

MARC

MARC SOLUTIONS SDN BHD

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**SIME DARBY PROPERTY NEV
(HOLDINGS) SDN BHD**

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Summary

- MARC Solutions Sdn Bhd has assigned a "**Gold**" Impact Assessment to Sime Darby Property NEV (Holdings) Sdn Bhd's (SDP NEV) Green Finance Framework.
- The Framework sets forth the guiding principles for SDP NEV's undertaking of Green Finance Transactions (GFTs) to fund eligible assets in line with the United Nations Sustainable Development Goals (UN SDGs or SDGs). The eligible categories are expected to deliver significant environmental impact.
- We consider the Framework to be in line with most requirements and recommendations of the applicable guidelines. The Framework reflects overall consistency with relevant guidelines.
- SDP NEV has demonstrated a progressive sustainability strategy, guided by clear policy alignment, measurable commitments to climate resilience, robust governance, and industry-recognised certifications.



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IMPACT ASSESSMENT



SIME DARBY PROPERTY NEV (HOLDINGS) SDN BHD Green Finance Framework Assessment

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OVERVIEW OF ISSUER

Sime Darby Property NEV (Holdings) Sdn Bhd (SDP NEV) is a member company of Sime Darby Property Berhad (SD Property), one of Malaysia's leading property developers listed on the Main Market of Bursa Malaysia. As part of its transition into a real estate company, SDP NEV was established to hold equity and partnership interests in assets under SD Property's New Economic Venture (NEV) Fund, which focuses on the development of built-to-suit assets serving high-growth segments of the digital and logistics sector.

SDP NEV's portfolio is concentrated in institutional-grade, income-generating assets within SD Property's established townships, notably hyperscale data centres and automated industrial and logistics facilities located in Elmina Business Park and Elmina East, respectively. The data centre developments are supported by long-term lease commitments with a multinational technology tenant, while the industrial and logistics facility incorporates advanced automated storage and retrieval systems and is anchored by a long-term lease with a domestic retail operator. These assets are underpinned by structural demand drivers such as digitalisation, the expansion of cloud computing, and supply chain modernisation.

As a subsidiary of SD Property, SDP NEV operates within the Group's established sustainability governance framework and adheres to the Group's ESG policies and Sustainability Strategy and Roadmap 2030 (SSR2030). The Group's sustainability priorities include emissions reduction, renewable energy integration, climate resilience and sustainable urban development. SDP NEV's asset development approach is aligned with these broader commitments.

SDP NEV's Green Finance Framework is intended to support the financing and refinancing of eligible green assets within its portfolio, particularly those that demonstrate enhanced energy efficiency (EE), advance sustainable water and wastewater management, achieve recognised green building certifications (GBC), incorporate renewable energy (RE) solutions, and adopt clean transportation initiatives.

MARC SOLUTIONS' SCOPE OF WORK

MARC Solutions Sdn Bhd (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 SDP NEV's Framework consists of the following components:

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

Framework or instruments which 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 (UoP). 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 assets is assessed in the context of the SDGs. The eligible assets defined under SDP NEV’s Framework collectively align with five of the 17 SDGs, with specified targets for each category.

The net proceeds from the GFTs will be utilised to fund eligible assets under the following eligible categories:

Energy Efficiency	
Eligibility Criteria	UN SDG Targets
<ul style="list-style-type: none"> Expenditures related to the design, construction and maintenance of data centres and commercial facilities, designed or operated to achieve an annualised design or site-average annual operating Power Usage Effectiveness (PUE) of 1.35 or lower. Expenditures related to EE projects, including equipment, systems, operational improvements and maintenance that improve EE in each project by 20% or more. 	   <p>UN SDG 7.a Promote investment in energy-efficient infrastructure and clean energy technology</p> <p>UN SDG 9.4 Increase resource-use efficiency and adopt clean/environmentally sound technologies</p> <p>UN SDG 13.2 Integrate climate change measures</p>
Impact Indicators	
<ul style="list-style-type: none"> Design or operating PUE Trailing twelve-month (TTM) PUE Annual energy savings in MWh/GWh (electricity) or GJ/TJ (other energy savings) Annual greenhouse gas (GHG) emissions reduced/avoided in tonnes of CO₂ equivalent 	

Impact Assessment

Under SDP NEV’s Framework, this eligible category applies to expenditures related to the design, construction and maintenance of data centres and commercial facilities with an average PUE of 1.35 or lower as well as projects that are expected to achieve 20% or more EE. Given the concentration of proceeds towards hyperscale data centre developments, this category is assessed to have significant environmental materiality within SDP NEV’s portfolio.

Data centres are structurally energy-intensive assets, with operational electricity consumption forming the dominant source of lifecycle emissions. By embedding a defined PUE threshold of 1.35 or lower, SDP NEV establishes a measurable performance benchmark for its hyperscale developments. In Malaysia’s tropical climate, where cooling demand is elevated, this threshold reflects a comparatively efficient design standard and demonstrates an intention to limit operational energy intensity relative to conventional facilities.

The environmental benefit is principally associated with climate change mitigation through reduced electricity consumption per unit of computing output. While absolute emissions remain dependent on Malaysia’s grid emission factor, improvements in EE contribute to lower carbon intensity over the asset’s operational life. Given the long-term lease structure and the expected multi-decade operating horizon of

hyperscale facilities, cumulative reductions in energy consumption and emissions are expected to be significant. This eligible category aligns with SDG Targets 7.a, 9.4 and 13.2, which promote efficient resource use and investments in energy-efficient infrastructures through the adoption of climate change measures.

Sustainable Water and Wastewater Management

Eligibility Criteria

- Expenditures related to water recycling and reuse projects that result in a 20% improvement in water efficiency or water management as measured by Water Usage Effectiveness (WUE).

UN SDG Targets



UN SDG 6.4

Increase water-use efficiency and ensure sustainable withdrawals and supply of freshwater to address water scarcity

Impact Indicators

- TTM WUE
- Water use savings (m³)

Impact Assessment

Given the water-intensive nature of hyperscale data centre operations, particularly for infrastructure and server-cooling purposes, SDP NEV's incorporation of robust water management systems leads to an overall improvement in water-use efficiency. The project integrates water-based cooling infrastructures, including chiller plants, cooling towers and a dedicated reservoir, supported by controlled cooling-tower cycles and water-quality management to limit impurities and ensure responsible water discharge.

The implementation of effective water recycling, reuse and treatment measures enhances water-use efficiency, minimises freshwater withdrawals, and promotes responsible wastewater management, thereby supporting sustainable and uninterrupted operations. Collectively, SDP NEV's sustainable water management initiatives contribute to SDG Target 6.4 by increasing water-use efficiency, promoting sustainable freshwater use and improving water quality outcomes.

Green Buildings

Eligibility Criteria

- Expenditures related to design, construction and maintenance of buildings and warehouses that have, or are expected to achieve minimum thresholds under the following green certifications:
 - Leadership in Energy and Environmental Design (LEED) - Gold or above
 - Building Research Establishment Environmental Assessment Method (BREEAM) - Excellent or above
 - Green Building Index (GBI) – Gold or above
 - Green Real Estate (GreenRE) – Gold or above
 - Any other GBCs equivalent to the above standards
- Expenditures related to the refurbishment/retrofit of buildings to achieve up to a 20%-30% improvement in Energy Usage Intensity (EUI) and/or a 20%-30% reduction in energy consumption and GHG emissions compared with pre-renovation levels.

UN SDG Targets



UN SDG 7.b

Expand infrastructure and upgrade technology to supply modern and sustainable energy services

UN SDG 11.c

Promote the building of sustainable and resilient buildings

UN SDG 13.2

Integrate climate change measures

Impact Indicators

- Number of GBCs obtained

Impact Assessment

The Green Building category covers assets that achieve recognised certification levels under GBCs, ensuring that environmental performance considerations are embedded across the design, construction and operational stages. While the EE category focuses specifically on operational performance, the Green Building category broadens the environmental scope by including resource-use efficiency, water management, material selection, indoor environmental quality and sustainable site development.

Within SDP NEV’s portfolio, particularly for automated distribution centres and future industrial assets, GBCs may contribute to improvements in building envelope efficiency, lighting optimisation, water conservation and construction practices. For refurbishment and retrofit projects, this category targets material reductions in EUI and GHG emissions relative to pre-renovation levels, thereby delivering tangible efficiency gains beyond minimum regulatory requirements.

For hyperscale data centres, GBCs may complement the PUE threshold by addressing environmental aspects beyond operational energy use. Design-level interventions are expected to lock in environmental benefits over the operating life of the asset, reinforcing long-term sustainability outcomes.

Consistent with SDG Targets 7.b, 11.c, and 13.2, this category provides a structured mechanism to embed sustainability considerations into SDP NEV’s asset development approach. The requirement for enhanced GBCs elevates SDP NEV’s credibility through independent verification, provides assurance that environmental considerations are integrated into the overall building lifecycle, and strengthens SDP NEV’s intention to pursue sustainability performance above minimum regulatory compliance.

Renewable Energy

Eligibility Criteria

- Expenditures related to the construction, development, installation and procurement and storage of RE from:
 - Solar photovoltaic (PV)
 - Concentrating solar power (CSP)
 - Long-term (more than five years) Power Purchase Agreements (PPA), Virtual PPA and green tariffs that provide for the procurement of RE

UN SDG Targets



UN SDG 7.2

Support increasing the share of RE in the energy mix

UN SDG 13.2

Integrate climate change measures

Impact Indicators

- RE capacity installed (MW)
- Expected annual RE generation/sourced (MWh)

Impact Assessment

The adoption of RE within SDP NEV’s asset portfolio is positioned as a complementary measure to EE in reducing operational carbon intensity. Expenditures related to the installation and procurement of RE, including on-site PV, CSP systems and long-term PPAs for energy-intensive hyperscale data centres can partially offset grid electricity consumption, thereby lowering associated GHG emissions. Prospective PPAs, where implemented, enable long-term procurement of cleaner energy through defined power supply contracts.

The environmental benefits of this category are directly linked to climate change mitigation through displacement of fossil-fuel-based electricity generation, in line with SDG Targets 7.2 and 13.2. While the Framework does not prescribe minimum RE energy contribution thresholds, the overall magnitude of impact for this category will depend on the scale of implementation at the project level. Underpinned by clear and measurable impact metrics, the RE category is assessed as an enabling and complementary measure rather than the primary driver of environmental impact.

Clean Transportation

Eligibility Criteria

- Expenditures related to the design, development, construction, operation and maintenance of electric vehicles (EVs) and their supporting infrastructure, such as electric charging stations

UN SDG Targets



UN SDG 9.1

Develop quality, reliable, sustainable and resilient infrastructure

UN SDG 11.2

Enable access to sustainable transport systems

Impact Indicators

- Number of electric charging stations installed

Impact Assessment

SDP NEV's adoption of clean transportation serves broader decarbonisation objectives within its township and commercial ecosystem. While not a primary impact driver under the current project pipeline, the installation of EV charging infrastructure enables the transition from traditional fuel combustion to electric mobility. As an enabling infrastructure activity, its environmental benefits arise indirectly through reductions in transport-related emissions, contingent on utilisation rates and the carbon intensity of electricity.

Relative to the EE and RE categories, clean transportation is expected to represent a smaller proportion of allocated proceeds based on current indicators. Nevertheless, its inclusion reflects alignment with SDG Targets 9.1 and 11.2, as well as national energy transition priorities, and demonstrates a broader low-carbon infrastructure orientation within the Framework.

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 Requirements based on Applicable Guidelines	Compliance Evaluation
Description of the eligible asset categories	<p>The net proceeds shall be utilised exclusively for the financing and/or refinancing, in whole or in part, of capital expenditures (capex) and operational expenditures (opex) related to new and/or existing assets, businesses, projects and/or products that meet the Eligibility Criteria outlined in the Framework. These include the operations of SDP NEV, being the issuer, and its subsidiaries or companies where it holds economic interests, provided they comply with the Framework.</p> <p>For avoidance of doubt, any sukuk proceeds issued by SDP NEV can be used for capex, working capital needs, opex, and other expenses related to the eligible assets.</p>
Contribution to sustainability objectives	<p>The Framework has outlined the benefits of the projects and the respective SDGs to which each project contributes. 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 assets, where applicable.</p>
Financing vs refinancing	<p>Where relevant, SDP NEV will disclose the portion of proceeds allocated for refinancing, along with the specific eligible assets being refinanced, within the respective transaction documents.</p>
Look-back period for refinancing	<p>Refinancing of opex in relation to eligible assets is subject to a maximum look-back period of up to 36 months from the time of the GFT. SDP NEV has not committed to a look-back period for capex in relation to the eligible assets.</p> <p>We consider SDP NEV’s look-back to be aligned with standard market practices; however, the inclusion of a defined look-back period for capex refinancing and/or clarification on the type of projects eligible for refinancing could enhance the Framework’s transparency.</p>
Alignment with taxonomies and best practices	<p>The eligible assets are aligned with relevant taxonomies and best practices.</p>
Target population for social projects	<p>Social projects are not included in the scope of SDP NEV’s Framework.</p>

Requirements Based on Applicable Guidelines

Environmental objectives

The Framework has defined the environmental objectives for eligible assets in the context of the SDGs.

Disclosure of process

SDP NEV's approval for the eligible assets to be financed or refinanced by the UoP under the Framework is guided by the Board.

The step-by-step process for evaluating and selecting eligible assets is as follows:

1. Proposed eligible assets are reviewed and validated in accordance with SD Property's ESG Policies and Guidelines for selection of eligible assets for the UoP by the Project Team.
2. The Project Team evaluates the proposed eligible assets against SDP NEV's Framework.
3. Proposal from the Project Team is submitted as a recommendation to SDP NEV's Board for approval.
4. SDP NEV shall monitor the eligible assets portfolio during the life of the GFT.

Only assets meeting the eligibility and exclusion criteria may be financed with the GFTs. On an annual basis, upon any requirement, and before any new financing is raised, representatives from the Project Team and the SDP NEV Board will review the assets and confirm that they meet the criteria for inclusion. If an asset ceases to meet the eligibility criteria, SDP NEV will reallocate proceeds to another qualifying project following the same evaluation and approval process.

Environmental (E) risk identification and management

SDP NEV will assess E risks during project evaluation and selection, guided by the policies set by SD Property for the implementation of any sustainability exercise, and where applicable, undertake the relevant E Impact Assessments and engage technical experts and consultants for best practice advice. Identified E risks shall be managed through mitigation measures, monitoring and governance oversight.

Defined exclusion criteria

The Framework has defined exclusion criteria in alignment with ASEAN GBS and Social Bond Standards (SBS), as well as SD Property's ESG Policies and Guidelines as follows:

- Gambling
- Weapons
- Pork products sector
- Alcohol
- Fossil fuels
- Nuclear energy and nuclear-related assets
- Destructive dams
- Waste incineration resulting in pollution
- Harmful biomass
- Forestry projects resulting in removal of primary forests

- Conventional financial institutions (ribawi) – banking and insurance
- Large-scale hydropower plants (>30 MW capacity)
- Gaming businesses and any prohibited trade

Recommendations Based on Applicable Guidelines

Sustainability context

SDP NEV has positioned the project evaluation and selection process within SD Property’s Sustainability Policy, and ESG Policies and Guidelines.

Alignment with sustainability standards

The Framework has disclosed the relevant ESG standards and recognised best practices, including those applicable to EE, sustainable water and wastewater management, green buildings, RE, and clean transportation.

Management of Proceeds Good

Requirements & Recommendations Requirements Based on Applicable Guidelines

Compliance Evaluation

Proceeds management process

Net proceeds raised will be tracked and monitored internally by SDP NEV’s Project Team and SD Property’s Finance Team. Where necessary, additional eligible assets may be added to the portfolio of eligible assets to ensure sufficient and timely allocation of the incremental net proceeds.

Internal tracking and allocation

SD Property’s Finance team will track and maintain a portfolio of eligible assets with the following information, as long as the GFTs remain outstanding:

- Name and brief description of each eligible asset financed or refinanced
- Amount of GFT proceeds allocated to each eligible asset
- Balance of any unallocated proceeds
- Details on the management of unallocated proceeds, including the form of temporary placement or investment

Periodic adjustment of unallocated proceeds

SDP NEV aims to achieve full allocation of proceeds within 36 months.

Temporary placement of unallocated proceeds

Pending full allocation to eligible assets, unallocated proceeds will be temporarily held in cash, cash equivalents and/or invested in other liquid marketable instruments in accordance with the Permitted Investments definition in the Sukuk Trust Deed until the amount can be allocated to new eligible assets.

Recommendations Based on Applicable Guidelines

External verification of tracking and allocation

SDP NEV may engage independent third-party reviewers to verify the internal tracking and allocation of the GFT proceeds, where applicable. While not required under the guidelines, we recommend that the issuer commit to external verification of proceeds tracking and allocation to enhance transparency.

Reporting **Good**

Requirements & Recommendations **Compliance Evaluation**
Requirements Based on Applicable Guidelines

Publication of framework details	SDP NEV has committed to disclosing relevant information outlined in its Framework throughout the tenure of the GFTs issued under the Framework.
Annual reporting of proceeds allocation	SDP NEV commits to providing annual reporting on the allocation of the GFTs to the extent feasible. Reports will be made publicly available on the website (www.simedarbyproperty.com), and the reporting cycle will be in conjunction with SD Property’s Annual Report. Where material developments occur that affects the GFTs. SDP NEV will provide timely updates in accordance with applicable disclosure practices.
Details of allocation of proceeds	The allocation report will include: <ul style="list-style-type: none"> ▪ Details of the GFTs, including issuance date, tenor, amount and International Securities Identification Number (ISIN), if applicable. ▪ Aggregate amount allocated and utilised for the eligible assets, with a summary on the asset allocated (including purpose, location and status) ▪ Remaining balance of the unallocated proceeds at the end of the reporting period, and where such unutilised amount is placed or invested pending utilisation ▪ The amount and/or percentage of new and existing eligible assets (proportion of financing and refinancing) ▪ Removal or substitution of eligible assets, if applicable
Project details and impact	The impact report will include the performance of the eligible assets, reported using impact indicators as disclosed in the Framework, and the key underlying methodologies and assumptions used for quantitative impact determination, where possible.
Recommendations Based on Applicable Guidelines Timely updates or more frequent reporting	In addition to annual reporting, SDP NEV will provide timely disclosures in the event of any material developments on the website at www.simedarbyproperty.com .
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 are largely in alignment with ICMA's Harmonised Framework for Impact Reporting.
Publication of external reviews	SDP NEV may obtain external independent verification for the management of the proceeds where required. The verification will include an opinion on all allocation and impact reports produced, and management of proceeds to verify SDP NEV’s internal tracking method. Such external reviews will be published on SD Property’s website. Although not mandated by the guidelines, committing to external verification would reflect market best practice.

OVERALL COMPLIANCE EVALUATION

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



SUSTAINABILITY PERFORMANCE ANALYSIS

SUSTAINABILITY STRATEGY AND ROADMAP

SDP NEV operates within SD Property’s established sustainability governance and risk management frameworks. Guided by SD Property’s core purpose to drive real estate as a value multiplier and its four strategic pillars, SD Property’s SSR2030 outlines medium- to long-term ambitions across ESG pillars.

Energy and Carbon	Urban Biodiversity	Climate Resilience	Community Experience
Reduce Scope 1 and 2 emissions by 40%	Achieve net biodiversity positive status through avoidance, restoration, and conservation efforts	Establish climate adaptation and resilience plans for high-risk assets	Deliver positive community experiences through social value integration

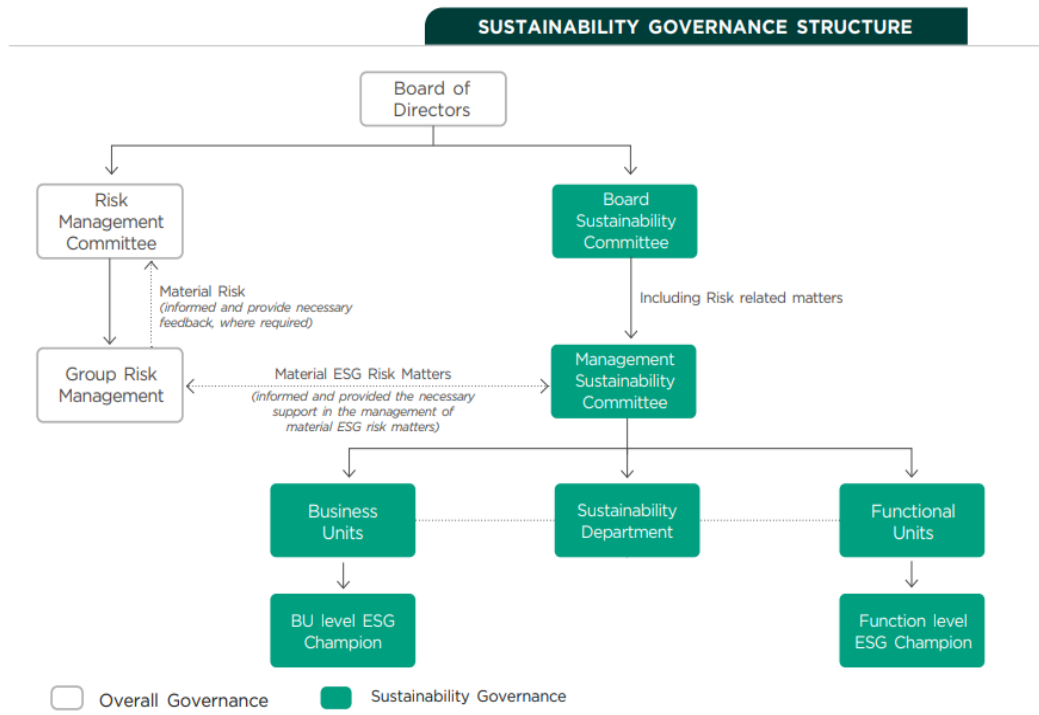
The strategy incorporates climate action, responsible development, circular economy principles, biodiversity considerations, community engagement and strong governance practices. Climate change is identified as a material matter, with commitments including emissions management, EE improvements, RE adoption, and the systematic integration of climate-related risk and opportunity assessments into decision-making. These commitments are supported by time-bound targets and key performance indicators at the Group level, providing a structured pathway for performance monitoring.

	Environment	Community	Governance
Ambition	<ul style="list-style-type: none"> Commitment to a 1.5° aligned company that respects and protects Nature 	<ul style="list-style-type: none"> Leave a net positive impact on the social and economic well-being of communities and employees 	<ul style="list-style-type: none"> Comply and lead in 100% disclosure as per regulatory guidelines
Imperative	<ul style="list-style-type: none"> Championing energy transition and low carbon in real estate Enhancing urban biodiversity 	<ul style="list-style-type: none"> Building climate adaptive communities Creating positive community experiences 	<ul style="list-style-type: none"> Establishing and maintaining policies and guidelines Ensuring consistent reporting and disclosure

	Economic	Environment	Social	Governance
Material Issues	<ul style="list-style-type: none"> Innovation Property Development Investment and Asset Management Land Bank Management 	<ul style="list-style-type: none"> Climate Adaptation Energy & Carbon Management Urban Biodiversity Water Management Circularity 	<ul style="list-style-type: none"> Community Experience Occupational Health and Safety Responsible Supply Chain Corporate Social Responsibility Talent Management and Training Development Diversity and Inclusion 	<ul style="list-style-type: none"> Corporate Governance and Compliance Data Privacy & Cybersecurity

SSR2030 positions sustainability as integral to SD Property’s development model, embedding environmental design principles and resource efficiency considerations across planning and asset lifecycle management. As SDP NEV’s assets are developed within SD Property’s integrated township ecosystem, the strategic direction set out in SSR2030 provides an overarching sustainability foundation for the subsidiary’s operations.

SUSTAINABILITY GOVERNANCE



Sustainability oversight at SD Property is embedded at the Board, management and operational levels. The Board Sustainability Committee (BSC) supports the Board in overseeing ESG-related matters, including providing strategic direction on SD Property’s ESG frameworks and its related material risks. The BSC leverages the expertise of diverse sustainability professionals to assess the effectiveness of initiatives and engages external parties where necessary to enhance assurance processes and climate risk assessments.

At the management level, the Management Sustainability Committee (MSC), comprising senior leadership, is responsible for embedding sustainability considerations into corporate strategy, governance and decision-making processes. The MSC oversees the implementation of the Sustainability Policy and Strategy, monitors progress against established targets and manages ESG-related risks within SD Property’s risk thresholds.

Operationally, the Sustainability Department coordinates the execution of the Sustainability Strategy across business units, standardising practices through internal guidelines and frameworks, monitoring performance and providing advisory support. ESG Champions embedded within business units and functions facilitate the integration of sustainability considerations into day-to-day operations, supporting alignment with the Group’s sustainability objectives.

CLIMATE AND ENVIRONMENTAL SUSTAINABILITY IN PROPERTY DEVELOPMENT AND INVESTMENT

Climate and environmental stewardship is an integral component of SD Property’s development strategy and long-term market differentiation. SSR2030 sets quantified targets for GHG emissions intensity reduction, expansion of RE capacity, and improvements in energy and water efficiency across its portfolio. Scope 1 and Scope 2 emissions, total energy consumption and emissions intensity indicators are tracked and publicly disclosed on an annual basis, reflecting a structured approach to performance monitoring and transparency.

SD Property incorporates environmental considerations at the outset of township master planning and throughout development. The company systematically applies energy-efficient, low-carbon design principles, exceeding statutory requirements by integrating enhanced green spaces, climate-resilient infrastructure, and energy-saving systems. These measures are expected to reduce operating costs and support the long-term value of assets.

In 2024, carbon reduction initiatives included the installation of rooftop solar panels across nine assets and the implementation of solar battery storage in residential developments, contributing to reduced emissions and enhanced energy reliability. Resource efficiency measures, such as water management and waste reduction, were incorporated into development guidelines. The overall impact of these actions will depend on their broader application across the Group’s development pipeline.

SD Property has also advanced its urban biodiversity agenda, with cumulative tree planting exceeding 155,000 trees, and the attainment of ArbNet Arboretum Level II certification, indicating a structured approach to biodiversity enhancement rather than isolated greening activities. Waste management initiatives, including a reported 50% waste diversion rate during construction, further support environmental performance during asset development phases.

SOCIOECONOMIC EMPOWERMENT AND COMMUNITY VALUE CREATION

SD Property’s social sustainability is a core component of SSR2030, particularly through responsible township development, community investment and inclusive economic participation. The approach centres on creating long-term socioeconomic value within and around its developments, with structured programmes targeting affordable housing access, youth development, entrepreneurship and community resilience.

SD Property continues to contribute to affordable home ownership accessibility through the delivery of affordable housing units within selected townships, supporting national housing aspirations and enhancing social inclusion. In parallel, SD Property undertakes community investment initiatives through its foundation and corporate responsibility platforms. In 2024, SD Property contributed over RM20 million to support community-related initiatives, impacting more than 16,000 beneficiaries in the areas of education, inclusivity, community well-being, and social infrastructure. These initiatives are increasingly integrated into township development planning, which may support long-term community resilience and stakeholder acceptance of its projects.




SD Property also advances local economic participation through vendor development and responsible procurement practices. Emphasis is placed on engaging local contractors and suppliers within its development ecosystem, supporting small and medium enterprises (SMEs) and generating multiplier effects within host communities. Workplace-related indicators – including total training hours provided to employees, average training hours per employee, and occupational health and safety performance metrics such as lost time injury frequency rate (LTIFR) – are disclosed as part of its human capital management framework, reflecting a structured approach to capacity development and workplace safety.

OVERALL SUSTAINABILITY PERFORMANCE ASSESSMENT

Overall, we consider SDP NEV’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 frameworks and standards guide the issuer’s sustainability reporting.



ASSESSMENT SCALE

Grade	Description
 GOLD	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.
 SILVER	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.
 BRONZE	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.

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