



Hektar Real Estate Investment Trust

Sustainable Investment Principles

Version: 1.0

Sustainable Investment Principles

	Sustainability
	SUSTAINABLE INVESTMENT PRINCIPLES

Our Sustainable Investment Principles (SIP) is central to Hektar REIT's commitment to responsible investment, long-term growth, and creating value for our stakeholders.

Purpose and Alignment

The global push to decarbonise, limit global warming to 1.5°C by 2030, and achieve net zero by 2050 underscores the need for low or zero-emission-producing real estate assets. Our SIP aims to address these challenges by integrating sustainability into our portfolio, focusing on environmental, social, and governance factors to create resilient assets with strong transition strategies.

Our SIP is aligned with the United Nations Global Compact (UNGC), the Glasgow Climate Pact, and frameworks like the United Nations Sustainable Development Goals (SDGs), the Task Force on Climate-Related Financial Disclosures (TCFD), and the United Nations Environment Programme Finance Initiative (UNEP FI). It complements Hektar REIT's existing ESG policies, including the Climate Change Policy, Environmental, Social, Health and Safety (ESHS) Policy, and Human Rights Policy.

Scope and Applicability

Our SIP applies to all investment and asset management decisions, from property acquisitions to portfolio expansions. It is designed to adapt regulatory and ESG standards, ensuring consistency and flexibility within our portfolio. This principle is applied when evaluating new opportunities in Malaysia and other markets, promoting a sustainable, value-driven approach.

Key Focus Areas

Environmental	Social	Governance
<ul style="list-style-type: none"> • Climate Change Impacts: Emphasising emissions reduction, energy efficiency, and renewable energy. • Resource Use: Reducing land contamination, pollution, and promoting sustainable resource use. • Waste & Recycling: Adopting circular economy principles, minimising waste and supporting recycling initiatives. • Biodiversity: Protecting ecosystems and preserving natural habitats. 	<ul style="list-style-type: none"> • Human Rights & Labour Standards: Upholding ethical labour practices and ensuring fair workplace treatment. • Community Impact: Fostering positive social impacts and inclusive community development. • Health & Safety: Ensuring workplace safety, hygiene, and amenities that enhance tenant well-being. 	<ul style="list-style-type: none"> • Ethical Governance: Maintaining transparent governance with Board oversight of ESG matters to support responsible investment. • Data Security: Complying with data protection and privacy regulations • ESG Certifications: Aligning investments with recognised ESG standards.

The Manager
Hektar Asset Management Sdn Bhd

26 November 2024