise respect, diversity and inclusion, actively listening to our team and enhancing our welfare programmes. Our unwavering commitment to growth fuels our provision of training opportunities, empowering employees to reach their fullest potential and fostering unity as a diverse team.
- **For our community:** We are committed to helping the communities in our operation areas by supporting causes that promote environmental sustainability and fostering economic and social development.

iii. Core Values

- **Know-How:** We are committed to leveraging our core capabilities in identifying investment opportunities and managing our properties to ensure that we maximise our value creation for all our stakeholders. Our management team takes pride in making carefully considered decisions to deliver high-quality investments.
- **Integrity:** We are driven by our desire to do the right thing for our stakeholders in everything we do. We ensure that the way we conduct our business is with an open and honest mind-set.
- **People:** At the heart of our investment fund is our community. We strive to serve each and every one of our stakeholders with our dedication to maximise their value.

1.5 Objective

The Policy is underpinned by our vision and mission and aims to:

- Establish relevant Environmental, Social and Governance (“ESG”) and economic indicators;
- Achieve long-term business sustainability by integrating sustainability into our operations while taking into account the concerns of our stakeholders;
- Adopt sustainable business practises to contribute favourably to the local economy, safeguard our natural resources and create a positive impact to the local community.

A detailed disclosure of KIP REIT’s qualitative and quantitative sustainability performances related to ESG, economic risks, and opportunities, will be provided in the Sustainability Statement included in the Annual Report.

2.0 Scope

The Policy shall cover the Manager’s key objectives to achieve the desired outcomes and outline its commitments under each core sustainability pillar.

3.0 Applicability

The Policy applies to the sustainability initiatives carried out by the Manager across all KIP REIT’s properties.

4.0 Manager Sustainability Policy

4.1 Statement

KIP REIT is dedicated to incorporating ESG values into all aspects of management, operations and decision-making in order to address the effects we have on both the environment and people. By being progressive in our sustainability initiatives and creating long-term values for our stakeholders, the Manager strives to achieve a balanced growth between business performance and sustainability.

The Manager’s sustainability initiatives are guided by our four core pillars:

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- **Governance:**
Maintaining ethics, transparency, and integrity in business operations by strictly adhering to excellent corporate governance practices.
- **Economic:**
Driving efficiency in our operations' activities by committing to stable income distribution and capital appreciation for our unitholders while promoting the economic growth of the communities we operate in.
- **Environmental Stewardship:**
Accomplishing our responsibility to protect the environment by making continual efforts to reduce our environmental footprint.
- **Social Responsibility:**
Striving towards social growth within the Manager and the communities in which we work to enrich.

The Manager strives to engage in an open and honest dialogue with our stakeholder groups in order to meet their needs and expectations and identify operational risks and opportunities.

4.2 Commitments

I. Governance

In order to maintain a culture of integrity throughout our business operations and to protect the values and interests of our stakeholders, we are dedicated to upholding the highest standards of corporate governance. We strictly adhere to applicable laws and regulations through ethical business practises to minimise potential risks to our company, particularly those relating to data protection and cybersecurity.

II. Economic

KIP REIT adds value for stakeholders by providing stable and regular income distribution and capital appreciation for further economic growth and development. With this, we aim to continue providing adequate work, productive employment, and platforms for SMEs to expand their businesses within the local community.

III. Environment

KIP REIT recognises the impact of climate change and is dedicated to reducing our carbon footprint and other environmental impacts by implementing responsible resource management. In light of this, we strive to assess and control GHG emissions arising from our business operations. Where practical, we also promote the use of energy-efficient technology and renewable energy generation at our properties to optimise energy consumption. Our tenants work collaboratively to improve energy efficiency, water saving measures, and waste diversion from landfills. We ensure that our supply chain management practices environmental

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responsibility and that our suppliers are compliant with the pertinent environmental criteria, primarily regarding waste and pollution management, during the supplier assessment.

IV. Social

The Manager is always trying to establish a safe, healthy, diverse, and inclusive working environment that gives fair and equitable opportunities to all of our workers through the implementation of strict adherence to labour regulations. We understand that people are the driving force behind our business. Thus, while we prioritise product quality and customer satisfaction, we also conduct supplier assessments to ensure that our suppliers address social criteria such as human rights, labour standards, and health and safety. We also safeguard our tenants through security and crime prevention strategies, and have an emergency response plan in place.

Review and Management

The Sustainability Policy falls under the purview of KIP REIT's Board of Directors, who are assisted by the Sustainability Steering Committee ("SSC"). The Board of Directors has the ultimate oversight responsibility for sustainability practices at KIP and for delivering sustainable value to our stakeholders.

The Policy is subject to periodic review and revision by the SSC with approval from the Board where necessary to reflect any updates and improvements in the Group's sustainability practices.

Reporting

The Sustainability Policy will be reviewed annually to monitor the progress of our sustainability initiatives and provide disclosures through our Sustainability Report.

This Policy has been reviewed by KIP REIT's Sustainability Working Committee and approved by the Board of Directors.

Name : Valerie Ong Pui Shan

Signature:

Date : 16 June 2023