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# ESG IN REAL ESTATE

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# SJREC Advances Renewable Energy Plans With Domestic Supply Targeted From 2028


Southern Johor Renewable Energy Corridor (SJREC), a hybrid solar and battery energy storage zone, is targeting its first domestic green electricity delivery as early as 2028, followed by exports to Singapore from 2029. The 15 year project is being developed along Johor's east coast by Permodalan Darul Ta'zim, Ditrolic Energy and the International Finance Corporation, with its first phase now progressing.

Ditrolic Energy's subsidiary, Southern Solar Alliance Pte Ltd, has secured conditional approval from Singapore's Energy Market Authority to supply up to 600MW of renewable energy to Singapore. The project is expected to sign its first batch of local power purchase agreements within three months, while nearly 90% of planned output has already attracted offtake interest from Singapore based users across transport, manufacturing, logistics, real estate and other sectors.

Looking ahead, SJREC is planned to reach about 4GWp of solar and storage capacity, including 5.1GWh of utility scale battery storage. The project is also positioned to support energy intensive industries such as data centres and high tech manufacturing, strengthening Johor's renewable energy capacity and creating opportunities for sustained domestic and regional electricity demand. Its scale could also support broader investment in clean energy infrastructure and related industrial activities over the longer term.

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# Sime Darby Property Secures Gold Rating For RM2.6 Billion Green Sukuk


Sime Darby Property NEV Holdings Sdn Bhd's Green Finance Framework has received a Gold Impact Assessment from MARC Solutions, supporting its RM2.6 billion sukuk programme for sustainable digital infrastructure. The programme is the world's first sukuk financing structure dedicated to data centre infrastructure and will fund eligible green projects including hyperscale data centres and automated industrial and logistics facilities.

The framework was developed with Maybank Investment Bank and the Asian Development Bank as joint sustainability structuring advisers and aligns with recognised green finance standards. MARC's assessment covered governance, eligible project categories, use of proceeds, reporting commitments and expected environmental impact, highlighting strong alignment with market practices. Importantly, the assessment provides investors with greater assurance on transparency, governance and measurable environmental outcomes.

As part of Sime Darby Property's New Economy Venture platform, SDP NEV develops institutional grade income generating assets in high growth sectors. The sukuk programme will support the company's institutional investment platform and build to suit assets for global technology operators. Overall, the financing strengthens Sime Darby Property's position in sustainable digital infrastructure while expanding opportunities in the growing data centre sector.

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# Malaysia Faces RM3.5 Trillion Climate Adaptation Financing Need By 2050


Malaysia's climate adaptation financing needs could reach nearly RM3.5 trillion by 2050, highlighting a significant funding requirement for resilient infrastructure and long term climate preparedness. The Securities Commission said blended finance will likely be needed, with public sector support, patient capital and credit enhancements helping de risk projects before private investment can participate. Adaptation financing remains harder to assess than mitigation because its economic value is less easily quantified.

Meanwhile, Malaysia is developing a broader climate financing strategy through its National Adaptation Plan, alongside existing energy transition and emissions initiatives requiring an estimated RM1.2 trillion to RM1.5 trillion. The country also plans to establish its own accredited entity for climate financing. Importantly, adaptation projects should begin with clearly identified climate risks, supported by evidence, future vulnerability assessments and close engagement with affected communities.

The focus on adaptation is also strengthening demand for coordinated and preventive approaches to climate risks. Better communication between authorities and communities was highlighted as essential during climate related emergencies. The RIFAR Challenge further supported practical solutions, with 37 teams developing flood mitigation proposals for Taman Sri Muda and 21 teams producing public awareness content on river pressures, highlighting opportunities for innovation in climate resilience.

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# Malaysia Data Centre Growth Raises Demand For Reliable And Sustainable Power

Malaysia's expanding data centre sector is increasing the need for reliable, scalable and lower carbon electricity, with energy infrastructure becoming a key consideration for future digital investments. Gentari said digital and energy infrastructure must now be planned together, as AI driven data centres require large volumes of dependable power around the clock. Peninsular Malaysia's peak electricity demand reached a record 21.47GW in April, while rising utilisation indicates further growth as new capacity comes online.

Importantly, meeting demand will require more than additional generation. Malaysia will need a balanced energy mix, supported by renewable energy, battery storage and flexible generation to maintain grid reliability during the transition. As competition for digital investment intensifies, countries capable of providing long term energy certainty could gain an advantage in attracting hyperscalers and other energy intensive industries. Collaboration across the energy and investment ecosystem will also remain essential.

Meanwhile, Gentari is expanding its renewable energy portfolio through projects including a 150MW large scale solar project in Kedah and opportunities under the Corporate Renewable Energy Supply Scheme. Its partnership with Gamuda Energy targets up to 1.5GW of solar and battery storage for hyperscale data centres. Globally, Gentari has over 9.1GW of renewable energy and battery storage capacity installed or under construction.

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# EcoWorld Strengthens Long Term Sustainability Across Developments And Operations


Eco World Development Group Bhd (EcoWorld) is embedding ESG principles across its development lifecycle, extending beyond green buildings to land planning, climate risk management and post completion operations. The group avoids high conservation value land, integrates climate risks into enterprise risk management and business continuity planning, and manages developments through its Neighbourhood Property Management platform. Its approach has earned recognition through The Edge Malaysia Responsible Developer Award Hall of Fame.

Importantly, EcoWorld continues investing in mature developments through technology upgrades and asset enhancements. Solar panels are being added to existing sales galleries, while newer projects incorporate them from the outset. Commercial spaces are also refreshed as tenant needs evolve. The group is strengthening sustainability reporting under frameworks including IFRS S2 and has achieved a 40% reduction against its FY2019 emissions baseline, exceeding its 30% by 2030 target.

Looking ahead, EcoWorld is focusing on measurable decarbonisation, deeper digitalisation, nature positive design and stronger governance. Its sustainability framework covers environmental considerations from land selection and green mobility to construction standards and Scope 1, Scope 2 and Scope 3 emissions. Eco Grandeur demonstrates this approach through planned biodiversity and wetland management, supporting long term asset relevance

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# S P Setia Strengthens Responsible Development Through Resilience And Sustainable Growth


S P Setia Bhd has been inducted into The Edge Malaysia Responsible Developer Award Hall of Fame, reinforcing its long standing focus on responsible development. The recognition reflects the group's efforts to embed sustainability into business planning, project design and delivery while strengthening accountability. It also supports the company's strategy of using sustainable practices to improve resilience, manage risks and create lasting value amid changing market conditions.

At Setia Fontaines in Penang, S P Setia has prioritised long term value creation by rezoning 509 acres for an industrial park, supporting advanced manufacturing and high technology activities. The project is also exploring renewable energy supply while a proposed water treatment plant could improve resource efficiency. Meanwhile, its 100 acre Heritage Park, including a 63 acre lake, has restored natural habitats and attracted more than 200 bird species.

Looking ahead, S P Setia is focusing on climate resilience and decarbonisation, future ready communities supported by digital connectivity and AI infrastructure, and inclusive growth through partnerships. These priorities aim to strengthen the long term performance of its developments while delivering value for customers, communities and shareholders.

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# Malaysia Expands Solar Street Lighting Across Roads And Key Corridors

Malaysia is allocating RM34.19 million this year to install solar powered LED street lights at 362 selected locations along federal roads nationwide. The system is considered suitable for areas far from the electricity grid, locations exposed to cable theft or vandalism and rural roads. However, conventional LED replacements remain more cost effective where electricity supply already exists, as batteries account for about 60% of solar lighting equipment costs.

On the Kuala Lumpur Karak Expressway, 297 solar powered LED street lights are scheduled for installation at selected locations between Bentong Timur, Karak and Kampung Sungai Dua by year end. In addition, lighting will be installed along a 26km stretch from after the Genting Sempah tunnel to the Mempaga intersection through the expressway widening project. These measures aim to improve visibility and road safety across key corridors.

Meanwhile, 13 accident prone locations along the Kuala Lumpur Karak Expressway and East Coast Expressway Phase 1 have been identified for safety improvements. Early monitoring found accident reductions of up to 100% at some upgraded locations. The expressway widening project from Gombak to Mempaga was 6.4% complete as of July 25 and is targeted for completion in 2030, increasing capacity and easing congestion.

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# SC Estate Targets Solar Expansion To Build Stronger Recurring Income Stream


SC Estate Builder Bhd is accelerating its renewable energy expansion by pursuing acquisitions and joint ventures involving operational solar power plants, alongside developing its own projects. Chairman and CEO Alex Loh said a larger solar portfolio could significantly increase recurring revenue from power generation. Renewable energy remains a small part of the business, while building materials generated RM11 million revenue in the first quarter ended April 2026.

The company is also developing a large scale solar project under the LSS5 programme, targeted for commercial operation by June 30, 2027, and preparing bids for LSS6. Looking ahead, SC Estate aims to build a solar portfolio of 2,000MW to 5,000MW by 2030. Malaysia's installed solar capacity under government programmes reached 3,254.61MW as of April 30, highlighting the sector's growing scale and opportunity.

Alongside renewable energy, property is expected to become SC Estate's largest revenue contributor as projects mature. Its flagship Kubang Pasu development comprises 732 landed homes followed by 492 apartments, with a GDV of about RM663 million. The company also plans to develop 2,000 to 5,000 affordable homes by 2030, providing additional avenues for earnings growth across its property and energy businesses.

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