

BNM CCPT Due Diligence Questions

This due diligence checklist covers Environmental Risks under 5 categories:

- 1) General
- 2) Pollution
- 3) Ecosystem & Biodiversity
- 4) Efficient Use of Resources
- 5) GHG Emissions

No	Details	Questions	Respond (Y/ N/ NA)	Details
SECTION A: CLIMATE CHANGE MITIGATION & ADAPTATION				
1.0	Climate Change Mitigation & Adaptation	Are there any renewable energy usage in its day-to-day operations or any adaptation strategy towards climate change risk on their business?	Y	<p>Yes, Sunway utilises renewable energy sources for electricity consumption across its business operations. In 2024, Sunway recorded a total renewable energy consumption of 14,791 MWh, of which 12,933 MWh was generated locally from solar photovoltaic (PV) panels installed at Sunway properties.</p> <p>This initiative is part of Sunway's broader strategy to achieve net-zero target by 2050 by reducing greenhouse gas (GHG) emissions and minimising its carbon footprint.</p> <p>We also implement internal carbon pricing across our business units to incentivise emissions reduction and support our decarbonisation efforts.</p> <p>For more details, please refer to the Sunway Berhad Sustainability Report 2024, pp. 36 & 45.</p>
SECTION B: BNM DUE DILIGENCE QUESTIONS: GP3 – NO SIGNIFICANT HARM TO THE ENVIRONMENT				
1.0	GENERAL			
1.1A	Risk Identification	Has there been any legal, compliance issues and/or complaints, negative coverage received from media/NGOs etc. associated with the Company's environmental performance in the last 3 years?	N	No, Sunway has not encountered any such issues or negative coverage in the last 3 years.

No	Details	Questions	Respond (Y/ N/ NA)	Details
1.2A	Risk management	Are there any remedial measures which have commenced or are on-going to address the identified issues or complaints above?	N	<p>Sunway has always worked diligently to ensure full compliance with all relevant environmental laws and regulations. The company adopts proactive environmental management practices, guided by its sustainability policies and internal controls, to uphold its commitment to responsible and sustainable development.</p> <p>For more details, please refer to the Sunway Berhad Sustainability Report 2024, pp. 144 & 147.</p>
2.0	POLLUTION			
2.1A	Risk identification	<p>Are any of the Company's activities involved in the release, and/or use of:</p> <ul style="list-style-type: none"> • Hazardous chemicals/materials • Waste/pollutants (other than the above) that cannot be recovered, reused, and/or disposed of in an environmentally sound manner? • Air, Water and Soil emissions 	Y	<p>Yes, certain business divisions within Sunway generate hazardous waste as a by-product of their operations. For example, clinical waste is produced by the healthcare division, while industrial and construction waste, including hazardous materials, may arise from the quarrying and building materials business divisions.</p> <p>In terms of environmental pollutants, divisions such as Property Development, Quarry, and Building Materials have higher exposure to potential pollutants due to the nature of their activities. These may include dust, particulate matter, effluent discharge, and noise pollution, which are closely monitored and managed in accordance with regulatory requirements.</p> <p>For more details, please refer to the Sunway Berhad Sustainability Report 2024, pp. 77 & 78.</p>
2.2A	Risk management	<p>Are there any remedial measures which have commenced or are on-going:</p> <ul style="list-style-type: none"> • to avoid or reduce the use of hazardous chemicals/materials and waste/pollutants within the Client's operations; and/or • which entail environmentally sound disposal mechanisms? • ensure compliance towards mitigating Air, Water and Soil emissions 	Y	<p>Hazardous and scheduled waste is managed in strict accordance with the Environmental Quality (Scheduled Wastes) Regulations. All disposal activities are carried out by licensed and approved contractors, with proper tracking and documentation to ensure full compliance and environmental safety.</p> <p>We also implement rigorous environmental monitoring across our operations to ensure compliance with the Environmental Quality Act 1974. This includes regular monitoring and inspection of air emission, effluent discharge, and noise levels to detect and prevent pollution. Monitoring is conducted at varying intervals based on the scope and scale of each project.</p> <p>For more details, please refer to the Sunway Berhad Sustainability Report 2024, pp. 77 & 78.</p>

3.0	ECOSYSTEM & BIODIVERSITY			
3.1A	Risk identification	Are the Company's operations located in or near environmentally sensitive areas ("ESAs") or key biodiversity areas ("KBAs") or does the Company's operations create negative impacts on biodiversity and surrounding ecosystem?	NA	
3.2A	Risk management	Are there any remedial measures which have commenced or are ongoing on the protection and conservation of biodiversity and surrounding ecosystem which are impacted by the Company's operations?	Y	<p>Sunway has implemented several measures to protect and conserve biodiversity and the surrounding ecosystems affected by its operations. The company strictly abides by its internal Biodiversity Policy, which guides its efforts in optimising land use to minimise environmental degradation, conserving green areas to maintain natural habitats, and adopting sustainable practices to reduce environmental impacts.</p> <p>Sunway also ensures responsible water management to protect natural hydrological systems and water bodies, while working to reduce water pollutants and prevent contamination of local ecosystems.</p> <p>For more details, please refer to the Sunway Berhad Biodiversity Policy.</p>
4.0	EFFICIENT USE OF RESOURCES			
4.1A	Risk identification	Does the Company's core activities involve significant consumption of: • Water • Energy • Natural resources (e.g. petrol, fossil fuel, minerals, timber, etc.)?	Y	<p>The expansion of Sunway's business operations has led to a corresponding increase in water, electricity, and fuel consumption.</p> <p>In 2024, energy consumption rose by 12%, while water consumption increased by 10% compared to 2023 largely due to an expansion in data collection of new properties and sites through improved data collection and system enhancements.</p> <p>For more details, please refer to the Sunway Berhad Sustainability Report 2024, p. 67</p>
4.1B	Risk management	Are there any remedial measures which have commenced or are ongoing to monitor, reduce and improve efficiencies in resource consumption?	Y	<p>Sunway actively monitors and manages its resource consumption to minimise environmental impact and improve operational efficiency. These include investments in clean technologies to support the transition to renewable energy, along with ongoing efforts to improve the efficiency of energy and water management across our business operations. For instance, Sunway invested in a water treatment plant at Sunway South Quay Lake to reduce reliance on municipal water supply for properties within Sunway City Kuala Lumpur. We also track Building Energy Intensity (BEI) and water intensity performance levels to monitor resource use and identify opportunities for continuous improvement.</p> <p>For more details, please refer to the Sunway Berhad Sustainability Report 2024, p. 66-71</p>

5.0		GHG EMISSIONS		
5.1A	Risk identification	Do the Company's core activities lead to significant greenhouse gas ("GHG") emissions?	Y	<p>Yes, Sunway's core activities do lead to significant greenhouse gas (GHG) emissions, with the highest emissions generated by the Retail, Office, and Healthcare business divisions due to their energy-intensive operations.</p> <p>However, the Group's overall emissions intensity has decreased by 33% since 2019, driven by ongoing efforts to manage energy consumption, improve efficiency, and transition to cleaner energy sources.</p> <p>For more details, please refer to the Sunway Berhad Sustainability Report 2024, p. 57</p>
5.2A	Risk management	Are there any remedial measures which have commenced or are ongoing to reduce GHG emissions and/or in relation to decarbonisation efforts?	Y	<p>Yes, Sunway has implemented several ongoing measures to reduce GHG emissions and support its decarbonisation efforts. These include the introduction of an internal carbon pricing mechanism to hold business units accountable for emissions, alongside significant investments in renewable energy.</p> <p>The Group also continues to enhance energy efficiency by monitoring Building Energy Intensity (BEI), adopting smart building technologies, and upgrading to energy-efficient systems.</p> <p>Sunway incorporates green building certifications (e.g., GreenRE, LEED, GBI) in its developments and builds sustainable cities and townships.</p> <p>In addition, Sunway addresses Scope 3 emissions by engaging suppliers on sustainability, adopting green procurement practices, using certified sustainable materials, and promoting circular economy initiatives such as recycling, reuse, and waste minimisation across its value chain.</p> <p>For more details, please refer to the Sunway Berhad Sustainability Report 2024, pp. 61, 66-71</p>

SECTION C: BNM DUE DILIGENCE QUESTIONS: GP4 – REMEDIAL MEASURES TO TRANSITION

6.1A	Remedial Measures to transition	Has the Company established time-bound remedial measures to address the specific significant harm identified?	Y	<p>In the medium to long term, Sunway faces significant transition risks from rising electricity and water tariffs, driven by national efforts to meet net zero targets.</p> <p>As mitigation, Sunway is adopting renewable energy solutions and enhancing resource efficiency across its operations to reduce reliance on conventional utilities and manage future cost pressures.</p> <p>For more details, please refer to the Sunway Berhad Sustainability Report 2024, p. 50.</p>
6.1B		Does the Company plan to monitor the progress and effectiveness of the remedial measures against an appropriate set of performance evaluation criteria (including subsequent review conducted post remediation), indicators and time-bound targets?	Y	<p>Sunway tracks its mitigation progress by monitoring renewable energy generation and water consumption. A penalty system is in place for unmet energy efficiency targets, based on the Group's internal carbon pricing.</p> <p>Sunway also plans to explore carbon offset technologies and has invested in a research centre focused on carbon dioxide capture and utilisation, supporting its goal of achieving net zero carbon emissions by 2050.</p> <p>Carbon offsetting will remain a last resort, pursued only after all available resources have been fully optimised.</p> <p>For more details, please refer to the Sunway Berhad Sustainability Report 2024, pp. 45 & 50.</p>
6.1C		Does the Company have financial capacity and/or secured financing facilities to fund its remedial measures?	NA	