

SUNWAY CITY
ISKANDAR PUTERI

SUNWAY ISKANDAR DEVELOPMENT SDN BHD

Sustainable Finance Framework

22 September 2025

Contents

| | Page No. |
|---|----------|
| 1. Introduction | |
| Sunway at a glance | 1 |
| 2. Background | |
| 2.1 Company Profile of Sunway Iskandar Development Sdn Bhd | 2 |
| 3. Sustainability at Sunway Iskandar Development Sdn Bhd | |
| 3.1 Sunway Group 2030 Goals | 3 |
| 3.2 Green Township Policy | 5 |
| 3.3 Green Building Policy | 6 |
| 3.4 Sustainability Accreditation | 7 |
| 4. Sunway City Iskandar Puteri | 8 |
| 5. Sustainable Finance Framework | |
| 5.1 Use of Proceeds | 12 |
| 5.2 Project Evaluation and Selection | 20 |
| 5.3 Management of Proceeds | 21 |
| 5.4 Reporting | 21 |
| 6. External Review | |
| 6.1 Pre-issuance External Review | 24 |
| 6.2 Post-issuance Verification/ External Review | 24 |

1. INTRODUCTION

SUNWAY AT A GLANCE

Sunway Berhad (“**Sunway**” or “**Sunway Group**”) is one of Southeast Asia’s leading conglomerates, with operations in over 50 locations worldwide and supported more than 15,000 employees. As of 31 December 2024, Sunway’s market capitalisation stood at RM29.6 billion, and it is recognised as one of the top 100 companies listed on Bursa Malaysia Securities Berhad.

The very birth of Sunway Group in 1974 was founded on the concept of sustainable development. Based in Sunway City Kuala Lumpur, Malaysia, the Sunway Group has developed a diverse portfolio encompassing property development, property investment and REIT, building materials, trading and manufacturing, leisure, construction, hospitality, healthcare and quarry, among others. The Sunway Group owns approximately RM13.4 billion in assets under the management of its property investment and REIT divisions and has provided over 39,000 residential and commercial units to the communities in its integrated developments throughout Malaysia, as well as in stand-alone developments in China, Australia and Singapore.

Sunway owns two (2) public-listed companies – Sunway Construction Group Berhad and Sunway Real Estate Investment Trust (“**Sunway REIT**”). The Sunway Group has 53.64% ownership of Sunway Construction Group Berhad, one of the most prominent construction companies in Malaysia, and owns 40.89% of Sunway REIT, the second-largest Real Estate Investment Trust in Malaysia. Together with Sunway Group, the market capitalisation for these companies, including Sunway Berhad, was over RM29.6 billion as of 31 December 2024.

Sunway’s leisure and hospitality divisions include 12 hotels and resorts comprising more than 3,700 guestrooms, suites and villas in Malaysia, Cambodia and Vietnam. Sunway also owns and operates two (2) multiple-award-winning theme parks in Malaysia, namely Sunway Lagoon Theme Park in Sunway City Kuala Lumpur and Sunway Lost World of Tambun in Sunway City Ipoh, Perak which collectively span over 120 acres and offer more than 100 exciting attractions.

The remainder of this page is intentionally left blank

2. Background

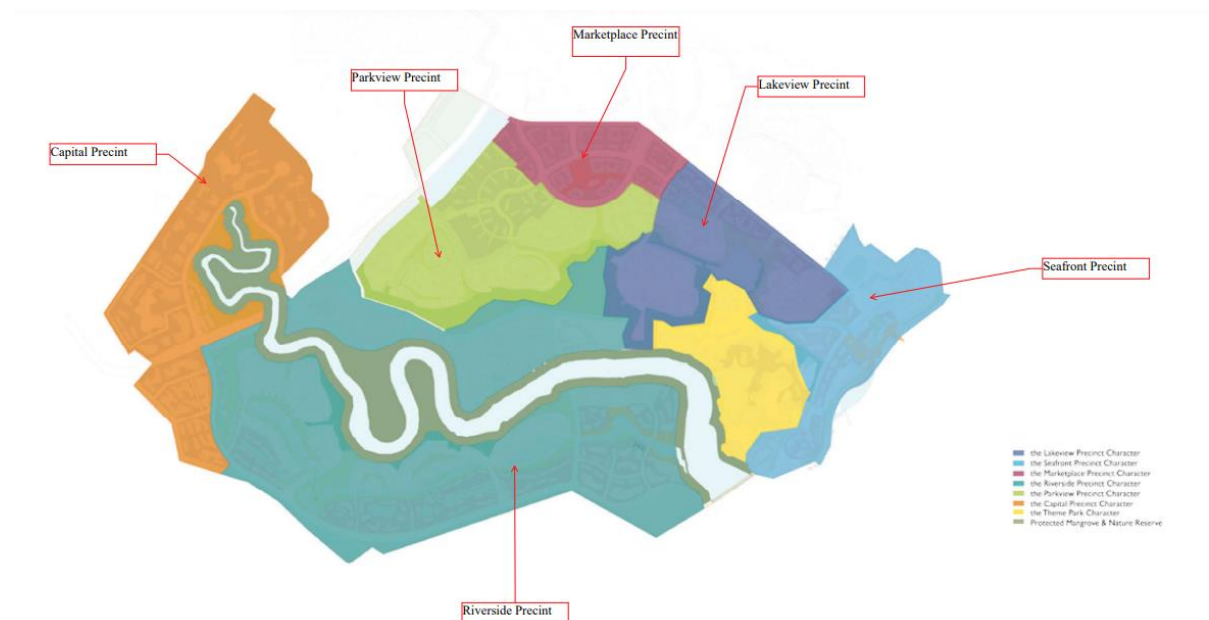
2.1 Company Profile of Sunway Iskandar Development Sdn Bhd

Sunway Iskandar Development Sdn Bhd (“**SIDSB**” or the “**Company**”) was incorporated on 3 October 2012 under the Companies Act 2016. It is an indirect wholly-owned subsidiary of Sunway through Sunway City Sdn Bhd.

SIDSB plays a pivotal role in the Sunway Group's long-term vision of building nature-inspired, smart and sustainable townships. SIDSB was established to spearhead Sunway's strategic expansion into southern Peninsular Malaysia as the master developer of Sunway City Iskandar Puteri (“**SCIP**”), a flagship integrated township located in Iskandar Puteri, Johor, within the southern development corridor of Iskandar Malaysia.

The township is made up of two (2) major areas known as Medini (Zone F) and Pendas with total development area of over 2,000 acres and integrates township which encompasses a diverse range of amenities includes residential, commercial, retail, education, healthcare, entertainment, logistics/warehouses, hospitality, healthcare facilities and recreational components. The gross development value of the entire township is estimated to be over RM30.0 billion. The developments are divided into six (6) precincts, namely:

- (i) The Lakeview Precinct;
- (ii) The Parkview Precinct;
- (iii) The Marketplace Precinct;
- (iv) The Seafront Precinct;
- (v) The Capital Precinct; and
- (vi) The Riverside Precinct.



SIDSB is the master developer for the development in Pendas, a 1,300 acres mixed development within SCIP. Pendas is strategically located just 5 minutes from Singapore via the Coastal Highway Southern Link (CHSL). Inspired by the success of Sunway City Kuala Lumpur and Sunway City Ipoh, SCIP is committed to creating a vibrant and sustainable ecosystem that meets the evolving needs of its community.

3. Sustainability at SIDSB

3.1 Sunway Group 2030 Goals

The United Nations Sustainable Development Goals (“**UNSDGs**”) and Malaysia’s Shared Prosperity Vision 2030 (SPV2030) are agendas that the Sunway Group is fully committed to. The Sunway Group aspire to be Asia’s model corporation in sustainable development. Looking ahead, the Sunway Group intend to continue growing shareholder value meaningfully and responsibly – by actively contributing to the local communities, harnessing environmentally sustainable technology, and pursuing growth areas that leverage the strengths of Sunway Group. Sunway aims to achieve net zero carbon emissions by 2050 in our aspiration to build a sustainable future.

SIDSB’s sustainability strategy and commitments are driven by the sustainability strategy and initiatives mandated by Sunway Group which are anchored on a set of five goals complete with key targets to benchmark against their yearly performance:

- Goal 1: Driving carbon reduction across our portfolios and cities
- Goal 2: Advocating a responsible value chain
- Goal 3: Developing a safe, equal and dignified workforce
- Goal 4: Investing in community inclusivity
- Goal 5: Upholding transparency and delivering excellence

SIDSB is also guided by internationally recognised management standards in ensuring sustainability performance and governance. All developments and operations adopt:

- ISO 14001 (Environmental Management System) (“**ISO 14001:2015**”);
- ISO 9001 (Quality Management System) (“**ISO 9001:2015**”); and
- ISO 45001 (Occupational Health and Safety Management System (“**ISO 45001:2018**”).

All the above goals are aligned with the 17 UNSDGs which Sunway Group aims to achieve by 2030. Sunway Group is also committed to achieve its Net Zero Carbon Emissions Goal by 2050.

Sunway Group's sustainability journey continues to receive due recognition from the investment community. Key highlights of sustainability achievement and commitment include:

- Top 10% percentile of its Industry Classification Benchmark (ICB) Supersector that has been assessed by FTSE Russell; and
- The first company in Malaysia to commit to implement an internal carbon pricing framework, which is meant to incentivise clean energy adoption, encourage better energy efficiency and ultimately reduce greenhouse gas (GHG) emissions.

The remainder of this page is intentionally left blank

3.2 Green Township Policy

Sunway is committed to ensuring all new townships developed from 2025 onwards to be green-certified. Sunway defines a green township as a well-planned development designed to mitigate negative environmental impacts while promoting long-term liveability. These townships incorporate innovative solutions to optimize natural resource usage and enhance connectivity within and beyond the community.

Established in 2023, Sunway's Green Township Policy serves as a cornerstone of its commitment to sustainable development and responsible urbanisation. Guided by the principles of environmental stewardship, social inclusivity and economic resilience, the policy provides a structured framework for the planning, development and management of integrated townships that are climate-resilient, resource-efficient, and community-focused.

This commitment reduces the overall environmental footprint of the built environment. Sustainability is embedded throughout the entire township lifecycle — from land acquisition and master planning to construction, operations, and community engagement.

Our key strides towards green townships in areas we operate include, but not limited to establishing standard operating procedures to:-

- (a) Energy Efficiency
- (b) Water Management
- (c) Biodiversity Conservation
- (d) Social Cohesion & Community Planning
- (e) Transportation & Connectivity
- (f) Building & Resources
- (g) Business & Innovation

These areas are supported by detailed standard operating procedures, as outlined in Sunway's Green Township Policy and are designed to ensure measurable environmental and social impact across all township developments.

Sunway City Kuala Lumpur and SCIP have been awarded provisional Green Certified township status by the Green Building Index Accreditation Panel ("**GBI**"), reflecting Sunway's leadership in sustainable urban development. SIDSB, as a subsidiary of Sunway Group, is fully aligned with this policy and shall not deviate from its principles in the planning and execution of township developments.

While the Green Township Policy outlines sustainability at the township level, the Green Building Policy complements it by focusing on the building's life cycle, through better design, construction, operation and maintenance of individual buildings within the township development.

3.3 Green Building Policy

Sunway is committed to ensuring all new buildings completed in 2025 onwards are green-certified. The Group defines green buildings as developments that focus on boosting resource efficiency, while reducing building impact on human health and the environment during the buildings' life cycle through better design, construction, operation and maintenance. Established in 2021, Sunway's Green Building Policy outlines the key requirements that are essential to the development of green townships and buildings. The Policy ensures that the Sunway Group will integrate sustainable practices into the development, operations and management of townships and buildings. The Policy also underscores the Group's commitment to design and produce built environments that facilitate healthy lifestyles and prioritise the well-being of the stakeholders.

Examples of Sunway's green building developments can be seen within the vicinity of SCIP. These developments are integrated with surrounding components such as serviced residences, offices, retail outlets, a shopping mall, and a school — creating a well-connected, sustainable urban environment. Additionally, the Electric Vehicle (“EV”) -friendly Causeway Link, located just 5km from Tuas, Singapore, enhances cross-border connectivity. This integration promotes walkability and low-carbon mobility, supporting a sustainable lifestyle through thoughtful urban planning. More connectivity options are continuously being introduced to support integrated city living and a self-sustaining urban ecosystem.

SCIP's green buildings are designed with a focus on energy efficiency, incorporating both passive and active design controls, including thermal envelopes, energy-efficient equipment, and ventilation systems. These developments will incorporate renewable energy generation with the installation of solar panels, powering common areas of development and supporting EV utilisation in its developments. To promote water efficiency, the green buildings will be equipped with water efficient fittings and rainwater harvesting system for landscape irrigation. Furthermore, green areas are thoughtfully designed to reduce the heat island effect.

The remainder of this page is intentionally left blank

3.4 Sustainability Accreditation

The list below are developments of Sunway Group with Green Certification Accreditation¹:

| CENTRAL | | |
|---|--|---------------------------------------|
| Type | Property | Green Certification |
| Township | Sunway City Kuala Lumpur | GBI - Silver (Provisional Cert) |
| Residential (Built) | Sunway Nexis - SOHO | GreenMark - Gold (Provisional Cert) |
| | Sunway Rymba Hills | GreenMark - Gold (Provisional Cert) |
| | Sunway SPK 3 Harmoni | GreenMark - Gold (Provisional Cert) |
| | Sunway Palazzo | GreenMark - Gold |
| | Sunway GEOLake Residence | GreenRE - Gold |
| | Sunway Velocity TWO - Plot A (Tower A & B) | GreenRE - Gold (Provisional Cert) |
| | Sunway Velocity TWO - Plot B (Tower C & D) | GreenRE - Gold (Provisional Cert) |
| | Sunway Serene | GreenRE - Gold (Provisional Cert) |
| | Sunway Avila | GreenRE - Gold |
| | Sunway Floral | GreenRE - Platinum (Provisional Cert) |
| Residential (New or Upcoming) | Sunway Belfield | GreenRE - Platinum (Provisional Cert) |
| | Sunway D'Hill | GreenRE - Gold (Provisional Cert) |
| | Sunway Alishan | GreenRE - Gold (Provisional Cert) |
| | Sunway Artessa | GreenRE - Gold (Provisional Cert) |
| | Sunway Jernih Residence | GreenRE - Bronze (Provisional Cert) |
| | Sunway Velocity 3 | GreenRE - Gold (Provisional Cert) |

| NORTHERN | | |
|---|----------------------------------|--|
| Type | Property | Green Certification |
| Residential (Built) | Sunway MontBleu (Ipoh) | GreenMark - Gold (Provisional Cert) |
| | Sunway Onsen Suites | GreenRE - Silver (Provisional Cert) |
| Residential (New or Upcoming) | Sunway Wellesley Serene Villas | GreenRE - Bronze (Provisional Cert) |
| | Sunway Dora | GreenRE - Bronze (Provisional Cert) |
| Non-Residential (Existing) | Sunway Property @ Anson Road | GBI - Gold (Provisional Cert) |
| | Sunway Carnival Mall (Expansion) | GreenMark - Gold Plus (Provisional Cert) |
| | | GreenRE - Gold (Provisional Cert) |

| CENTRAL | | |
|---|--|--|
| Type | Property | Green Certification |
| Non-Residential (Existing) | Sunway Geo Tower | GreenRE - Bronze |
| | Sunway Vivaldi - Clubhouse | GreenMark - Certified (Provisional Cert) |
| | Sunway Lagoon Hotel | GreenMark - Gold (Provisional Cert) |
| | | GBI - Certified (Design Assessment) |
| | Sunway Pinnacle | GBI - Certified (CVA Cert) |
| | | GreenMark - Gold |
| | Sunway Visio Tower | GreenRE - Silver |
| | Sunway Resort Hotel (Renovation) | GreenRE - Platinum |
| | Sunway International School SCKL | GreenRE - Platinum |
| | Sunway Putra Hotel | GreenRE - Gold |
| Non-Residential (New or Upcoming) | Sunway University - New Block | GreenRE - Platinum |
| | Sunway Velocity TWO - Corporate Office | GreenRE - Platinum (Provisional Cert) |
| | Sunway Medical Centre - Phase 4 | GreenRE - Bronze (Provisional Cert) |
| | Sunway Square - Office Tower 1 | GreenRE - Platinum (Provisional Cert) |
| | | LEED - Gold |
| | Sunway Square - Office Tower 2 | GreenRE - Platinum (Provisional Cert) |
| | | LEED - Gold |
| | Sunway Square - Retail and Cinema | GreenRE - Platinum (Provisional Cert) |
| | Sunway Medical Centre Velocity (Phase 2) | GreenRE - Silver (Provisional Cert) |
| | Sunway Square - University Campus and Sir Jeffrey Cheah Performing Arts Centre | GreenRE - Gold (Provisional Cert) |
| | Sunway Enterprise Park (Phase 2) | GreenRE - Silver (Provisional Cert) |
| | Sunway PIER | GreenRE - Silver (Provisional Cert) |

| SOUTHERN | | |
|---|-------------------------------|---------------------------------------|
| Type | Property | Green Certification |
| Township | Sunway City Iskandar Puteri | GBI - Silver (Provisional Cert) |
| Residential (New or Upcoming) | Sunway GRID Residence | GreenRE - Gold |
| | Sunway Lenang Heights | GreenRE - Silver (Provisional Cert) |
| | Sunway Aviana | GreenRE - Silver (Provisional Cert) |
| Non-Residential (Existing) | Sunway Citrine Hub | GreenRE - Bronze (Provisional Cert) |
| | Sunway Southern Region Office | GBI - Certified (CVA Cert) |
| | Sunway Big Box Retail Park | GreenRE - Bronze (Provisional Cert) |
| | Sunway Grid Hub | GreenRE - Silver (Provisional Cert) |
| | SJK (C) Cheah Fah | GreenRE - Platinum (Provisional Cert) |

The remainder of this page is intentionally left blank

¹ The Green Certificate Accreditation listed are as published in the Sunway Berhad Sustainability Report 2024

4. Sunway City Iskandar Puteri

SCIP which has been awarded with a provisional Green Certified Township by the GBI, serves as a flagship integrated green township within the Iskandar Malaysia growth corridor, where climate resilience, resource efficiency, and social inclusivity are critical to long-term urban sustainability.

Spanning approximately 2,000 acres across Medini (Zone F) and Pendas, SCIP dedicates approximately close to 40% of its land to green spaces including river reserve of over 730 acres, waterbodies and public amenities, reinforcing SIDSB's commitment to environmental stewardship and liveability. SCIP's land use allocation according to approved development plan is as follows:

| Land Use | Area (Acre) | | |
|--|-----------------|--------------|--------------|
| | Medini (Zone F) | Pendas | Total |
| Development Land for Residential, Mixed Development and Commercial | 56% | 44% | 48% |
| Greenspace & Open Space Area including River Reserve and Mangrove Swamp | 16% | 22% | 20% |
| Waterbodies | 4% | 15% | 11% |
| Public Amenities including School, Mosque, Police Station, Fire Station and Community Centre | 5% | 5% | 5% |
| Major Infrastructure including Roads and Drainage, Substations and Reservoirs | 19% | 13% | 15% |
| TOTAL DEVELOPMENT AREA (approximate in acres) | 700 | 1,300 | 2,000 |

Integrated Green Space Planning for Ecosystem Continuity

A holistic approach to green space planning is essential for fostering a thriving ecosystem within the township. Approximately 40% of the total open space is designated as green or vegetated areas, demonstrating a strong commitment to environmental sustainability. The masterplan also incorporates site scale practices such as the installation of permeable pavements to enhance water infiltration and reduce runoff. Furthermore, the development ensures that recreational green spaces including public parks, playgrounds, community herb gardens, and recreational lakes are strategically located within 500 metres to 800 metres of all residential lots, promoting accessibility and encouraging community engagement with nature.

Minimizing Heat Island Effect

SCIP integrates a variety of measures to reduce the urban heat island effect, including:

- At least 40% of all public spaces (hardscape plazas) and foot paths on the developments are shaded.
- Provision of shaded green space or tree to cover at least 20% of the development footprint.
- At least 10% of public spaces are provided with open water or water features.
- At least 50% of hardscape in public spaces and road within the development to use Solar Reflectance Index value of 29 and above for the final surface finishes to mitigate heat absorption.

Efficient Township Lighting

Road lighting networks and park lightings in townships consume a significant portion of total energy used for township lighting. SCIP uses energy saving LED lamps with emphasis on efficient luminaires that complies with the GBI's requirements.

Reduction in Potable Water Consumption

SCIP has implemented rainwater harvesting system to support sustainable landscaping across the township. Collected rainwater is stored in a retention pond and pumped out for irrigation purposes. Since the majority of the trees to be planted are mature and require minimal or no watering, irrigation efforts are primarily focused on shrubs, ground covers, and lawns. It is estimated that this initiative is expected to reduce potable water usage for landscaping by approximately 67.7%.

Conservation of Environmentally Sensitive Areas

In support of sustainable development, SCIP places great emphasis on conserving environmentally sensitive areas, particularly within the Sungai Pendas (Riverside Precinct) and Seafront Precinct. These areas, located near major tributaries, were subject to detailed studies as part of the Environmental Impact Assessment ("EIA"). Conservation efforts include maintaining a 50-metre buffer along Sungai Pendas, preserving low-lying mangrove areas, and designing platform levels above the highest predicted flood levels to mitigate environmental risks. Additionally, in the Seafront Precinct, existing coastal mangrove vegetation will be retained, and affected villagers will be responsibly relocated to designated areas.

The remainder of this page is intentionally left blank

Inclusive Urban Design for Universal Accessibility

SCIP adopts a universal design approach to ensure that the urban environment is accessible and inclusive for individuals of all ages and physical abilities, including those with impairments. Facilities and infrastructure are planned to be integrated, safe, user-friendly, and ideally located. Key features include pedestrian walkways, crossings, parking spaces, bus stops, stairs, elevators, escalators, and street furniture such as public telephones. Additionally, supporting elements such as step ramps, dropped kerbs, handrails, signage, and indicators are incorporated, achieving 75% provision of universal accessibility across the development.

Sustainable Mobility

SCIP has implemented a Green Transport Masterplan to promote sustainable mobility and reduce reliance on private vehicles. The plan targets a 40% reduction in intra-community car travel through an internal public transport network, pedestrian walkways, and bicycle lanes. The bicycle lanes in SCIP connect residential areas to public amenities and facilities, with over 75% of the routes shaded by tree-lined lanes. Additionally, bus stops are strategically placed to support shuttle feeder bus services that will operate across the township. The traffic impact assessment report indicated that at least 40% of daily trips including travel for work, education, and essential services can be accommodated via public transport estimated based on household and area-specific travel patterns.

The remainder of this page is intentionally left blank

5. Sustainable Finance Framework

This Sustainable Finance Framework (“**Framework**”) has been developed to outline SIDSB’s approach in financing the development of Pendas within the SCIP. The Framework aims to support initiatives that deliver tangible environment and social benefits, aligned with and contributing and/or complement to Sunway Group’s Sustainability Roadmap and 2030 Goals.

The Framework will guide SIDSB’s future fundraising activities through sustainable debt instruments (“**Sustainable Finance Transactions**”), including green, social and sustainability bonds or sukuk as well as green, social and sustainability loans/financing with structures tailored to finance Eligible Projects as defined in this Framework to address SIDSB and Sunway’s sustainability initiatives.

The Framework aligns with the following guidelines or frameworks or standards, as amended, revised and/or supplemented from time to time:

- (i) The Green Bond Principles updated as of June 2025, Social Bond Principles updated as of June 2025 and Sustainability Bond Guidelines updated as of 2021 published by the International Capital Market Association (ICMA);
- (ii) The Green Loan Principles 2025 and Social Loan Principles 2025 published by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association;
- (iii) The ASEAN Green Bond Standards updated in October 2018, ASEAN Social Bond Standards dated October 2018 and ASEAN Sustainability Bond Standards dated October 2018 published by the ASEAN Capital Markets Forum; and
- (iv) The Sustainable and Responsible Investment Sukuk framework under the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the Securities Commission Malaysia on 9 March 2015 and revised on 5 February 2024 (as amended from time to time).

The Framework is presented through the following core pillars:

- (i) Use of Proceeds;
- (ii) Process for Project Evaluation and Selection;
- (iii) Management of Proceeds;
- (iv) Reporting; and
- (v) External Review.

The Framework will be in force as long as there is outstanding financing under this Framework. SIDSB may update this Framework and commits that any new version will keep or improve the current level of transparency and reporting.

The Framework will be made available on <https://www.sunway.com.my/>

5.1 Use of Proceeds

The proceeds from each Sustainable Finance Transaction ("**Sustainable Finance Proceeds**") will be used to finance and/or re-finance, in whole or in part, the new or existing assets, businesses, projects, and/or products that comply with any of the defined eligible criteria as outlined in Table 5.1.1 and 5.1.2 below ("**Eligible Projects**"):

- Table 5.1.1 – Green Financing
- Table 5.1.2 – Social Financing
- Sustainability Financing (Combination of the Eligible Projects defined under both Green and Social Financing)

Eligible Types of Investments

Eligible Projects can include investments and capital expenditures ("**CAPEX**") and operational expenditures ("**OPEX**") meeting the eligibility criteria outlined in Table 5.1.1 and 5.1.2 below.

Look-back Period








The Sustainable Finance Proceeds may be allocated to Eligible Projects, including disbursements made to refinance² CAPEX and OPEX. The maximum look-back period applied to OPEX is up to 36 months prior to the issuance or disbursement of the respective Sustainable Finance Transactions.

Examples of CAPEX include land acquisition, infrastructure and earthwork costs related to the development of Eligible Projects (as defined below) in Pendas. OPEX may include expenditures necessary for the ongoing operation and maintenance related to the Eligible Projects (as defined below). Examples include landscape maintenance, servicing energy-efficient systems, waste management, and sustainability-related reporting and monitoring activities.



For the avoidance of doubt, the Sustainable Finance Proceeds may be used by SIDSB and its subsidiaries for working capital requirements, general corporate purposes, refinancing of existing debt concerning the Eligible Projects, fees and expenses in relation to each Sustainable Finance Transactions and/or repayment of inter-company advances to Sunway and the subsidiaries within the Sunway Group of which the inter-company advances are related to the Eligible Projects, so long as the proceeds are not used to fund new or existing assets, businesses, projects and/or products falling outside the scope of the Eligible Projects.

² Where relevant, SIDSB will specify the amount of proceeds being allocated for refinancing and for which Eligible Projects to be refinanced within the corresponding transaction documentations.







Table 5.1.1: Eligible Green Projects

| Eligible Green Projects/Categories | Description | Direct Contribution to UNSDGs Mapping | | | | | | |
|--|---|---|---|---|--|-------------------------|-----------------------|--|
| Green Township and Green Buildings | <ul style="list-style-type: none"> Development in township and buildings (including industrial parks, offices, convention centres, hotels, malls, schools and high-rise residential developments) that meet, are expected to meet or are recognized by a third party in accordance with any one or more of the following green township and green buildings standards: <table border="1"> <thead> <tr> <th>Example of green township and buildings standards</th><th>Existing Certified Green Township and Green Buildings</th><th>New/ Prospective Green Township and Green Buildings</th></tr> </thead> <tbody> <tr> <td> i. GreenRE; or ii. Green Building Index (GBI); or iii. Leadership in Energy and Environmental Design (LEED); or iv. Any other equivalent certification. </td><td>Minimum Silver or above</td><td>Minimum Gold or above</td></tr> </tbody> </table> <p>For avoidance of doubt, the Eligible Green Township and Green Buildings include those that have obtained a provisional certificate, provided that final certification will be obtained.</p> | Example of green township and buildings standards | Existing Certified Green Township and Green Buildings | New/ Prospective Green Township and Green Buildings | i. GreenRE; or ii. Green Building Index (GBI); or iii. Leadership in Energy and Environmental Design (LEED); or iv. Any other equivalent certification. | Minimum Silver or above | Minimum Gold or above |        |
| Example of green township and buildings standards | Existing Certified Green Township and Green Buildings | New/ Prospective Green Township and Green Buildings | | | | | | |
| i. GreenRE; or ii. Green Building Index (GBI); or iii. Leadership in Energy and Environmental Design (LEED); or iv. Any other equivalent certification. | Minimum Silver or above | Minimum Gold or above | | | | | | |

| Eligible Green Projects/Categories | Description | Direct Contribution to UNSDGs Mapping |
|------------------------------------|---|--|
| | <ul style="list-style-type: none"> Green township initiatives aim to promote environmental sustainability and climate resilience, include: <ul style="list-style-type: none"> Expansion of green open spaces Implementation of climate adaptation measures (e.g., heat island reduction strategies) Development of clean and smart transportation infrastructure, such as electric vehicle charging stations, cycling lanes, and pedestrian-friendly pathways Minimise the impact of development on existing ecological diversity and balance. Green buildings that incorporate features, designs and materials that allows resources to be efficiently utilized and environmental sustainability. | |
| Renewable Energy | <p>Investment and expenditures in integration of renewable energy technologies and infrastructure within township developments, including:</p> <ul style="list-style-type: none"> Installation of Solar Rooftops Deployment of Solar Panels and other Solar powered amenities and fixings Solar-ready infrastructure integrated within township planning and utilities Energy storage system for renewable energy storage | <div>7 AFFORDABLE AND CLEAN ENERGY</div> <div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> <div>11 SUSTAINABLE CITIES AND COMMUNITIES</div> <div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div>13 CLIMATE ACTION</div> |

| Eligible Green Projects/Categories | Description | Direct Contribution to UNSDGs Mapping |
|------------------------------------|--|---|
| Energy Efficiency | <ul style="list-style-type: none"> • Investments and expenditures on efficient street and park lighting (i.e. LED lights installations) within township development. • Investments and expenditures dedicated to the research and development of technologies, systems and methods aimed to improve energy efficiency of buildings, such as: <ul style="list-style-type: none"> - IT for integration of smart living technology and green designs digital solutions through use of measures such as Artificial Intelligence (“AI”), data analytics, and Internet of Things (“IoT”) for environmental monitoring and other sustainability tasks, including, but not limited to, smart lighting and air- conditioning and green switches - Efficient air-conditioning - LED lights installations |   |

The remainder of this page is intentionally left blank

| Eligible Green Projects/Categories | Description | Direct Contribution to UNSDGs Mapping |
|---|--|---|
| Clean Transportation | <ul style="list-style-type: none"> Development and expenditures that prioritises Transit-Oriented Development (TOD), influencing land use along public transport corridors and addressing traffic generation forecasts. Initiatives may include: <ul style="list-style-type: none"> - Facilities supporting public transport, i.e. covered/sheltered bus stop or light rapid transit system - Integrated pedestrian networks - Dedicated Cycling networks - Alternative transport options Investments and expenditures to green and smart mobility related infrastructures that include the installation of charging facilities for EVs and the procurement of EVs. |   |
| Sustainable Water and Wastewater Management | <ul style="list-style-type: none"> Development of infrastructure and systems that support water conservation, rainwater harvesting, greywater recycling, efficient irrigation and flood mitigation. These measures are designed to achieve a reduction of at least 50% in potable water consumption across the township. Development of sewerage infrastructure plan to ensures adequate capacity, compliance with regulatory standards and enhanced environmental outcomes. |     |











| Eligible Green Projects/Categories | Description | Direct Contribution to UNSDGs Mapping |
|---|--|---|
| Waste Management | <ul style="list-style-type: none"> Includes initiatives that promote responsible consumption, waste reduction and sustainable material management throughout the township lifecycle, from construction to daily operations. |    |
| Terrestrial and Aquatic Biodiversity Conservation | <ul style="list-style-type: none"> Investments and expenditures relating to conserving and restoring terrestrial and aquatic ecosystems, including:- <ul style="list-style-type: none"> Ensuring development does not infringe environmentally sensitive areas. Maintaining a 50-meter buffer zone along Sungai Pendas to preserve riparian and aquatic ecosystem. Preserving low-lying mangrove areas and designing platform levels to be above the highest predicted flood levels to mitigate potential environmental impacts. An EIA has been conducted to assess the feasibility of biodiversity-related measures prior to development. Where relevant, investments and expenditures may be directed towards: <ul style="list-style-type: none"> Long-term biodiversity monitoring programme Programme for dissemination of biodiversity information to local community and stakeholders Biodiversity reporting system accessible to local community and stakeholders. |   |

Table 5.1.2: Eligible Social Projects

| Eligible Social Projects/Categories | Description | Direct Contribution to UNSDGs Mapping |
|-------------------------------------|--|---|
| Access to Essential Services | <ul style="list-style-type: none"> • Development and construction of educational facilities targeted for the community and/or in collaboration with educational functional specialists (e.g., government/private/NGO/Academia partners). • Provision of essential services such as healthcare facilities, bank branches, religious centres, restaurants or coffee shops, supermarket or grocery store, community halls, sport center, police station and public parks for local communities. <p>Target Population: the residents within the SCIP township and the surrounding communities, people with disabilities and aging populations and vulnerable youth.</p> |   |
| Safe and Inclusive Communities | <ul style="list-style-type: none"> • Projects that promote community well-being through the creation of safe, accessible, and inclusive public spaces, such as: <ul style="list-style-type: none"> - Parks, playgrounds, and communal areas that foster social interaction - Integrated security features including 24-hour surveillance, police presence, and CCTV monitoring |    |

| Eligible Social Projects/Categories | Description | Direct Contribution to UNSDGs Mapping |
|-------------------------------------|---|---------------------------------------|
| | <ul style="list-style-type: none"> Secure design that complies with Crime Prevention Through Environment Design (CPTED) principles in the wide application throughout the township development, specifically: <ul style="list-style-type: none"> - Natural Access Control; - Natural Surveillance; - Territorial Reinforcement; and - Maintenance and Management. | |

Exclusions

The Sustainable Finance Proceeds are excluded from financing projects or activities related to the following industries ("**Exclusion List**"):

- (a) Luxury sectors (precious metals / precious minerals / artworks and antiques wholesale or brokerage);
- (b) Child labour or forced labour;
- (c) Gambling;
- (d) Adult entertainment;
- (e) Weapons and military contracting;
- (f) Alcohol;
- (g) Tobacco;
- (h) Fossil-fuel related activities (including extraction, exploration, production, power generation or transport of fossil fuels);
- (i) Nuclear energy;
- (j) Production or trade in any product or activity deemed illegal under international conventions and agreements, or subject to international bans; and
- (k) Large-scale hydro-power projects with a generating capacity of over 25 megawatts.

The unallocated Sustainable Finance Proceeds may be used for SIDSB or its subsidiaries or related companies' future development which shall fall within the Eligible Projects and are excluded from financing projects or activities in the Exclusion List.

5.2 Project Evaluation and Selection

The strategic direction for sustainability at SIDSB is guided by the policies set by Sunway Group for implementation of any sustainability exercise, which includes approval for the Eligible Projects to be funded by the proceeds under the Framework.

The step-by-step process for evaluation and selection of Eligible Projects is as follows:

- (a) Design projects with sustainability strategies and features incorporating input by Project Matrix Team, to ensure alignment with sustainability initiatives and commitments driven by Sunway Group;
- (b) Review and validation of the proposed assets in accordance with the guiding principles for selection of Eligible Projects for the Use of Proceeds by the Project Matrix Team;
- (c) The Project Matrix Team will evaluate the proposed Eligible Projects against SIDSB's Sustainable Finance Framework;
- (d) Submit recommendation to Sunway Property Division Management for approval on the selection of the Eligible Projects based on the proposal from the Project Matrix Team; and
- (e) Monitor the Eligible Projects portfolio during the life of the transaction, if applicable. SIDSB can decide to replace an Eligible Projects if it no longer meets the eligibility criteria by going through steps (b) to (c) above.

For the avoidance of doubt, SIDSB will conduct sustainability risk assessments in line with the latest sustainability requirements and standards, engaging with relevant stakeholders whenever necessary.”

As part of the evaluation process, SIDSB ensures that project planning and implementation comply with ISO 14001:2015, ISO 9001:2015 and ISO 45001:2018 standards, reinforcing environmental stewardship, quality assurance and occupational health & safety management throughout the township lifecycle.

The remainder of this page is intentionally left blank

5.3 Management of Proceeds

The Sustainable Finance Proceeds shall be allocated to the Eligible Projects selected as per the evaluation and approval process set out above. SIDSB will track the Sustainable Finance Proceeds and monitor the allocation of the Sustainability Financing Proceeds internally. The Sustainable Finance Proceeds may be credited into the relevant designated accounts as required under the terms of Sustainable Finance Transactions, where applicable, which will be monitored and tracked by SIDSB.

During the life of the SIDSB's Sustainable Finance Transactions, if any assets of the Eligible Projects ("**Eligible Assets**") cease to comply with the Framework, SIDSB will identify other assets that comply with the framework for approval by the Sunway Property Division Management and upon approval, allocate the proceeds to the newly identified Eligible Assets as soon as is practicable. Where the aggregate amount of the newly identified Eligible Assets is less than the total outstanding amount of the Sustainable Finance Proceeds, SIDSB may hold the balance unallocated amount in cash, cash equivalents and/or invest in other liquid marketable instruments in accordance with SIDSB's liquidity policy until the amount can be allocated to new Eligible Assets.

For Sustainable Finance Proceeds allocated for the purpose of refinancing of operating projects, in which case the projects' costs were fully disbursed in the past, no separate management of proceeds is required. SIDSB is committed to perform the same evaluation in accordance with the Framework for the selection of the Eligible Assets in respect of the capital invested in order to ensure the proceeds are utilised in accordance with the Framework.

5.4 Reporting

The allocation and impact reporting will be published annually until the maturity of the Sustainable Finance Transactions and such reporting will be made available on <https://www.sunway.com.my/>.

(a) Allocation Reporting

The allocation report section will include, among others:

- List of the Eligible Projects/Eligible Assets together with a brief description, to which proceeds of the Sustainable Finance Transactions have been allocated to;
- Aggregate amount of proceeds allocated and utilised for the Eligible Projects/Eligible Assets, with summary on the assets allocated including the purpose, location and status of the Eligible Projects/Eligible Assets;
- Remaining balance of the unallocated proceeds at the end of the reporting period and where such unutilised amount is placed or invested pending utilisation;
- Removal or substitution of Eligible Projects/Eligible Assets; and
- Confirmation that the Use of Proceeds from Sustainable Finance Transactions conforms to this Framework.

(b) Impact Reporting

Where possible, SIDSB strive to report on the environmental and social impacts associated with the Eligible Projects/Eligible Assets funded with the proceeds from the Sustainable Finance Transactions, where feasible, including information on the methodology and assumptions used to determine the impact or expected impact. On a best effort basis and subject to the nature of Eligible Projects/Eligible Assets and data availability, the impact reporting may include, but is not limited to, the impact metrics as outlines below:

Table 1: Eligible Green Projects/Categories

| Eligible Green Projects/ Categories | Examples of Reporting Criteria |
|--|--|
| Green Township and Green Buildings | <ul style="list-style-type: none"> • Certification of Green Township achieved • Number of certified Green Buildings, by certification type and level • Land use and biodiversity such as percentage (%) of green space, land remediated/regenerated/decontaminated etc • Other relevant information |
| Renewable Energy | <ul style="list-style-type: none"> • Renewable energy generation (MWh) • Annual GHG emissions reduced/avoided (tonnes of CO₂e) • Other relevant information |
| Energy Efficiency | <ul style="list-style-type: none"> • Annual energy savings (MWh/GWh) compared to baseline consumption • Percentage reduction in electricity consumption (%) relative to business-as-usual or national code baseline (e.g. Malaysian Standards (MS) 1525:2019) • Annual GHG emissions avoided or reduced (tCO₂e) from efficiency improvements • Building Energy Intensity (BEI) (kWh/m²/year) achieved vs. benchmark standards (e.g. GreenRE/GBI thresholds) • Number of energy-efficient installations (e.g. LED fittings, high Coefficient of Performance (COP) chillers, Variable Speed Drive pumps (VSD), smart building controls) • Chiller system performance (Coefficient of Performance, kW/RT) achieved vs. baseline • Lighting efficacy (lumens per watt for street and township lighting) • Other relevant information |

| Eligible Green Projects/ Categories | Examples of Reporting Criteria |
|---|---|
| Clean Transportation | <ul style="list-style-type: none"> • Annual GHG emissions reduced/avoided (tonnes of CO₂e) • Number of bus stops and shuttle buses • Total length of bicycle lanes constructed in kilometers • Number of bicycle storage spaces built • Number of charging stations for electric vehicles built or procured • Other relevant information |
| Sustainable Water and Wastewater Management | <ul style="list-style-type: none"> • Amount of rainwater harvested and reused • Annual percentage reduction of water consumption (%) • Annual reduction of Population Equivalent (PE) • Other relevant information |
| Waste Management | <ul style="list-style-type: none"> • Annual percentage reduction of waste consumption (%) • Amount of waste recycled, re-use or composted • Other relevant information |
| Terrestrial and Aquatic Biodiversity Conservation | <ul style="list-style-type: none"> • Total percentage of plants and shrubs specified for on-site planting that are indigenous or native species • Total percentage of green spaces within the township area • Other relevant information |

Table 2: Eligible Social Projects/Categories

| Eligible Social Projects/ Categories | Examples of Reporting Criteria |
|---|--|
| Access to Essential Services | <ul style="list-style-type: none"> • Number/type of educational and skills development and services completed • Number of schools / education units completed • Number of community facilities (such as religious centres, assembly hall, sports center or parks) established in local areas • Number of healthcare facilities established • Other relevant information |
| Safe and Inclusive Communities | <ul style="list-style-type: none"> • Reduction in reported neighborhood crime rates; |

| | |
|--|--|
| | <ul style="list-style-type: none"> • Number of new public facilities which have universal design/accessible features • Number of community engagement program hosted in new facilities, i.e. CSR • Other relevant information |
|--|--|

SIDSB will comply with the relevant environmental, social and governance standards or recognised best practices relating to the Eligible Projects/Eligible Assets.

6 External Review

6.1 Pre-issuance External Review

SIDSB will obtain an independent external reviewer to provide the second opinion on this Framework.

The Framework and the Second Party Opinion Report will be made available on Sunway's corporate website at <https://www.sunway.com.my/>.

6.2 Post-issuance Verification/External Review

External verifiers may be engaged to verify SIDSB's use of proceeds and reporting as described in the sections above and such external verifier's report will be made available on the designated website, or sustainability report or provided to its financiers/noteholders upon request.

The remainder of this page is intentionally left blank