

IMPACT ASSESSMENT

MARC

MARC SOLUTIONS SDN BHD

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SUNWAY ISKANDAR DEVELOPMENT SDN BHD

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Summary

- MARC Solutions Sdn Bhd has assigned a **"Gold"** Impact Assessment to Sunway Iskandar Sdn Bhd's (SIDSB) Sustainable Finance Framework.
- The Framework sets forth the guiding principles for SIDSB's Sustainable Finance Transactions (SFTs) to fund Eligible Projects in line with the United Nations Sustainable Development Goals (UN SDGs or SDGs). The Eligible Categories are expected to deliver significant environmental and social (E&S) impacts.
- We consider the Framework to be in line with most requirements and recommendations of the applicable guidelines. The Framework reflects overall consistency with the relevant guidelines.
- SIDSB has demonstrated robust sustainability performance, underpinned by its flagship green township development, clear policy alignment with the broader Sunway Group, and measurable commitments to climate resilience, resource efficiency, and community wellbeing.



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IMPACT ASSESSMENT



SUNWAY ISKANDAR DEVELOPMENT SDN BHD
Sustainable Finance Framework Assessment

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OVERVIEW OF ISSUER

SIDSB is an indirect wholly owned subsidiary of Sunway Berhad, held through Sunway City Sdn Bhd. Established in 2012, SIDSB serves as the master developer of Sunway City Iskandar Puteri (SCIP), a flagship integrated township in Iskandar Puteri, Johor.

Sunway, founded in 1974, is a leading Southeast Asian conglomerate with operations in more than 50 locations worldwide and a market capitalisation of RM29.6 billion as of 2024. Its diversified portfolio spans property, construction, hospitality, healthcare, building materials, and leisure. Sunway has committed to ensuring that, from 2025 onwards, all new townships are green-certified under its Green Township Policy, embedding sustainability principles across planning, construction, and community development.

SCIP is located within the southern development corridor of Iskandar Malaysia, covering more than 2,000 acres across Medini and Pendas in Johor. As a sustainable and integrated township, SCIP incorporates residential, commercial, retail, educational, healthcare, hospitality, logistics, and recreational facilities. It has been provisionally certified Silver under the Green Building Index (GBI), with approximately 40% of its land encompassing green and open spaces.

As the master developer of the 1,300-acre Pendas mixed development within SCIP, SIDSB aims to advance a vibrant and climate-resilient urban ecosystem. Strategically located five kilometres from the Malaysia-Singapore Second Link via the Coastal Highway Southern Link (CHSL), the development is designed to meet the evolving needs of its growing community.

To support this, SIDSB has established a Sustainable Finance Framework (Framework) that outlines its approach to financing the development of Pendas within SCIP. Proceeds from Sustainable Finance Transactions (SFTs) will be allocated to finance and/or refinance, in full or in part, eligible assets, projects, and initiatives aligned with the Eligible Categories defined in the Framework.

MARC SOLUTIONS' SCOPE OF WORK

MARC Solutions, a fully-owned subsidiary of Malaysian Rating Corporation Berhad (MARC), was incorporated as a private limited company to undertake the business of providing analytics solutions for environmental, social and governance (ESG) risks and sustainability-related offerings.

In July 2025, MARC Solutions published its updated Impact Assessment Methodology that reviews sustainable financing; this can be accessed on MARC's corporate website at www.marc.com.my. With reference to the updated methodology, MARC Solutions' review of SIDSB's Framework consists of the following components:

- 1) an impact significance analysis for projects to be financed using the SFTs
- 2) an evaluation of compliance with the applicable principles, guidelines, standards, and frameworks (collectively referred to as "the guidelines") for:
 - a) International Capital Market Association's (ICMA) Green Bond Principles (GBP), Social Bond Principles (SBP), and Sustainability Bond Guidelines (SBG)
 - b) ASEAN Capital Markets Forum's (ASEAN) Green Bond Standards (GBS), Social Bond Standards (SBS), and Sustainability Bond Standards (SUS)
 - c) Securities Commission Malaysia's (SC) Sustainable and Responsible Investment Sukuk Framework (SRISF)
 - d) Asia Pacific Loan Market Association (APLMA), Loan Market Association (LMA) and Loan Syndications and Trading Association's (LSTA) Green Loan Principles (GLP) and Social Loan Principles (SLP)
- 3) an evaluation of the issuer's sustainability implementation capacity and performance.

Framework or instruments that meet the minimum thresholds in each of the analytical components will be accorded either a gold, silver or bronze grading.


Our opinion is based solely on the review of the issuer's Framework and its alignment with the principles outlined in this document. The scope of our work is limited to this assessment and does not extend to a real-time or post-issuance verification of the use of proceeds. Accordingly, our assessment does not provide an opinion on, nor does it guarantee against, any greenwashing risk.

For more information, visit www.marc.com.my or contact us at solutions@marc.com.my.

IMPACT SIGNIFICANCE ANALYSIS

The qualitative analysis of the impact of the Eligible Projects is assessed in the context of the SDGs. The Eligible Projects defined in SIDSb's Framework are in line with 12 of the 17 UN SDGs.

The net proceeds from the sustainability financing instruments will be utilised to fund Eligible Projects under the following Eligible Categories:

Green Township and Green Buildings	
Eligibility Criteria	UN SDGs and Impact Indicators
<ul style="list-style-type: none"> Development of townships and buildings — including industrial parks, offices, convention centres, hotels, malls, schools, and high-rise residential developments — that meet, are expected to meet, or are recognised by a third party under one or more of the following green township and green building standards¹: <ul style="list-style-type: none"> GreenRE GBI Leadership in Energy and Environmental Design (LEED) Any other equivalent certification <p>Under these standards, proceeds can be allocated to existing green townships and buildings with at least Silver certification, and shall only be allocated to new or prospective developments with at least Gold certification.</p> <ul style="list-style-type: none"> Green township initiatives aimed at promoting environmental sustainability and climate resilience, including: <ul style="list-style-type: none"> Expansion of green open spaces Implementation of climate adaptation measures, such as urban heat island reduction strategies Development of clean and smart transportation infrastructure, such as electric vehicle (EV) charging stations, cycling lanes, and pedestrian-friendly pathways Minimisation of the impact of development on existing ecological diversity and balance Green buildings that incorporate features, designs and materials that enable efficient resource utilisation and support environmental sustainability 	 <ul style="list-style-type: none"> Green Township certifications achieved Number of certified Green Buildings, by certification type and level Land use and biodiversity such as: <ul style="list-style-type: none"> Percentage of green space (%) Area of land remediated, regenerated, or decontaminated

Impact Assessment

This Eligible Category is highly material to SIDSb, as the development of green townships and buildings sits at the core of its property development business. The integration of sustainability principles at the township level ensures that E&S benefits extend across entire communities rather than isolated assets. The Eligibility Criteria demonstrates strong alignment with national and international green building frameworks, supporting Malaysia's Low Carbon Cities Framework. This Eligible Category supports healthier communities, climate resilience, and stronger partnerships by driving sustainable urban development, expanding clean energy use, and safeguarding ecosystems – thereby contributing to SDGs 3, 7, 8, 11, 13, 15, and 17.

At a township level, the magnitude and scale of potential impact are significant. Climate adaptation features, biodiversity protection, and green mobility infrastructure reduce carbon lock-in risks and enhance long-term resilience. Clarity in terms of impact is supported by the usage of certification

¹ Eligible green townships and green buildings include developments that have obtained a provisional certificate, provided that final certification will be obtained.

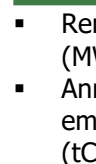
thresholds, which distinguish existing and new green buildings, providing objective performance benchmarks. The inclusion of urban heat island reduction\ strategies and clean transportation infrastructure demonstrates a well-developed integrated approach.

Renewable Energy (RE)

Eligibility Criteria

- Integration of RE technologies and infrastructure, including:
 - Solar rooftops
 - Solar panels and solar-powered amenities and fixings
 - Solar-ready infrastructure integrated within township planning and utilities
 - Energy storage system (ESS) for RE storage

UN SDGs and Impact Indicators



- Renewable energy generation (MWh)
- Annual greenhouse gas (GHG) emissions reduced/avoided (tCO₂e)

Impact Assessment

RE initiatives, such as solar rooftops, energy storage, and solar-ready infrastructure, contribute to SCIP's sustainability strategy by embedding low-carbon solutions into township development. These projects support GHG emission reduction and enhance the township's resilience. This Eligible Category aligns with Malaysia's RE policy as well as SDGs 7, 9, 11, 12, and 13 by promoting clean energy, sustainable infrastructure, resilient and inclusive communities, responsible consumption, and climate action.

The significance of this category depends on the proportion of township energy demand met through renewables. Sunway Group has set a target to source at least 40% of electricity from RE by 2030, comprising 5% that is self-generated and 35% procured from external green electricity suppliers. While the locally generated RE share is moderate, the broader impact lies in driving renewable demand at scale and embedding RE sourcing into township planning.

Energy Efficiency (EE)

Eligibility Criteria

- Investments and expenditures on efficient street and park lighting, such as light-emitting diode (LED) lighting installations within township developments
- Installation and deployment of technologies, systems and methods aimed at improving EE of buildings, such as:
 - Integration of artificial intelligence (AI), data analytics, and Internet of Things (IoT) for environmental monitoring, as well as smart lighting and air-conditioning systems
 - Efficient air-conditioning systems
 - LED lighting installations



- Annual energy savings compared to baseline consumption (MWh or GWh)
- Percentage reduction in electricity use (%) relative to business-as-usual (BAU) or applicable code baseline
- Annual GHG emissions avoided or reduced from EE improvements (tCO₂e)
- Building Energy Intensity (BEI) achieved, benchmarked against green building certifications standards (kWh/m²/year)
- Number of EE installations
- Chiller system performance achieved compared to baseline, measured in coefficient of performance (kW/RT)
- Street and township lighting efficacy (lumens per watt)

Impact Assessment

EE is highly material to SIDS's township developments, as buildings are typically energy-intensive and represent a major driver of operational emissions. Implementing EE measures at the township level significantly broadens the impact scope of climate action. Through the development of resilient and innovative infrastructure, SIDS can enhance access to affordable, reliable, and sustainable energy for the community, directly align with both SDGs 7 and 9.

The integration of smart systems, IoT, and AI offers strong potential to optimise energy performance and reduce inefficiencies associated with BAU development. However, the magnitude of impact ultimately depends on the scale of implementation. SIDS has included examples of quantitative, measurable impact indicators that link EE performance to energy use, emissions reduction, and technical performance, aligned with recognised standards.

Clean Transportation

Eligibility Criteria

- Developments and investments that prioritise Transit-Oriented Development (TOD), promoting efficient land use along public transport corridors and mitigating traffic congestion, including:
 - Facilities that support public transportation, such as covered or sheltered bus stops, or a light rapid transit (LRT) system
 - Integrated pedestrian networks
 - Dedicated cycling networks
 - Alternative transport options
- Investments in and expenditure for green and smart mobility-related infrastructure, including the installation of electric vehicle (EV) charging facilities and the procurement of EVs.

UN SDGs and Impact Indicators



- Annual GHG emissions reduced/avoided (tCO₂e)
- Number of bus stops and shuttle buses
- Total length of bicycle lanes constructed (km)
- Number of bicycle storage spaces built
- Number of EV charging stations built or procured

Impact Assessment

Clean transportation is a material aspect of SCIP's township development strategy, contributing to liveability and long-term mobility. The integration of EV infrastructure and TOD reduces reliance on fossil fuel-powered vehicles, lowering GHG emissions and air pollution. The provision of accessible, low-carbon transport systems for the community aligns closely with SDGs 11 and 13.

At the township scale, pedestrian and cycling networks have the potential to transform community mobility by reducing the use of private vehicles. Complementary measures such as EV charging facilities and shuttle bus services further strengthen the township's GHG reduction potential. SCIP has partnered with Handal Indah Sdn Bhd (Causeway Link) to extend the CW7L bus route, adding township stops and providing a direct link to the Customs, Immigration, and Quarantine (CIQ) second link (Sultan Abu Bakar CIQ Complex).² The direct bus connectivity, together with SCIP's strategic location near the Malaysia-Singapore Second Link, exemplifies the township's strong integration with the broader Johor Bahru public transportation network.

Sustainable Water and Wastewater Management

Eligibility Criteria

- Development of infrastructure and systems designed to reduce potable water consumption across the township by at least 50%, including those that support:
 - water conservation
 - rainwater harvesting
 - greywater recycling
 - efficient irrigation
 - flood mitigation

UN SDGs and Impact Indicators



- Amount of rainwater harvested and reused
- Annual reduction of water and waste consumption (%)

² "Sunway City Iskandar Puteri partners Causeway Link to enhance cross-border connectivity," *The Edge Malaysia*, 22 September 2025, <https://theedgemaalaysia.com/node/725510>

- Development of a sewerage infrastructure plan to ensure adequate capacity, compliance with regulatory standards and enhancement of environmental outcomes.
- Annual reduction in wastewater pollution, measured in Population Equivalent (PE)

Impact Assessment

The township's potable water consumption reduction measures, targeting a more than 50% decrease, are highly significant for environmental sustainability and resource efficiency. Initiatives such as water conservation, rainwater harvesting, greywater recycling, and efficient irrigation directly reduce demand on municipal water supplies, lower costs, and enhance resilience against water shortages. Complementary flood mitigation measures further protect infrastructure and residents while improving stormwater management, contributing to SDGs 6, 11, 12, and 13.

The development of a comprehensive sewerage infrastructure plan reduces the risks of pollution and waterborne diseases, protects local ecosystems, and fosters sustainable township growth. At the township scale, these measures provide measurable, material benefits by safeguarding community health, promoting efficient resource use, and enhancing the township's long-term resilience.

Waste Management

Eligibility Criteria

- Initiatives that promote responsible consumption, waste reduction and sustainable material management throughout the township lifecycle, from construction to daily operations.

UN SDGs and Impact Indicators



- Annual reduction of waste consumption (%)
- Amount of waste recycled, reused or composted

Impact Assessment

This Eligible Category represents a key element of township development, adopting a holistic approach to resource efficiency and circular economy principles. By addressing both construction and operational stages, these waste management measures reduce landfill burden, conserve natural resources, and lower GHG emissions across the township lifecycle. Beyond the direct environmental benefits, they contribute to safer, cleaner, and more resilient communities. Overall, these initiatives deliver meaningful E&S impact and align with SDGs 11, 12, and 13.

Terrestrial and Aquatic Biodiversity Conservation

Eligibility Criteria

- Conservation and restoration of terrestrial and aquatic ecosystems, including:
 - Ensuring development does not infringe environmentally sensitive areas
 - Maintaining a 50-metre buffer zone along Pendas River to preserve riparian and aquatic ecosystem
 - Preserving low-lying mangrove areas and elevating platform levels above the highest predicted flood levels to mitigate potential environmental impacts
- Investments and expenditures directed towards biodiversity-related measures based on the environmental impact assessment (EIA) conducted prior to development, including:
 - Long-term biodiversity monitoring
 - Dissemination of biodiversity information to the local community and stakeholders

UN SDGs and Impact Indicators



- Percentage of on-site plantings (plants and shrubs) comprising indigenous or native species (%)
- Percentage of green spaces within the township area (%)

Biodiversity reporting system is accessible to the local community and stakeholders

Impact Assessment

Due to the ecological sensitivity of the development region, biodiversity conservation is highly material for SIDS. Particularly, the SCIP site is located within proximity to mangrove forests, which provide critical ecosystem services, including fisheries support, carbon storage, and flood protection. Given its location near an ecologically sensitive coastal zone, development-related risks must be carefully managed. The establishment of riparian buffer zones provides a robust safeguard for aquatic and terrestrial ecosystems, while the completion of an EIA ensures compliance with regulatory requirements. This category directly aligns with SDGs 14 and 15 through preservation and restoration of water-related ecosystems and habitats.

At the township level the preservation of riparian zones combined with long-term ecological monitoring delivers significant environmental benefits, including enhanced resilience of natural habitats. Community engagement initiatives further extend the impact by raising awareness and generating indirect social co-benefits.

Access to Essential Services

Eligibility Criteria

- Development and construction of educational facilities intended for the community and/or delivered in collaboration with educational specialists, such as government agencies, private institutions, non-governmental organisations (NGOs), or academic partners
- Provision of essential community services, including healthcare facilities, banking branches, religious centres, restaurants or cafés, supermarkets or grocery stores, community halls, sports centres, police stations, and public parks

UN SDGs and Impact Indicators



- Number or type of educational and skills development and services completed
- Number of schools or educational facilities completed
- Number of community facilities established in local areas
- Number of healthcare facilities established

Impact Assessment

Access to essential services is socially relevant, supporting community wellbeing, resilience, and liveability. This category aligns with SDGs 4 and 11 through the provision of quality education and other essential infrastructure for the development of sustainable cities and communities, particularly under Sunway Group's education arm. The intended long-term benefits from the provision of healthcare, education, and related services are clear; however, the absence of explicit commitments on affordability for the B40 community presents a moderate materiality gap, limiting inclusivity and equitable impact.

From an implementation perspective, the magnitude of impact could be significant, improving the overall well-being of the residents within the SCIP township and the surrounding communities. SIDS has specified that this Eligible Category targets people with disabilities, the ageing population, and vulnerable youth.

Safe and Inclusive Communities

Eligibility Criteria

- Projects that promote community wellbeing through the creation of safe, accessible, and inclusive public spaces, such as:
 - Parks, playgrounds, and communal areas that foster social interaction
 - Integrated security features including 24-hour surveillance, police presence, and closed-circuit television (CCTV) monitoring

UN SDGs and Impact Indicators



- Reduction in reported neighbourhood crime rates
- Number of new public facilities which have universal design or accessible features

- Secure design that complies with Crime Prevention Through Environment Design (CPTED) principles in the wide application throughout the development, including:
 - Natural Access Control
 - Natural Surveillance
 - Territorial Reinforcement
 - Maintenance and Management
- Number of Corporate Social Responsibility (CSR) programmes hosted

Impact Assessment

This Eligible Category supports township safety and social cohesion through the integration of CPTED principles, reflecting international best practice. It aligns with SDGs 3, 11, and 16 by embedding safety features that help prevent violence and enhance community wellbeing. Despite not being a conventional use-of-proceeds category under ICMA's SBP, it demonstrates clear relevance to social objectives.

The projects create safe, accessible, and inclusive public spaces that foster social interaction, promote active lifestyles, and improve perception of safety. Through these, SIDSB can contribute to stronger community ties, support the participation of vulnerable groups, and enhance the overall quality of urban living, resulting in meaningful and lasting social values for local communities.

OVERALL IMPACT SIGNIFICANCE

Overall, the anticipated impact of the Eligible Categories is assessed to be "Significant". This level of impact significance is assigned where underlying projects are expected to generate direct and tangible impact while advancing the issuer's sustainability progress. Projects at this level have the potential to facilitate adjustments towards a more sustainable development trajectory and to meaningfully advance sustainable development goals.



COMPLIANCE EVALUATION

The compliance evaluation constitutes an assessment of alignment with principles applicable to the Framework. Our evaluation is expressed using a four-point score, and the final score will be calculated based on aggregation according to the weightage of the core components, which is then converted to a four-point descriptive scale which ranges from "High", "Good", "Satisfactory" to "Low".

Utilisation of Proceeds		High
Requirements & Recommendations		Compliance Evaluation
Requirements Based on Applicable Guidelines		
Description of the eligible project categories	<p>The proceeds shall be utilised for the financing or refinancing of capital expenditures (capex) and operational expenditures (opex) related to new or existing assets, businesses, projects, and/or products that meet the Eligibility Criteria outlined in the Framework.</p> <p>Capex covers land acquisition, infrastructure and earthwork costs related to the development of Eligible Projects, while opex includes ongoing operational and maintenance costs for Eligible Projects, such as landscaping, servicing energy-efficient systems, waste management, and sustainability-related reporting and monitoring.</p>	
Contribution to sustainability objectives	<p>The Framework has outlined the benefits of the projects, and the respective SDGs that each project contributes to. Please refer to the Impact Significance Analysis section for more information.</p>	
Recommendations Based on Applicable Guidelines		
Quantification of sustainability benefits	<p>The Framework has provided the quantitative impact indicators for the Eligible Projects, where applicable.</p>	
Financing vs. refinancing	<p>Where relevant, SIDSb will disclose the portion of proceeds allocated for refinancing, along with the specific Eligible Use of Proceeds being refinanced, within the respective transaction documents.</p>	
Look-back period for refinancing	<p>SIDSb has committed to a look-back period of up to 36 months prior to the date of issuance for refinancing of opex in relation to the Eligible Projects.</p> <p>While refinancing of capex is not subject to this look-back restriction, SIDSb has clarified that the proceeds will be used to refinance land acquired for SCIP in 2012. The Urban Design Guidelines submitted in 2014 demonstrate SIDSb's intention to develop SCIP as a green township since inception, integrating biodiversity conservation, efficient building design, dedicated open spaces, and sustainable mobility.</p>	
Alignment with taxonomies and best practices	<p>The Eligible Categories align with relevant taxonomies and best practices.</p>	

Target populations for social projects

The Framework has disclosed the target population of the eligible Social Project, Access to Essential Services, which include:

- Residents within the SCIP township and the surrounding communities
- People with disabilities
- Ageing population
- Vulnerable youths

Process for Project Evaluation and Selection

High

Requirements & Recommendations

Compliance Evaluation

Requirements Based on Applicable Guidelines

E&S objectives

The Framework has defined the E&S objectives for eligible projects in the context of SDGs.

Disclosure of process

SIDSB's process for evaluation and selection of Eligible Projects is guided by Sunway's policies, and is as follows:

- The project matrix team incorporates sustainability strategies and features into the project design, in alignment with Sunway's sustainability commitments
- The project matrix team reviews and validates the proposed assets against the guiding principles for selection of Eligible Projects in accordance with the Framework
- Sunway Property Division Management will review and approve the selection of Eligible Projects based on the project matrix team's proposal
- The Eligible Projects portfolio will be monitored during the tenure of the SFTs, if applicable. In the event a project no longer meets the Eligibility Criteria, SIDSB may replace the project by following the procedures outlined above.

E&S risk identification and management

SIDSB will conduct EIA and sustainability risk assessment in accordance with the latest sustainability standards and requirements, engaging relevant stakeholders as necessary.

As part of the evaluation process, SIDSB ensures that project planning and implementation comply with ISO standards applicable for environment, quality, and occupational health and safety management throughout the township life cycle.

Defined exclusion criteria

The Framework has defined exclusion criteria as follows:

- Luxury sectors (precious metals/ precious minerals/ artworks and antiques wholesale or brokerage)
- Child labour or forced labour
- Gambling
- Adult entertainment
- Weapons and military contracting
- Alcohol
- Tobacco
- Fossil fuel-related activities (including extraction, exploration, production, power generation or transport of fossil fuels)
- Nuclear energy

- Production or trade in any product or activity deemed illegal under international conventions and agreements, or subject to international bans
- Large-scale hydro-power projects with a generating capacity of over 25 MW

Recommendations Based on Applicable Guidelines

Sustainability context

SIDSB has positioned the project selection process within its overarching sustainability objectives, including Sunway Group's Green Township Policy and Green Building Policy.

Alignment with sustainability standards

The Framework has disclosed the relevant ESG standards and recognised best practices applicable to green township and green buildings, as well as safe and inclusive communities.

Management of Proceeds

Good

Requirements & Recommendations

Compliance Evaluation

Requirements Based on Applicable Guidelines

Proceeds management process

Net proceeds raised will be credited into the relevant designated accounts, earmarked for Eligible Projects.

For SFTs allocated towards the refinancing of operating projects where costs have already been fully disbursed, separate management of proceeds is not required. Nevertheless, SIDSB commits to applying the same evaluation and verification process outlined in the Framework to ensure that the refinanced Eligible Assets meet the established criteria and that proceeds are allocated and tracked in accordance with the Framework.

Internal tracking and allocation

SIDSB will internally monitor the allocation and management of the Sustainable Finance Proceeds. Over the tenure of SIDSB's SFTs, should any project assets no longer comply with the Framework, SIDSB will identify replacement assets that meet the Framework's criteria upon the Sunway Property Division Management's approval as soon as practicable.

Periodic adjustment of unallocated proceeds

The Framework has not stated the commitment to periodically adjusting the balance of unallocated net proceeds to match allocations to Eligible Projects

Temporary placement of unallocated proceeds

Pending allocation to Eligible Projects, unallocated proceeds will be held in cash, cash equivalents and/or be invested in other liquid marketable instruments in line with SIDSB's liquidity policy.

Recommendations Based on Applicable Guidelines

External verification of tracking and allocation

SIDSB may engage external verifiers to review its tracking and allocation of proceeds where applicable.

Reporting		Good
Requirements & Recommendations		Compliance Evaluation
Requirements Based on Applicable Guidelines		
Publication of framework details		SIDSB has committed to publish its Framework at the time of issuance and throughout the tenure of the SFTs.
Annual reporting of proceeds allocation		SIDSB will provide allocation and impact reporting annually via its corporate website.
Details of allocation of proceeds		<p>The allocation report will include:</p> <ul style="list-style-type: none"> ▪ A list of Eligible Projects with a brief description, to which proceeds of the SFTs have been allocated to ▪ Aggregate amount of proceeds allocated and utilised for the Eligible Projects, along with details such as the purpose, location and status of the Eligible Projects ▪ Amount and temporary placements of the unallocated proceeds at the end of the reporting period ▪ Removal or substitution of Eligible Projects ▪ Confirmation that the use of proceeds from SFTs aligns to the Framework
Project details and impact		The impact report will include the E&S performance of the Eligible Projects, reported using quantitative metrics as disclosed in the Framework where possible. The information on the methodology and assumptions used to determine the impact or expected impact will be included where possible.
Recommendations Based on Applicable Guidelines		
Timely updates or more frequent reporting		The Framework has not stated the commitment to provide more frequent reporting in addition to annual reporting.
Qualitative and quantitative impact indicators		The impact report will include quantitative and qualitative performance measures where feasible.
Alignment with ICMA impact reporting guidance		The impact indicators detailed in the Framework is largely in alignment with ICMA's Harmonised Framework for Impact Reporting.
Publication of external reviews		SIDSB may obtain external independent verification for the management of the proceeds where required. Such external reviews will be published where available.

OVERALL COMPLIANCE EVALUATION

Overall, we consider the Framework to be aligned with the core components of the respective standards i.e. Use of Proceeds, Process for Project Evaluation and Selection, Management of Proceeds and Reporting (including Disclosures).

▼			
Low	Satisfactory	Good	High

SUSTAINABILITY PERFORMANCE ANALYSIS

Group-Level Sustainability

At Sunway, oversight of sustainability and climate-related matters is entrusted to the Board Sustainability Committee (BSC). The BSC consists of four members of the Board of Directors who are responsible for reviewing sustainability performance, evaluating progress, and deliberating on strategic priorities and emerging issues. This structure ensures that sustainability considerations are embedded within the Group's overall governance framework and integrated across its business operations.



Since 2021, sustainability elements have also been incorporated into the performance assessments and remuneration-linked Key Performance Indicators (KPIs) of Senior Management. These KPIs encompass a range of ESG objectives, including improving EE, increasing the use of RE for electricity generation, enhancing waste diversion from landfills, strengthening occupational health and safety standards, fostering employee engagement, and improving ESG ratings.

As part of Sunway's net zero transition, the Group has established Malaysia's first internal carbon pricing framework. This mechanism assigns a monetary value to carbon emissions to guide the group's business divisions and investment decisions in managing transition risks. This was adopted in anticipation of Malaysia's proposed carbon tax on the energy, iron, and steel sectors by 2026.

Sunway Group's sustainability strategy and initiatives form the basis of SIDSb's own commitments, anchored on five overarching goals with defined targets to benchmark annual performance:

- Goal 1: Driving carbon reduction across its 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

Green Township and Green Building Policy

Sunway Group has committed to ensuring that all new townships developed from 2025 onwards obtain green certification. The Green Township Policy, established in 2023, is guided by the principles of environmental stewardship, social inclusivity, and economic resilience, providing structured guidance for the planning, development, and management of climate-resilient, resource-efficient, and community-focused integrated townships.

Implementation of the policy is supported by standard operating procedures covering areas such as:

- energy efficiency;
- water management;
- biodiversity conservation;
- social cohesion and community planning;
- transportation and connectivity;
- building and resource management; and
- business and innovation.

These measures are designed to ensure measurable E&S impacts across all developments. Reflecting the effectiveness of this approach, SCIP has been awarded provisional Green Certified Township status by the GBI. As a subsidiary, SIDSB is fully aligned with the Group's Green Township Policy and consistently applies its principles in township planning and execution.

At the building level, the Green Building Policy, introduced in 2021, complements the township-level framework. From 2025 onwards, all new buildings developed by Sunway are green-certified. Green buildings are designed to improve resource efficiency and reduce environmental and health impacts across their lifecycle, with the policy ensuring sustainable practices are integrated into development and operations to support healthy, sustainable living.

Sunway City Iskandar Puteri

As an integrated township, SCIP spans over 2,000 acres across Medini and Pendas, featuring residential, commercial, retail, educational, healthcare, entertainment, logistics, hospitality, and recreational facilities. It has an estimated gross development value exceeding RM30.0 billion and is organised into six precincts. Within this township, SIDSB serves as the master developer for the 1,300-acre mixed-use development in Pendas.



SCIP, which has been provisionally certified as a Green Township by the GBI, is positioned as a flagship integrated development within the Iskandar Malaysia growth corridor, emphasising climate resilience, resource efficiency, and social inclusivity as essential components of long-term urban sustainability. The township allocates nearly 40% of its area to green spaces, including over 730 acres of river reserve, water bodies, and public amenities, reflecting SIDSB's commitment to environmental stewardship and enhanced liveability. The approved development plan outlines the land-use distribution 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

Within SCIP, residential, commercial, educational, and retail buildings are integrated with green components to create a well-connected urban environment. The presence of EV-friendly transportation such as the Causeway Link, further supports cross-border connectivity and promotes low-carbon mobility. Additional mobility options continue to be introduced to strengthen integrated city living and build a self-sustaining urban ecosystem.

SCIP's green buildings incorporate energy-efficiency features through both passive and active design features, including thermal envelopes, energy-efficient systems, and advanced ventilation. RE generation is prioritised through solar panel installations to power common areas and support EV infrastructure. Water efficiency is achieved through the use of efficient fittings and rainwater harvesting systems for irrigation, while green spaces are integrated to mitigate the urban heat island effect.




OVERALL SUSTAINABILITY PERFORMANCE ASSESSMENT

Overall, we consider SIDSb's overall sustainability performance to be "Very Good". The issuer has integrated risk-based sustainability considerations in its operations and has a robust process for assessing significant sustainability risk exposures to minimise adverse impacts on its business. The focus of the issuer's sustainability performance monitoring and evaluation is on managing risk exposures to minimise downside risk. Globally recognised best practice reporting frameworks guide the issuer's sustainability reporting.

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Poor	Fair	Good	Very Good	Excellent
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ASSESSMENT SCALE

Grade	Description
	<p>Instruments or frameworks assessed at this level are judged to offer very significant E&S sustainability impact based on the projects to be supported and/or the KPIs linked to the issuance. The relevant processes fully adhere to the core principles of the applicable guidelines with strong alignment to best practices, supporting high standards of accountability and transparency.</p>
	<p>Instruments or frameworks assessed at this level are judged to offer fairly significant E&S sustainability impact based on the projects to be supported and/or the KPIs linked to the issuance. The relevant processes are consistent with the core principles of the applicable guidelines, supporting satisfactory standards of accountability and transparency.</p>
	<p>Instruments or frameworks assessed at this level are judged to offer fairly significant E&S sustainability impact based on the projects to be supported and/or the KPIs linked to the issuance. The relevant processes are somewhat consistent with the core principles of the applicable guidelines but exhibit shortcomings in the areas assessed.</p>

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