

MARC

MARC RATINGS BERHAD
202001041436 (1397757-W)



SENTRAL REIT (SENTRAL)

**PRE-ISSUANCE SUSTAINABLE FINANCE
FRAMEWORK ASSESSMENT**

FEBRUARY 2025



**SUSTAINABLE FINANCE
FRAMEWORK ASSESSMENT**

MARC Ratings Berhad has been engaged to review SENTRAL's Sustainable Finance Framework as an independent external reviewer. This external review was conducted by applying methodology adapted from the standard methodology and analytical Framework set out in MARC Ratings' Impact Bond Assessment (IBA) methodology that is published on its website.

Publication date: February 5, 2025

Contact: (+603)-2717 2963

SUMMARY

MARC Ratings Berhad has been engaged to provide a Second-Party Opinion (SPO) for SENTRAL's Sustainable Finance Framework (Framework). This Framework outlines how SENTRAL plans to utilise Sustainable Finance Transactions (SFTs) to deliver environmental and social (E&S) benefits through both Use of Proceeds (UoP) and Sustainability-linked Financing (SLF) approaches. In assigning the assessment, we have adapted our IBA methodology to assess both UoP and SLF portions of the Framework, and relied on pre-issuance information provided by associated parties, as well as information gathered from the public domain.

The review consists of three parts: an impact significance analysis based on SENTRAL's Framework; an assessment of alignment with the applicable guidelines, Frameworks, and principles published by the International Capital Market Association (ICMA), Securities Commission Malaysia (SC), ASEAN Capital Markets Forum (ACMF), Asia Pacific Loan Market Association (APLMA), Loan Market Association (LMA) and Loan Syndications and Trading Association (LSTA), and International Swaps and Derivatives Association (ISDA); and an evaluation of SENTRAL's sustainability implementation capacity and performance.

The Framework for UoP financing has been developed to demonstrate how SENTRAL plans to fund projects through the green, social, and sustainability financial instruments that will deliver E&S benefits in close alignment with the United Nations Sustainable Development Goals (UN SDGs). The proceeds raised in accordance with the Framework will be used exclusively to finance or refinance, in whole or in part, new or existing development expenditures with green and/or social focus in one or more of the eligible categories defined in the Framework.

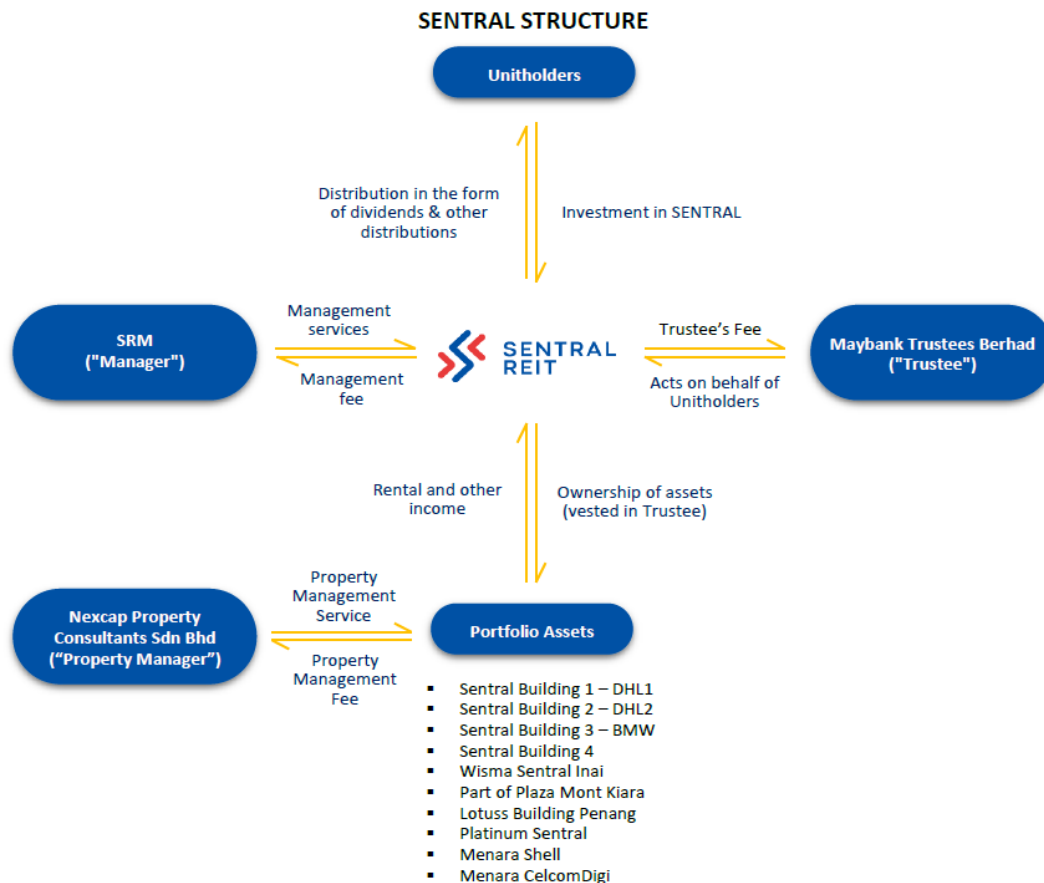
Conversely, the Framework for SLF outlines SENTRAL's adoption of sustainability-linked instruments to align its sustainability ambitions with its business strategies and plans. The three selected key performance indicators (KPIs) are relevant, core, and material to SENTRAL's primary business of managing commercial property investments:

- KPI 1: Green Building Portfolio
- KPI 2: Energy Consumption
- KPI 3: Water Consumption

We consider the Framework to be in line with the core components of the applicable guidelines, Frameworks, and principles. Based on our review of the relevant documentation and assessment as per our IBA methodology, we have assigned a "Gold" assessment to the Framework.

Introduction

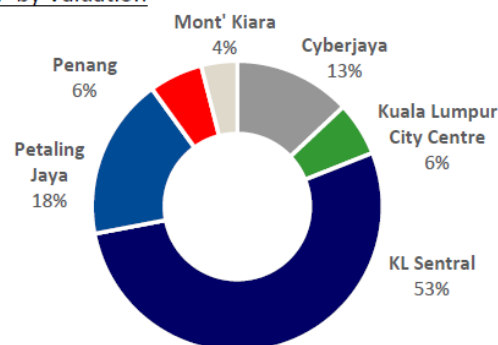
SENTRAL was listed on the Bursa Malaysia Main Market in 2007. The managing entity for SENTRAL, Sentral REIT Management Sdn Bhd (SRM, Company Registration No: 200601017500 (0737252-X)) is owned by Malaysian Resources Corporation Berhad (MRCB) and Global Jejaka Sdn Bhd with shareholdings of 80% and 20%. SENTRAL is structured as follows:



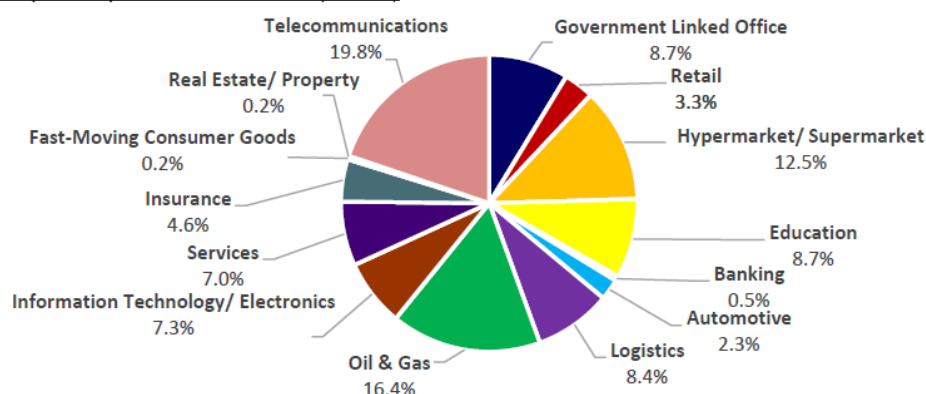
As a Real Estate Investment Trust (REIT), SENTRAL's investment objective is to acquire and invest in commercial properties to achieve long-term growth and sustainable income distribution for its unitholders. The REIT focuses on income-generating commercial assets, primarily offices and retail space in the Klang Valley and Penang.

Geographical Diversification³ by Valuation

Klang Valley	82%
Cyberjaya	13%
Penang	6%



Tenancy Mix by Net Lettable Area (“NLA”)



SENTRAL’s portfolio management strategies revolve around building long-term resilience, focusing on the following:

1. Capitalising on opportunities through prudent investment deals and opportunistic divestments to ensure a healthy portfolio mix of commercial properties.
2. Ensuring environmental sustainability by progressively increasing the percentage of green buildings in SENTRAL’s existing portfolio.
3. Undergoing periodic assessments of environmental indicators such as energy, water and waste management to improve SENTRAL’s environmental management approach.
4. Adopting a proactive approach towards improving SENTRAL’s climate-related disclosures with reference to the recommendations of Task Force on Climate-Related Financial Disclosures (TCFD) and Bursa Securities, where practicable.
5. Enhancing governance processes by ensuring commitment to SENTRAL’s environmental, social, and governance (ESG) principles internally and across its value chain.

To support SENTRAL’s sustainability strategies, the Sustainable Finance Framework has set forth the principles under which SENTRAL and its special purpose vehicles (SPVs) will utilise the SFTs to deliver positive E&S impacts. The SFTs are in line with SENTRAL’s investment objective — to achieve long-term growth in its asset value.

The Framework enables the issuance of UoP and SLF instruments independently on a case-by-case basis, which may be in any currency, for any tenor, in any jurisdiction and market, based on the REIT’s present and future business requirements. Under this Framework, SENTRAL retains full flexibility in terms of the sustainability objectives and projects that the sukuk, bonds, loans, financing, derivatives and any other financial instruments will support, in line with the applicable guidelines.

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APPENDIX

COMPLIANCE REVIEW FORM

01 IMPACT SIGNIFICANCE ANALYSIS

The Framework outlines how SENTRAL intends to undertake the UoP and SLF instruments to deliver E&S benefits.

The net proceeds of the UoP financing instruments will be utilised to finance Eligible Projects under the following Eligible Categories:

- Green Buildings
- Energy Efficiency
- Pollution Prevention and Control
- Sustainable Water and Wastewater Management
- Renewable Energy
- Clean Transportation
- Socioeconomic Advancement and Empowerment

The SLF instruments align SENTRAL's sustainability ambitions with its business strategies, focusing on the following KPIs:

- KPI 1: Green Building Portfolio
- KPI 2: Energy Consumption
- KPI 3: Water Consumption





We had conducted separate assessments for the UoP and SLF instruments in the context of the SDGs. Based on the assessments, the Eligible Projects and KPIs defined in SENTRAL's Framework collectively support seven of the 17 UN SDGs.




(A) IMPACT SIGNIFICANCE ANALYSIS FOR THE USE OF PROCEEDS INSTRUMENTS



ELIGIBLE CATEGORY FOR USE OF PROCEEDS

Eligible Green Projects

1	Green Buildings
	<p>Eligibility Criteria:</p> <ul style="list-style-type: none"> • Acquisition, development, extension, or retrofit of existing, ongoing, and future buildings, maintaining recognised green building certifications (GBC) at the minimum threshold, such as: <ul style="list-style-type: none"> ○ Gold and above for Green Building Index (GBI), Leadership in Energy and Environmental Design (LEED) and Green Real Estate (GreenRE) ○ Excellent and above for Building Research Establishment Environmental Assessment Method (BREEAM) ○ Gold Plus for Building and Construction Authority (BCA) Green Mark ○ Equivalent of the above standards for any other green building certifications • Refurbishing or retrofitting buildings to achieve: <ul style="list-style-type: none"> ○ At least 30% improvement in energy efficiency or primary energy demand (PED) over initial performance; or ○ Energy Performance Certificate (EPC) of at least Grade A • Acquisition, development, extension, or retrofit of buildings that are, or expected to be, within the top 15% best performing buildings in the local market based on absolute emissions or PED.



Sustainability Objective	Sustainability Benefit	Corresponding to the UN SDGs
<ul style="list-style-type: none"> To increase the adoption of green building practices To lower carbon emissions of the buildings throughout their life cycle To increase operational efficiency and reduce energy consumption To enhance the well-being of the building occupants through improved air quality and natural light in green buildings 	<ul style="list-style-type: none"> Promoting sustainable practices within the real estate value chain Reducing overall environmental impact of the buildings and preserving natural resources Addressing and mitigating the risks posed by climate change Attracting environmentally conscious tenants, improving occupancy rates and tenant retention 	  <p>Alignment to the UN SDGs:</p> <p>UN SDG 9, Target 9.4</p> <ul style="list-style-type: none"> Encourage increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes. <p>UN SDG 11, Target 11.c</p> <ul style="list-style-type: none"> Promote the development of sustainable and resilient buildings. <p>Indicative measurement:</p> <ul style="list-style-type: none"> Number of green buildings and the level/rating achieved Carbon intensity (kgCO₂e/sqm/year) Energy intensity (kWh/sqm/year)
2 Energy Efficiency		
<p>Eligibility Criteria:</p> <p>Asset Enhancement Initiatives (AEIs) dedicated to reducing energy consumption, including application of technology capabilities and solutions, such as machine learning (ML) and artificial intelligence (AI), for the management and installation of power-saving features, including:</p> <ul style="list-style-type: none"> Energy-efficient equipment, technologies, and products, such as items rated at least 4 stars by the Energy Commission Equipment, technologies, products that are non-motorised or powered by electricity instead of fossil fuels, such as light-emitting diode (LED) light fixtures, smart meters, high-efficiency windows, energy-efficient heating, ventilation, and air conditioning (HVAC) systems, and building automation systems (BAS) Motors with International Efficiency (IE) rated at a minimum of IE3 (Premium Efficiency) 		
Sustainability Objective	Sustainability Benefit	Corresponding to the UN SDGs
<ul style="list-style-type: none"> To reduce energy consumption as well as Scopes 2 and 3 greenhouse gas (GHG) emissions To improve the overall operating efficiency of the buildings To adopt available technologies to enhance the buildings' sustainability 	<ul style="list-style-type: none"> Conserving energy resources, contributing to climate resilience Reducing operating costs, enhancing the buildings' resilience against fluctuating energy prices Increasing property value, attracting new tenants, while ensuring building occupants' satisfaction 	  <p>Alignment to the UN SDGs:</p> <p>UN SDG 7, Target 7.a</p> <ul style="list-style-type: none"> Increase investment in energy-efficient infrastructure. <p>UN SDG 9, Target 9.4</p> <ul style="list-style-type: none"> Upgrade infrastructure for resource-use efficiency and adoption of environmentally sound technologies.

			Indicative measurement: <ul style="list-style-type: none"> Annual energy savings (MWh/year) Annual GHG emissions reduced/avoided (tCO₂e)
3	Pollution Prevention and Control		
	Eligibility Criteria: <ul style="list-style-type: none"> Investments, acquisitions, and expenditures relating to sustainable waste management in alignment with SENTRAL's Waste Management Policy, such as: <ul style="list-style-type: none"> Projects or amenities for waste segregation, collection, reuse, recycle and proper treatment of waste Food composting Projects, assets, installations, and technologies in relation to pollution reduction, such as Indoor Air Quality (IAQ) assessments for improvement in air quality 		
	Sustainability Objective	Sustainability Benefit	Corresponding to the UN SDGs
	<ul style="list-style-type: none"> To minimise the release of pollutants into air, water and soil through proactive measures To optimise the use of materials and resources, reducing waste generation and promoting recycling To promote circular economy and reduce extraction and utilisation of raw materials 	<ul style="list-style-type: none"> Minimising the pollution of land and water sources, thereby safeguarding the environment Reducing landfill waste, lowering carbon footprint Protecting human health and conserving biodiversity 	<div style="text-align: center;">  </div> <p>Alignment to the UN SDGs:</p> <p>UN SDG 12, Targets 12.4 and 12.5</p> <ul style="list-style-type: none"> Promote environmentally sound management of wastes throughout their life cycles. Reduce waste generation through prevention, reduction, recycling and reuse. <p>Indicative measurement:</p> <ul style="list-style-type: none"> Volume of hazardous waste generated and treated as a result of the project Annual gross amount of waste separated and/or collected, and treated (including composted) or disposed of (tonnes per annum, % of total waste)
4	Sustainable Water and Wastewater Management		
	Eligibility Criteria: Sustainable infrastructure for clean and/or drinking water, and wastewater treatment, such as: <ul style="list-style-type: none"> Rainwater harvesting Water-efficient fittings, such as fittings with a 3-star (Most Efficient) Water Efficient Product Labeling Scheme (WEPLS) rated by Suruhanjaya Perkhidmatan Air Negara Wastewater disposal systems i.e. sewerage grease trap system 		
	Sustainability Objective	Sustainability Benefit	Corresponding to the UN SDGs
	<ul style="list-style-type: none"> To reduce water consumption and increase resource efficiency To minimise pollution of water bodies through wastewater disposal system 	<ul style="list-style-type: none"> Enhancing water security and ensuring reliable access to clean water for all Protecting water quality and preventing contamination of water bodies 	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div> <p>Alignment to the UN SDGs:</p>

	<ul style="list-style-type: none"> To protect aquatic ecosystems from wastewater discharges 	<ul style="list-style-type: none"> Improving public health by preventing the spread of water-borne diseases 	<p>UN SDG 6, Target 6.4</p> <ul style="list-style-type: none"> Increase water-use efficiency and ensure sustainable use of fresh water. <p>UN SDG 12, Target 12.2</p> <ul style="list-style-type: none"> Enable sustainable management and efficient use of natural resources. <p>Indicative measurement:</p> <ul style="list-style-type: none"> Volume of water consumed as per Green Building guidelines Annual water savings (m³ and/or %)
5	Renewable Energy		
	<p>Eligibility Criteria: Infrastructures supporting renewable energy utilisation, such as:</p> <ul style="list-style-type: none"> Solar powered projects, including solar rooftops and solar building integrated photovoltaics (PVs) Installation of external solar lightings Energy Storage System (ESS) for renewable energy Purchasing Renewable Energy Certificates (REC) recognised by national and international standards or organisations 		
	Sustainability Objective	Sustainability Benefit	Corresponding to the UN SDGs
	<ul style="list-style-type: none"> To reduce carbon emissions and aid the market's transition to cleaner energy To promote energy independence by generating the buildings' own electricity To lower energy costs in the long term via on-site solar installations 	<ul style="list-style-type: none"> Mitigating climate change, enhancing the REIT's resilience against climate-related risks Reducing the buildings' reliance on fossil fuel-based energy generation Reducing operational costs and increasing the buildings' long-term viability 	<div style="text-align: center;">  <p>7 AFFORDABLE AND CLEAN ENERGY</p> </div> <p>Alignment to the UN SDG:</p> <p>UN SDG 7, Target 7.2</p> <ul style="list-style-type: none"> Increase the share of renewable energy in the buildings' energy mix. <p>Indicative measurement:</p> <ul style="list-style-type: none"> Annual GHG emissions reduced/avoided Annual renewable energy generated (MWh/GWh)
6	Clean Transportation		
	<p>Eligibility Criteria: Infrastructures supporting green and smart mobility, such as:</p> <ul style="list-style-type: none"> Installation of charging facilities for electric vehicles (EV) Developments that improve access to public transport, such as walkways or connections, and cycling routes or infrastructure 		
	Sustainability Objective	Sustainability Benefit	Corresponding to the UN SDGs
	<ul style="list-style-type: none"> To lower carbon emissions through the provision of infrastructure enabling the use of clean transportation 	<ul style="list-style-type: none"> Mitigating climate change by reducing reliance on fossil fuel-powered vehicles Improving air quality, leading to better 	<div style="text-align: center;">  <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> </div> <p>Alignment to the UN SDG:</p>

<ul style="list-style-type: none"> To minimise air pollution from fuel-powered vehicles To enhance accessibility to and from the buildings via public transport 	<p>health for building occupants</p> <ul style="list-style-type: none"> Attracting more tenants and visitors through increased foot traffic 	<p>UN SDG 11, Target 11.2</p> <ul style="list-style-type: none"> Enable access to sustainable transport systems for building occupants. <p>Indicative measurement:</p> <ul style="list-style-type: none"> Number of EVs or charging stations built or procured Annual GHG emissions reduced or avoided (tCO₂e)
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Eligible Social Projects

1	Socioeconomic Advancement and Empowerment		
Eligibility Criteria: Improving the livelihoods and well-being of target populations, including through SENTRAL’s Community Partnership programmes, such as: <ul style="list-style-type: none">Education-related initiatives, including providing education funds and literacy programmes through welfare organisations and children’s homesInitiatives that promote employment generation, including projects that foster technical skills and inculcate competitive spiritOther initiatives that contribute to the target populations’ well-being and growth			
Sustainability Objective		Sustainability Benefit	Corresponding to the UN SDGs
<ul style="list-style-type: none">To lift marginalised communities out of poverty through educational programmesTo empower under-privileged communities with necessary skills and knowledgeTo provide fundamental needs to lower-income communities		<ul style="list-style-type: none">Reducing socioeconomic inequality and providing opportunities for upward social mobilityPromoting inclusivity through equitable and accessible technical training opportunitiesImproving community well-being while fostering a good relationship with the community	<div></div> <p>Alignment to the UN SDGs:</p> <p>UN SDG 4, Target 4.1</p> <ul style="list-style-type: none">Ensure children have complete, equitable and quality education regardless of their families’ economic circumstances. <p>UN SDG 10, Target 10.2</p> <ul style="list-style-type: none">Empower and promote the socioeconomic inclusion of marginalised communities or lower-income families. <p>Indicative measurement:</p> <ul style="list-style-type: none">Number of beneficiaries

Overall Impact Significance for Use of Proceeds



The seven eligible green and social categories identified in the Framework align with the project categories recognised by the applicable guidelines. Through the projects, the REIT looks to reduce its overall environmental footprint and carbon emissions, while improving the well-being of its tenants, building occupants and the wider communities. The projects outlined in the Framework also ensure SENTRAL's continued access to sustainability-conscious markets through proactive measures that mitigate the relevant ESG risks. Overall, the anticipated impact of the UoP is assessed to be "Significant", considering its alignment with SENTRAL's sustainability approach, the UN SDGs, and the real estate industry's sustainable development priorities.

<input type="checkbox"/>	Very Significant	This level of impact significance is assigned where underlying projects are expected to generate very visible positive ground level impact. Projects at this level support the realisation of long-term integrated visions of sustainable development that are consistent with global sustainability goals, as well as national sustainable development goals and priorities.
<input checked="" type="checkbox"/>	Significant	This level of impact significance is assigned where underlying projects are expected to generate a visible positive ground level impact. Projects at this level have the potential to facilitate adjustments towards a more sustainable development trajectory and to meaningfully advance national level sustainable development goals.
<input type="checkbox"/>	Fairly Significant	This level of impact significance is assigned where underlying projects are expected to generate a ground level impact which, although at a lower magnitude than that expected for higher assessment levels, is still considered noteworthy.
<input type="checkbox"/>	Marginal	This level of impact significance is assigned where underlying projects are expected to generate a positive but limited ground level impact.
<input type="checkbox"/>	Not Significant	This level of impact significance is assigned where underlying projects are expected to have negligible ground level impact.







(B) IMPACT SIGNIFICANCE ANALYSIS FOR THE SUSTAINABILITY-LINKED FINANCING INSTRUMENTS

KPIs AND SUSTAINABILITY PERFORMANCE TARGETS (SPTs)



1	KPI 1: Green Building Portfolio SPT 1: Increase portfolio of green buildings to 40% by 2025, 50% by 2028, and 55% by 2030, compared to 2023 baseline																			
	Baseline, Targets and Observation Date																			
	<table><tr><th rowspan="2">Metrics/ Observation Date</th><th>Baseline</th><th colspan="3">Targets</th></tr><tr><th>2023</th><th>2025</th><th>2028</th><th>2030</th></tr><tr><td>Green Building Portfolio (%)</td><td>22</td><td>40</td><td>50</td><td>55</td></tr><tr><td>Increase from baseline (%)</td><td>N/A</td><td>18</td><td>28</td><td>33</td></tr></table>	Metrics/ Observation Date	Baseline	Targets			2023	2025	2028	2030	Green Building Portfolio (%)	22	40	50	55	Increase from baseline (%)	N/A	18	28	33
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Green Building Portfolio	12.5%	12.5%	22%																	

Strategies to achieve SPTs																					
<ul style="list-style-type: none">A green building accreditation gap analysis was conducted on SENTRAL’s existing buildings in 2023 to plan for future green enhancements based on the criteria for green accreditation.SENTRAL’s investment mandate emphasises the requirement for:<ul style="list-style-type: none">Green accredited assetsAssessment of the buildings’ carbon footprintAssessment of climate-related risks and opportunitiesCollaboration with tenants to deliver sustainable AEIs to meet their operational requirementsPeriodic asset portfolio rebalancing to divest buildings that have reached their maximum potential and to redeploy capital for investment in new green buildings																					
Sustainability Objective	Sustainability Benefit	Corresponding to the UN SDGs																			
<ul style="list-style-type: none">To support the regional transition plan, including the ASEAN Plan of Action for Energy Cooperation (APAEC) Phase II: 2021-2025, which considers buildings as a crucial area to facilitate the transitionTo lower carbon emissions and overall environmental impact of the buildings throughout their life cyclesTo enhance the well-being of the building occupants through improved air quality and natural light in green buildings	<ul style="list-style-type: none">Supporting just transitions to a low-carbon economy by investing in green building portfolioPromoting sustainable practices within the real estate value chainReducing energy and water consumption, leading to higher operational efficiency and lower utility costAttracting environmentally conscious tenants, improving occupancy rates and tenant retention, mitigating climate transition risks	<div><div></div><div></div></div> <p>Alignment to the UN SDGs:</p> <p>UN SDG 9, Target 9.4</p> <ul style="list-style-type: none">Encourage increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes. <p>UN SDG 11, Target 11.c</p> <ul style="list-style-type: none">Promote the construction of sustainable and resilient buildings.																			
2 KPI 2: Energy Consumption SPT 2: Reduce energy intensity by 2% annually from 2023 baseline																					
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Strategies to achieve SPT																					
<ul style="list-style-type: none">Energy management initiatives including:<ul style="list-style-type: none">Installation or replacement of conventional lighting with energy-saving lighting (e.g. LED lighting)Installation or replacement of solar power systemsRegular inspection of existing equipment to ensure they remain in good condition																					

¹ Historical performance indicated in the Framework is based on the committed NLA, while energy intensity data reported in SENTRAL's Annual Report is based on total NLA. The historical performance data above is more reflective of the actual usage across the REIT's properties.

<ul style="list-style-type: none">○ Installation or upgrade to energy-efficient air conditioning systems○ Installation and improvement of BAS○ GBC as part of future investment criteria <ul style="list-style-type: none">• Initiatives to minimise operational energy consumption and carbon emissions have been implemented since 2019, including energy efficiency measures and use of renewable energy such as solar. Menara Shell, Menara CelcomDigi and Platinum SENTRAL are equipped with better ventilation and natural lighting, resulting in lower energy and water consumption.• Development of SENTRAL’s Climate Change Policy in line with TCFD which will guide SENTRAL’s energy conservation and management activities across its portfolio and operations																																				
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<p>3 KPI 3: Water Consumption</p> <p>SPT 3: Reduce water intensity by 2% annually from 2023 baseline</p> <table><tr><th colspan="5">Baseline, Targets and Observation Date</th></tr><tr><th rowspan="2">Metrics/ Observation Date</th><th>Baseline</th><th colspan="3">Targets</th></tr><tr><th>2023</th><th>2025</th><th>2027</th><th>2030</th></tr><tr><td>Water Intensity (m³ /m²)</td><td>0.78</td><td>0.75</td><td>0.72</td><td>0.67</td></tr><tr><td>Reduction from baseline (%)</td><td>N/A</td><td>4</td><td>8</td><td>14</td></tr></table> <table><tr><th colspan="4">Historical Performance²</th></tr><tr><th>Year</th><th>2021</th><th>2022</th><th>2023</th></tr><tr><td>Water Intensity (m³ /m²)</td><td>0.75</td><td>1.06</td><td>0.78</td></tr></table> <p>Strategies to achieve SPT</p> <ul style="list-style-type: none">• Establishment of Water Management Policy that outlines goals and collaborative solutions to ensure compliance and fair utilisation of water resources• Implementation of measures to monitor and reduce the water intensity of buildings in line with SENTRAL’s Water Management Policy 2020• Water management initiatives include:<ul style="list-style-type: none">○ Installation of rainwater harvesting systems○ Regular inspection of piping systems and fittings	Baseline, Targets and Observation Date					Metrics/ Observation Date	Baseline	Targets			2023	2025	2027	2030	Water Intensity (m³ /m²)	0.78	0.75	0.72	0.67	Reduction from baseline (%)	N/A	4	8	14	Historical Performance ²				Year	2021	2022	2023	Water Intensity (m³ /m²)	0.75	1.06	0.78
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² Historical performance indicated in the Framework is based on the committed NLA, while water intensity data reported in SENTRAL's Annual Report is based on total NLA. The historical performance data above is more reflective of the actual usage across the REIT's properties.

	<ul style="list-style-type: none"> ○ Repair and replacement of old pipes, fittings and other equipment where necessary ○ Regular inspection of air conditioning systems to ensure optimum operating levels as they consume the most water ○ Installation or replacement of conventional water fittings with water-efficient fittings, including sensor taps 		
	Sustainability Objective	Sustainability Benefit	Corresponding to the UN SDGs
	<ul style="list-style-type: none"> • To support SENTRAL's target to reduce water intensity by 2% annually for its buildings' portfolio • To increase water efficiency, ensuring fair consumption 	<ul style="list-style-type: none"> • Enhancing water security and ensuring reliable access to clean water for building occupants • Minimising the risk of water disruptions due to water pollution and service downtime 	<div>   </div> <p>Alignment to the UN SDGs:</p> <p>UN SDG 6, Target 6.4</p> <ul style="list-style-type: none"> • Increase water-use efficiency. <p>UN SDG 12, Target 12.2</p> <ul style="list-style-type: none"> • Practise sustainable management and efficient use of natural resources.

Overall Impact Significance for KPIs and SPTs

This impact analysis is conducted based on our assessment of SENTRAL's selected KPIs' significance and the corresponding SPTs' ambition level, and their relevance to the REIT's ongoing and future initiatives. The selected KPIs represent SENTRAL's building management operations' key environmental challenges, whereby the REIT has outlined strategies towards the achievement of the SPTs.

Based on the historical performance and strategies planned, we anticipate SENTRAL to be able to achieve the KPIs. Overall, the anticipated impact of the chosen KPIs and SPTs is assessed to be "Significant", considering its potential to contribute to REIT's sustainability and alignment with the UN SDGs.

<input type="checkbox"/>	Very Significant	This level of impact significance is assigned where selected KPIs and SPTs are expected to generate very visible positive ground level impact. KPIs and SPTs at this level support the realisation of long-term integrated visions of sustainable development that are consistent with global sustainability goals, as well as national sustainable development goals and priorities.
<input checked="" type="checkbox"/>	Significant	This level of impact significance is assigned where selected KPIs and SPTs are expected to generate a visible positive ground level impact. KPIs and SPTs at this level have the potential to facilitate adjustments towards a more sustainable development trajectory and to meaningfully advance national level sustainable development goals.
<input type="checkbox"/>	Fairly Significant	This level of impact significance is assigned where selected KPIs and SPTs are expected to generate a ground level impact which, although at a lower magnitude than that expected for higher assessment levels, is still considered noteworthy.
<input type="checkbox"/>	Marginal	This level of impact significance is assigned where selected KPIs and SPTs are expected to generate a positive but limited ground level impact.
<input type="checkbox"/>	Not Significant	This level of impact significance is assigned where selected KPIs and SPTs are expected to have negligible ground level impact.

02 ASSESSMENT OF ALIGNMENT WITH APPLICABLE GUIDELINES, PRINCIPLES AND FRAMEWORK

For assessment of alignment, our analysis constitutes:

- a) Assessment of alignment with guidelines applicable to UoP instruments, including:
 - ICMA's Green Bond Principles (GBP), Social Bond Principles (SBP), and Sustainability Bond Guidelines (SBG)
 - ASEAN Green Bond Standards (GBS), Social Bond Standards (SBS), and Sustainability Bond Standards (SUS)
 - SC'S Sustainable and Responsible Investment (SRI) Sukuk Framework
 - APLMA, LMA and LSTA's Green Loan Principles (GLP) and Social Loan Principles (SLP)
- b) Assessment of alignment with guidelines applicable to SLF instruments, including:
 - ICMA'S Sustainability-Linked Bond Principles (SLBP)
 - ASEAN Sustainability-Linked Bond Standards (SLBS)
 - SC'S Sustainable and Responsible Investment Linked Sukuk Framework (SRILSF)
 - APLMA, LMA and LSTA's Sustainability-Linked Loan Principles (SLLP)
 - ISDA's Sustainability-Linked Derivatives KPI Guidelines (SLD KPI Guidelines)

A summary of the findings of our review is as follows. A detailed review is attached in this assessment's appendix.

(A) ASSESSMENT OF ALIGNMENT WITH GUIDELINES APPLICABLE TO THE USE OF PROCEEDS INSTRUMENTS



Principle One:
Utilisation of Proceeds

The proceeds shall be utilised exclusively to finance or re-finance, in part or in full, new and/or existing Eligible Projects as defined in the Framework, in alignment with the eligibility criteria of the applicable guidelines.

The Eligible Projects may include investments and capital expenditures (capex) and operational expenditures (opex) meeting the eligibility criteria outlined in the Framework.

The proceeds can be used for the following purposes in relation to the Eligible Projects:

- Working capital requirements
- Refinancing of existing debt
- Fees and expenses
- Inter-company advances to SENTRAL and its SPVs

The Framework also discloses that the target population of the eligible Social Projects include:

- Marginalised/underprivileged communities
- Lower-income families

Refinancing of opex in relation to the Eligible Projects is subject to a maximum lookback period of up to 36 months prior to the time of issuance.



Principle Two:
Process for Project
Evaluation and Selection

SENTRAL's Framework has outlined the process and procedures established to ensure proper identification and assessment of the projects.

In relation to the UoP instruments, SENTRAL's Sustainability Working Committee (SWC), consisting of representatives from Investor Relations, Legal, Asset Management, Leasing, Finance, and Investment, will support the CEO in the following areas:

- Oversight of implementation of the Framework and management of the allocation process
- Review, selection and supervision of Eligible Projects according to the Framework
- Review and approval of proposed updates to the Framework, including the expansion of Eligible Categories to reflect changes in SENTRAL's sustainability focus and in the event the projects no longer meet the eligibility criteria³
- Review and validation of relevant reports for annual reporting
- Tracking developments in sustainable finance markets regarding disclosure and reporting best practices
- Monitoring ESG controversies associated with the projects

To address the E&S risks related to the Eligible Categories, relevant policies, including the TCFD climate change policy and waste management policy, will be established. SENTRAL will also implement necessary procedures to manage potential ESG risks. These include the assessment of SENTRAL's suppliers and contractors based on their financial capacity, technical experience and level of bribery risks, in line with the REIT's Service Provider Pre-Qualification Policy and Services Contractor Evaluation Policy.

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

- 1) The SWC will assess and identify projects that satisfy the Eligible Categories defined in the Framework and align with SENTRAL's sustainability focus. They will also assess the project's E&S risks.
- 2) The SWC will review the assets or projects and confirm that they meet the eligibility criteria on an annual basis, and before any new finance is raised.
- 3) In the event of divestment or a project no longer meeting the eligibility criteria, the proceeds will be allocated to other Eligible Projects as soon as practicable.

Additionally, the Framework has defined exclusion criteria as follows, in alignment with ASEAN GBS and SBS:

- 1) Luxury sectors (precious metals/ precious minerals/ artworks and antiques wholesale or brokerage)
- 2) Child labour or forced labour
- 3) Gambling
- 4) Adult entertainment
- 5) Weapons and military contracting

³ To address concerns regarding the alignment of projects with eligibility criteria due to possible divestment, liquidation, and change in technology

- 6) Alcohol
- 7) Tobacco
- 8) Fossil fuel-generation related activities (including extraction, exploration, production, power generation or the transport of fossil fuels)
- 9) Production or trade in any product or activity deemed illegal under international conventions and agreements, or subject to international bans



Principle Three:
Management of
Proceeds

Proceeds raised from each SFT will be deposited into SENTRAL's general funding account and earmarked for Eligible Projects. SENTRAL will maintain a register of all Eligible Projects to ensure proper monitoring and allocation of net proceeds. This register will include the following information:

- Key information such as issuer/borrower entity, transaction date, tranche(s) information, principal amount of proceeds, repayment or amortisation profile, maturity date, interest or coupon, and the International Securities Identification Number (for bonds)
- Name and description of Eligible Projects to which the proceeds have been allocated
- Amount of proceeds allocated to each project
- The remaining balance of unallocated proceeds
- Other relevant information including details of temporary investment for unallocated proceeds

SENTRAL will maintain internal records about the allocation of the net proceeds to the Eligible Projects so long as a SFT remains outstanding. Any unallocated proceeds will be managed according to SENTRAL's management processes.

In the event of asset divestment or cancellation of a project, the proceeds will be reallocated to finance other Eligible Projects which meet the eligible criteria set out in the Framework. SENTRAL commits to fully allocate the proceeds of UoP instruments issuance within 36 months.



Principle Four: Reporting

SENTRAL will provide allocation and impact reporting annually on its corporate website at <https://sentralreit.com/>, until the full allocation of SFTs, to the extent feasible. SENTRAL will also disclose material developments, such as modification of the Framework, in a timely manner on its website.

Allocation Reporting

The allocation report will include:

- Amounts issued and outstanding for the SFTs
- Total value of Eligible Projects
- Description of the portfolio of Eligible Projects, including a breakdown of the allocated amounts based on ICMA or LMA's eligible categories, where appropriate
- The amount and/or percentage of new and existing projects, i.e. share of financing and refinancing
- Details in relation to management of unallocated proceeds

Impact Reporting

The impact report will include qualitative and quantitative performance measures and examples associated with each category of Eligible Projects, and the example of impact metrics have been disclosed in the Framework. The relevant methodology corresponding to the impact indicators will also be disclosed where feasible.

SENTRAL may seek a post-issuance external review on its allocation and impact reporting, as well as management of proceeds, to verify its internal tracking method. The external verification, if any, will be included in SENTRAL's corporate website.

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).

Overall Assessment of Alignment with ICMA's GBP/ SBP/ SBG, ASEAN GBS/ SBS/ SUS, SC'S SRI Sukuk Framework and APLMA/LMA/LSTA's GLP/SLP

	Clarity of Issuance Process and Disclosure	Total Score
<input checked="" type="checkbox"/>	High	10 – 12 points
<input type="checkbox"/>	Good	7 – 9 points
<input type="checkbox"/>	Satisfactory	4 – 6 points
<input type="checkbox"/>	Low	Below 4 points

Equal weighting is given to each of the four principles in arriving at the total score which is then expressed on the above four-point descriptive scale which ranges from High to Low.

Assessment Grade	High	Good	Satisfactory	Low
	3	2	1	0

(B) ASSESSMENT OF ALIGNMENT WITH GUIDELINES APPLICABLE TO THE SUSTAINABILITY-LINKED FINANCING INSTRUMENTS

Core Component 1: Selection of KPIs



SENTRAL has selected the KPIs that provide a trajectory towards improving the sustainability performance of its primary business of managing income-generating properties.

The three selected KPIs will measure SENTRAL's ESG performance as follows:

- KPI 1: Green Building Portfolio
- KPI 2: Energy Consumption
- KPI 3: Water Consumption

The materiality of the KPIs is reflected in SENTRAL's materiality assessment, whereby quality of assets and services, climate change and GHG emissions, and water management are identified as the REIT's sustainability focus.

In selecting the KPIs, SENTRAL has referred to ICMA's Illustrative KPI Registry 2023, Morgan Stanley Capital International's (MSCI) ESG Industry Materiality Map and Sustainability Accounting Standards Board's (SASB) Materiality Finder.

KPI 1:
Green Building
Portfolio

GHG emissions from buildings have increased rapidly since 1970, exceeding double from previous levels, largely due to the indirect CO₂ emissions from electricity consumption in buildings.⁴ As of 2022, the operations of buildings had contributed to 30% of global final energy consumption and 26% of energy-related emissions.⁵ SENTRAL's focus on green buildings, which places emphasis of energy efficiency, would significantly impact the REIT's carbon footprint.

Through this KPI, SENTRAL aims to improve its environmental performance by increasing the proportion of green buildings in its portfolio and incorporating green features in its buildings. Green buildings are equipped with improved ventilation and natural lighting, leading to lower energy and water consumption. The GBC will provide effective external verification of the REIT's efforts, demonstrating its commitment to sustainability in response to the increasing environmental awareness among tenants.

The Framework has outlined a clear scope and definition of this KPI. The KPI's scope encompasses SENTRAL's buildings portfolio i.e. all buildings owned and actively managed by the REIT. This definition excludes the Lotus's Penang building, which is fully managed by the tenant.

SENTRAL has defined green buildings as buildings that have obtained GBC issued by GBI, LEED, BREEAM, GreenRE, BCA Green Mark or any other organisations with recognised GBC programmes. GBCs serve as holistic frameworks that provide external validations for SENTRAL's effort in improving its buildings' environmental performance.

The Framework has not specified the GBC grade to be considered as a Green Building. While this may limit the KPI's level of ambition, we consider that it is aggregately more impactful to ensure a greater number of SENTRAL's buildings achieve GBC with a potentially lower grade, rather than focusing solely on a few top-performing buildings aiming for a higher grade.

The following calculation methodology will be employed:

$$\text{Green Building Portfolio (\%)} = \frac{\text{Number of Green Buildings}}{\text{Number of Actively Managed Buildings in Portfolio}} \times 100$$

To clarify, buildings that have received a provisional GBC will also be considered as Green Buildings for the purpose of the SLF issuances, provided that SENTRAL delivers the final certification demonstrating actual compliance promptly once available.

⁴ Intergovernmental Panel on Climate Change (IPCC), "Chapter 9: Renewable Energy Sources and Climate Change Mitigation," in *Climate Change 2014: Mitigation of Climate Change, Working Group III Contribution to the Fifth Assessment Report, 2014*, https://www.ipcc.ch/site/assets/uploads/2018/02/ipcc_wg3_ar5_chapter9.pdf.

⁵ International Energy Agency (IEA). "Buildings," <https://www.iea.org/energy-system/buildings>.

KPI 2: Electricity is the primary energy source for SENTRAL's buildings, powering essential equipment and ensuring tenants' comfort. This may ultimately lead to increased energy consumption. As of 2020, energy consumed in buildings accounted for 23% of ASEAN's total end-use energy consumption.⁶ In the region, the buildings sector has experienced the highest rise in electricity consumption compared to other sectors, due to increasing urbanisation.⁷

Energy Consumption

To lower the associated environmental impact, SENTRAL seeks to seize practical and cost-effective energy conservation opportunities. Enhancements in energy consumption will enable the REIT to comply with the Energy Efficiency and Conservation Act, which is set to take effect by 2025. The REIT's KPI 2 also aligns with its goal of achieving a 2% reduction in energy consumption across its portfolio, as reported in its 2023 Annual Report.

The scope of this KPI covers energy consumption of committed NLA at all SENTRAL-owned properties. SENTRAL has defined energy consumption as the total energy consumed, including electricity, fuel and other sources of energy, across its buildings. Energy intensity, conversely, is defined as the total energy consumption per committed NLA.

The following calculation methodology will be employed:

$$\text{Energy Intensity (kWh/m}^2\text{)} = \frac{\text{Total Energy Consumption}}{\text{Committed NLA}}$$

The buildings' energy performances are tracked monthly by the respective property managers and reported to SENTRAL through the Asset Control Group (ACG) report.

KPI 3: Water Consumption

SENTRAL's buildings and operational activities rely on adequate water supply. Water disruptions would directly impact the REIT's daily functions, causing inconvenience and dissatisfaction among tenants, albeit resulting from unforeseen circumstances beyond SENTRAL's control. Such factors may include pollution of water sources or service interruptions. Current water supply issues have significantly affected several Malaysian states.

According to water-related projections from the IPCC, by 2050, water demand may surpass surface water availability in nearly one-third of the world's largest cities. The increasing demand has already sparked competition between cities and agricultural needs. This situation is expected to worsen due to population growth, rapid urbanisation, and insufficient investment in urban water services.⁸ As such, the efforts taken to achieve KPI 3 will bring about socio-economic benefits, while being in line with SENTRAL's goal for a 2% reduction in water consumption for its portfolio buildings, stated in its 2023 Annual Report.

⁶ IEA. (2021). Roadmap for energy-efficient buildings and construction in ASEAN. <https://iea.blob.core.windows.net/assets/5255ea58-1fa7-4fb4-bca0-b32923e9184a/RoadmapforEnergyEfficientBuildingsandConstructioninASEAN.pdf>

⁷ IEA. (2022). "Southeast Asia energy outlook 2022". <https://iea.blob.core.windows.net/assets/e5d9b7ff-559b-4dc3-8faa-42381f80ce2e/SoutheastAsiaEnergyOutlook2022.pdf>

⁸ IPCC. "Chapter 4: Water," in Climate Change 2022: Impacts, Adaptation and Vulnerability. https://www.ipcc.ch/report/ar6/wg2/downloads/report/IPCC_AR6_WGII_Chapter04.pdf.

The Framework defines water consumption as the total water consumed across SENTRAL's buildings, while water intensity is defined as the total water consumption per committed NLA. The scope of this KPI encompasses committed NLA at all SENTRAL's buildings.

The following calculation methodology will be employed:

$$\text{Water consumption (m}^3\text{/m}^2\text{)} = \frac{\text{Total Water Consumption}}{\text{Committed NLA}}$$

KPI Materiality and Relevance

Based on our assessment, SENTRAL has selected KPIs that are core, material and relevant to its overall business, and are of strategic significance to the REIT. The REIT possesses a certain level of control over the selected KPIs as the scope is within its perimeter.

Additionally, we consider the process of selecting the KPIs to be in alignment with ISDA's SLD KPI Guidelines, as they are specific, measurable, verifiable, transparent, and suitable.

Core Component 2: **Calibration of** **SPTs**



In relation to the established KPIs, SENTRAL had calibrated the following SPTs:

- SPT 1: Increase portfolio of green buildings to 40% by 2025, 50% by 2028, and 55% by 2030, compared to 2023 baseline.
- SPT 2: Reduce energy intensity by 2% annually from 2023 baseline.
- SPT 3: Reduce water intensity by 2% annually from 2023 baseline.

The Framework has properly defined the respective SPTs' baseline, historical performance, target observation dates, trigger events, and frequency, as well as strategies towards achieving the SPTs. The baselines of the SPTs were selected based on the latest available data at the point of SPT setting.

The SPTs selected are in line with SENTRAL's existing green building strategy, as well as energy and water consumption targets. SENTRAL has conducted peer benchmarking and analysed its three-year historical data to identify data trends and areas for improvement.

SPT 1: Increase portfolio of green buildings to 40% by 2025, 50% by 2028, and 55% by 2030, compared to 2023 baseline

The SPT is a newly selected target for the purpose of SLF issuances and has not been disclosed in SENTRAL's annual report previously. However, SENTRAL has reported its green buildings portfolio in its annual sustainability disclosure. As at 2023 (baseline), two out of SENTRAL's nine buildings have obtained GBC, whereby Menara Shell and Menara CelcomDigi have been certified "Platinum" and "Gold" by LEED.

The REIT has conducted a green building accreditation gap analysis to identify the feasibility for some of its existing buildings to reach the targeted green accreditation, namely Platinum SENTRAL and SENTRAL Building 3 – BMW 1. Platinum SENTRAL was Platinum-certified by the GBI and BCA Green Mark in 2012 and 2014. However, the certifications had expired as they are only valid for three years each.

We consider the SPT to be in line with SENTRAL's strategic sustainability direction which focuses on capitalising on opportunities through prudent investment and opportunistic divestment, as well as environmental sustainability by progressively increasing the percentage of green buildings in its portfolio.

SPT 2: Reduce energy intensity by 2% annually from 2023 baseline

SENTRAL has achieved a 13.7% decrease in energy intensity based on committed NLA in 2023 compared to its 2022 performance. The data showed an 11% increase from 2021 to 2022 due to the relaxation of COVID-19 restrictions and the return of tenants to their offices.

Following the trajectory of SPT 2, by 2030, SENTRAL will be able to achieve an energy intensity of less than or equal to 100 kWh/m² per year, meeting the requirement for a 5-star building energy label, which will qualify the REIT's buildings to be promoted as energy-efficient buildings, as indicated by the National Building Energy Intensity Project's examples for Malaysian government office buildings.

The historical performance of energy intensity was reported in SENTRAL's annual sustainability report. However, the data was reported based on the total NLA, instead of committed NLA. The REIT has clarified that the SPT is based on committed NLA to reflect the actual usage across its properties.

We opine that the selection of energy intensity as the metric, coupled with the calculation methodology that uses committed NLA as the denominator, provides a clear indication of SENTRAL's performance against the baseline and has mitigated the risk of fluctuation in occupancy rate, which would affect the accuracy in measuring the SPT.

SPT 3: Reduce water intensity by 2% annually from 2023 baseline

In 2023, SENTRAL achieved 26.4% reduction in water intensity based on committed NLA compared to its performance in 2022. However, there was a 41.3% spike in water intensity from 2021 to 2022, induced by the tenants' return to office as the pandemic restrictions eased.

Similar to KPI 2, the historical performance of KPI 3 indicated in the Framework is based on committed NLA despite total NLA was used to report the water intensity in SENTRAL's annual report. This, combined with the selection of water intensity as the SPT's metric, would reflect the actual usage across the REIT's assets, ensuring calculation accuracy of the SPT regardless of fluctuations in occupancy rate.

Level of Ambition

Overall, the SPTs selected are moderately ambitious, supported by relevant strategies, while being coherent with SENTRAL's overall sustainability focus and targets. The SPTs represent an improvement in the respective KPIs beyond a Business as Usual (BAU) trajectory.

Based on the KPIs' historical performance and the strategies detailed in the Framework, we anticipate that SENTRAL will likely be able to achieve the respective SPTs.

Core Component 3:
Financial
Characteristics



SENTRAL has committed to the disclosure of the financial characteristics of the SLF in the legal documentation, including variations of the financial and/or structural characteristics which follow the occurrence of a trigger event.

Trigger Events

A trigger event is defined as an event that will prompt a change in the financial characteristics of the relevant SLF instrument, which may differ based on the nature of the instrument. Such events include:

- Achievement or non-achievement of the corresponding SPT for a selected KPI on the target observation date
- Failure to verify the corresponding SPT for a selected KPI on the target observation date

The target observation date shall refer to the date on which the KPI performance is to be observed and measured against its calibrated SPT. Details in relation to the specific trigger events and target observation dates will be specified in the applicable transaction documentation.

Changes in the Instrument Characteristics

Following the occurrence of a trigger event, a one-way or two-way adjustment to the SLF instruments will take place in the form of:

- Step-up and/or step-down coupon
- Premium payable on the redemption price
- Margin adjustments
- Other financial impacts, such as donations towards environmental/social projects

The nature of the adjustments will vary depending on the nature of the instrument. Additionally, the instrument's documentation may include provisions for a fallback mechanism in the event the SPTs cannot be calculated or observed in a satisfactory manner and/or occurrence of extreme events⁹ beyond SENTRAL's direct control, subject to lenders' and investors' agreement.

Recalculation Policy

The Framework has disclosed that the level of the SPTs may be affected due to changes in:

- Calculation methodology of the SPTs
- Data due to accessibility of information
- SENTRAL's perimeter through material mergers and acquisitions (M&A) activities

These changes may individually or in aggregate, significantly alter the levels of the SPT(s), resulting in the inability to calculate or observe SPTs satisfactorily.

⁹ Potential exceptional or extreme events include (i) significant changes in perimeters through substantial M&A activities, (ii) drastic changes in regulatory environment, (iii) material and adverse events such as natural disasters, war and conflict, government actions, pandemics and epidemics, industrial actions, accidents caused by fires, explosions, or chemical spills, (iv) significant changes in data due to better data accessibility or discovery of data errors, and (v) other unforeseeable circumstances that cause significant damage and disrupt business activities.

In such cases, a Sustainability Review Event (SRE) is considered to have occurred, whereby the REIT will recalculate the baselines, baseline dates and/or the SPTs to reflect the changes.

The Framework defines significant changes as changes that result in an increase or decrease in value of the KPIs of at least 5% or more. SENTRAL may also opt to amend, adjust, and/or recalculate the relevant SPT, baseline and/or intermediate target should a non-significant change (less than 5%) occur, especially when structural changes arise.

Any such amendment, adjustment and/or recalculation will be subject to SENTRAL's SPO provider's independent confirmation that the proposed revision is consistent with SENTRAL's sustainable strategy, and is in line with, or more ambitious than, the initial level of ambition of the SPTs.

Following the SRE, if no amendments are made effective and documented within the specified submission period, it shall be considered that the relevant SPT has not been met. Consequently, the financial characteristics of the instrument will be adjusted according to the applicable terms and conditions. The REIT shall disclose any SRE in its Annual Report.

Core Component 4: Reporting



SENTRAL will provide relevant reporting on the KPIs' progress and the achievement or non-achievement of the SPTs in the relevant documentation.

The disclosure will be made annually in an annual Progress Report, available either in the REIT's Annual Report or as a standalone report. The Progress Report will be published on SENTRAL's website no later than the reporting end date, until after the final SPT trigger event.

The progress report will contain the following information:

- Up-to-date information on the performance of the selected KPIs, including the baseline where relevant
- Up-to-date information outlining SENTRAL's performance against the SPTs and the related impact, and timing of such impact on the respective SLF instrument's performance
- Relevant information for investors to monitor the progress of the SPTs
- Verification assurance relative to the reporting including the information stated above

Where feasible and available, the Progress Report will also include:

- Qualitative or quantitative explanation of the contribution of the main factors, including M&A activities, behind the evolution of the performance/KPI on an annual basis
- Illustration of the positive sustainability impacts of the performance improvement
- Relevant re-assessments of KPIs and/or restatement of the SPT and/or pro-forma adjustments of baselines or KPI scope, if applicable

**Core Component 5: Pre-issuance
Verification**



SENTRAL has appointed MARC Ratings to provide an SPO on the alignment of the Framework with the relevant guidelines. The SPO report will be made available on the REIT's corporate website.

Post-issuance

SENTRAL will seek an external and independent verification in relation to its actual KPI performance level against the relevant SPTs. The verification and relevant reporting will form the basis for evaluation of whether a trigger event has occurred with respect to any SLF Instrument issued under this Framework.

The verification of KPI performance will be conducted annually and reported in the Progress Report using a "Limited Assurance" standard and will be published on SENTRAL's website.

Overall, we consider the Framework to be aligned with the core components of the respective standards i.e. Selection of KPIs, Calibration of SPTs, Financial Characteristics, Reporting, and Verification.

Overall Assessment of Alignment with ICMA'S SLBP, ASEAN SLBS, SC'S SRILSF and APLMA/LMA/LSTA's SLLP

	Clarity of Issuance Process and Disclosure	Total Score
<input checked="" type="checkbox"/>	High	12 - 15 points
<input type="checkbox"/>	Good	8 - 11 points
<input type="checkbox"/>	Satisfactory	5 - 7 points
<input type="checkbox"/>	Low	Below 5 points

Equal weighting is given to each of the five principles in arriving at the total score which is then expressed on the above four-point descriptive scale which ranges from High to Low.

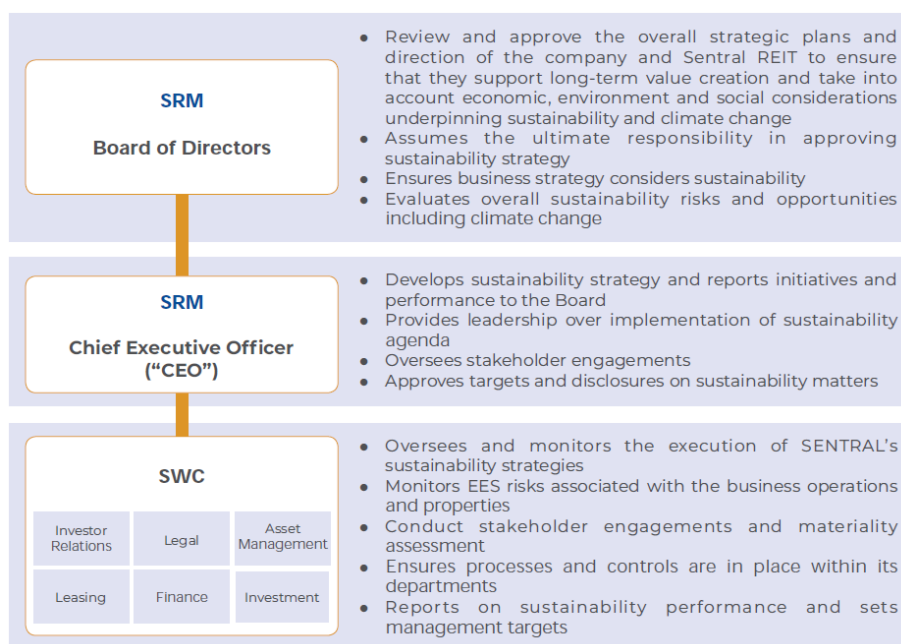
Assessment Grade	High	Good	Satisfactory	Low
	3	2	1	0

03 ANALYSIS OF SUSTAINABILITY PERFORMANCE

Sustainability Governance

The Board serves as the highest governing body for SENTRAL's sustainability strategies, responsible for ensuring the integration of sustainability in operations and oversees sustainability risks and opportunities. The Board keeps abreast on the REIT's operational impact through the quarterly Board meeting, where the management will update them on business topics including leasing, AEIs, risks, investment, and stakeholder engagement.

The CEO manages the REIT's sustainability impact by formulating and implementing relevant strategies and initiatives, with SWC's support. The SWC, consisting of representatives from Investor Relations, Legal, Asset Management, Leasing, Finance, and Investment, oversees the administration of sustainability efforts. It monitors the implementation of SENTRAL's sustainability initiatives and goals setting. Sustainability-related KPIs have also been incorporated into relevant SWC members' performance evaluation to reinforce the integration of ESG into SENTRAL's overall operations.

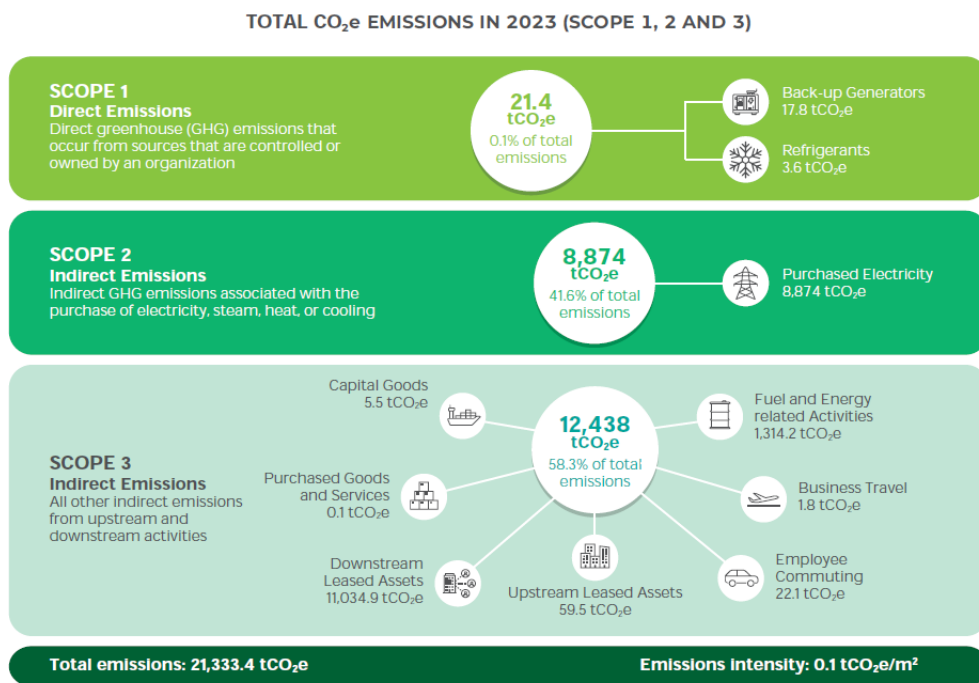


Managing Climate-Related Risks and Opportunities

Mirroring its sustainability governance structure, the Board stands as the highest decision maker for the REIT, responsible for integrating climate initiatives into SENTRAL's business by overseeing climate-related risks, opportunities, and climate mitigation and adaptation strategies. SENTRAL plans to conduct materiality assessment, climate change scenario analysis studies and supply chain risk management studies in 2025.

SENTRAL has adopted the GHG Protocol to guide its carbon emissions calculation, utilising emission factor values from different authorities to encompass its extensive emission sources. The emission

factor values utilised are sourced from the Energy Commission, Department for Environment, Food and Rural Affairs (DEFRA), GHG Protocol's Cross-Sector Emission Factor Tools and the US Environmentally-Extended Input-Output (USEEIO) Models. The figure below illustrates the company's carbon emissions based on scopes and categories in 2023.



Through the carbon emissions calculated, SENTRAL has identified electricity consumption as its main source of GHG emissions within the company's operations. Hence, its mitigation strategy has been tailored to reduce Scope 2 and 3 emissions, especially its purchased electricity and its downstream leased assets, which consist of emissions arising from tenants' purchased electricity. The company has implemented relevant resource management practices and initiatives to enhance energy-efficiency for its existing portfolio buildings.

Environmental Sustainability

SENTRAL's environmental management approach focuses on minimising its environmental impact by managing its energy consumption, activities, and investment portfolio. As part of its efforts to reduce energy usage, the REIT has been utilising energy-saving appliances and solar energy since 2019. The green buildings under SENTRAL's portfolio are built with better ventilation and incorporate natural lighting, resulting in lower energy consumption. SENTRAL is currently developing its Energy Management Policy to guide its future efforts in conserving energy and managing its environmental impact.

SENTRAL's operations and tenants' satisfaction rely on consistent and adequate water supply. The company has implemented initiatives to monitor and enhance the water efficiency of its portfolio buildings, guided by its Water Management Policy 2020. The policy outlines goals and strategies that involve the REIT's stakeholders to ensure compliance with relevant guidelines and fair water utilisation.

For effective waste management and recovery, the REIT ensures its waste disposal process complies with relevant requirements, and recyclables are collected by licensed waste contractors (LWCs). With primary waste coming from the food and beverage tenants in its buildings, SENTRAL has installed grease traps for these tenants in Plaza Mont' Kiara, Platinum SENTRAL and Menara Shell to ensure compliance with the Environmental Quality (Scheduled Wastes) Regulations 2005. SENTRAL plans to work with its LWCs to assess the effectiveness of the waste management strategy by gathering data of waste disposed or diverted at landfills. It is also developing a Waste Management Policy to guide their future waste management activities.

To effectively manage its environmental impact, SENTRAL appointed green building consultants to conduct a due diligence study and gap analysis for Platinum SENTRAL and SENTRAL Building 3 – BMW in 2023. The consultants had studied the buildings' current energy, water and waste management practices and provided recommendations in alignment with the green building certifications' requirements, which will serve as reference for the buildings' environmental performance improvement strategies.

Ensuring Tenants' Safety, Well-being and Satisfaction

SENTRAL requires its building management, tenants, and contractors to strictly adhere to its health and safety measures which are guided by the Department of Occupational Safety and Health's (DOSH) Occupational Safety and Health (OSH) Act. The building management conducts regular inspections, assessments, maintenance, repairs, and upgrades to identify and mitigate potential risks and hazards.

SENTRAL prioritises the quality of its assets and services provided to ensure its tenants' satisfaction. The REIT's asset enhancement policy focuses on the continued enhancement of its buildings' functionality, aesthetics and efficiency. With increased environmental awareness among tenants, SENTRAL has begun incorporating green features into its portfolio buildings.

To deliver quality facilities and services to building occupants, the REIT conducts periodic asset enhancement. In line with the respective buildings' Operations and Maintenance Manual, SENTRAL conducts maintenance work in collaboration with its property managers, suppliers, and contractors.

SENTRAL also actively engages tenants by collecting feedback and complaints via regular briefings, sessions, forms and a cloud-based platform. The REIT's Tenant Complaints Policy outlines its approach to address feedback and complaints at the initial point of contact. In addition, feedback received are discussed during the ACG's monthly meetings to improve tenant satisfaction on operational matters.




In addition, SENTRAL conducts relevant assessments to ensure all service providers are competent in carrying out the tasks appointed. New service providers receive pre-qualification and due diligence assessments based on their track record, financial stability, professional reputation, relevant knowledge, skills, and licensing, as well as compliance with applicable laws and regulations. Existing suppliers and contractors are evaluated and monitored regularly to ensure continued compliance and identify areas for improvements.

Sustainability Performance Assessment

<input type="checkbox"/>	Excellent/Highest Assurance	The issuer positions itself as a sustainability leader in its industry, ranking in the "top tiers" of performance across multiple categories of engagement, ranging from supply chain management to environmental performance. Sustainability-related risks and opportunities are integrated with the business strategy. Well-defined sustainability policies and practices are augmented by strong accountability systems which allow for a benchmarking of the issuer's performance against stated objectives and the incorporation of external assurance in its sustainability reporting framework.
<input checked="" type="checkbox"/>	Very Good/High	The issuer has integrated risk-based sustainability considerations in its operations and has a robust process for assessing significant sustainability risks 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.
<input type="checkbox"/>	Good/Medium	The issuer has adopted a CSR-centric sustainability strategy that prioritises stakeholder engagement and goodwill building. Sustainability is a small part of the issuer's business strategy, nonetheless there is evidence to suggest that its sustainability performance has progressed beyond maintaining regulatory compliance. The issuer has implemented general sustainability reporting to investors.
<input type="checkbox"/>	Fair/Basic	The issuer has a policy of regulatory compliance but has yet to incorporate sustainability considerations into its business operations. At this performance level, the goal of sustainability management is to achieve and maintain compliance with health, safety, and environmental requirements mandated by government laws and regulations.
<input type="checkbox"/>	Poor/Weak	The issuer has a record of poor sustainability performance or operates in unsustainable industries.

Our assessment of the issuer's sustainability implementation capabilities and performance is expressed on a five-level descriptive scale that runs from "Excellent" to "Poor" which corresponds to five levels of assurance (Highest, High, Medium, Basic, and Weak). The assurance level can be interpreted as a measure of our confidence in the issuer's continuing performance of its sustainability obligations in line with marketplace expectations and in compliance with its framework for financing issuance.

04 RATING SCALE

GRADE	DESCRIPTION
	<p>Bonds assessed at this level are judged to offer very significant environmental and/or social sustainability impact based on the projects supported or expected to be supported by the bond issuance. The processes used or to be used for the allocation and administration of proceeds, decision-making process of eligible projects and the reporting of performance indicators are consistent with the core principles of the GBP and/or SBP and applicable market guidance or standards and should support high standards of accountability and transparency.</p>
	<p>Bonds assessed at this level are judged to offer significant environmental and/or social sustainability impact based on the projects supported or expected to be supported by the bond issuance. The processes used or to be used for the allocation and administration of proceeds, decision-making process of eligible projects and the reporting of performance indicators are consistent with the core principles of the GBP and/or SBP and applicable market guidance or standards and should support good standards of accountability and transparency.</p>
	<p>Bonds assessed at this level are judged to offer fairly significant environmental and/or social sustainability impact based on the projects supported or expected to be supported by the bond issuance. The processes used or to be used for the allocation and administration of proceeds, decision-making process of eligible projects and the reporting of performance indicators are consistent with the core principles of the GBP and/or SBP and applicable market guidance or standards and should support satisfactory standards of accountability and transparency. Minor shortcomings exist in the areas assessed but none of them is a major concern.</p>

05 MARC RATINGS BERHAD

MARC Ratings Berhad was incorporated as a public limited company to undertake the business of providing credit rating services, as well as economic and fixed-income research publications, on behalf of the MARC group of companies.

MARC Ratings continues to adopt practices and procedures for Domestic Credit Rating Agencies based on the guidance on the Code of Conduct Fundamentals provided by the International Organisation of Securities Commissions (IOSCO) and the Association of Credit Rating Agencies in Asia (ACRAA). MARC Ratings continues to consult international best practices and the International Capital Market Association's Guidelines for Green, Social, Sustainability, and Sustainability-linked Bonds External Reviews in its conduct of external reviews, particularly in relation to the organisation and content of external reviews.

Following a series of outreach and external reviewer capacity building initiatives jointly undertaken by domestic market regulators and World Bank Group, MARC published its proposed criteria for rating green, social or sustainability bonds in April 2018. The version that was adopted in July 2018 after public consultation can be accessed on MARC's corporate website at www.marc.com.my. As explained in the criteria, the analytical Framework consists of three components that provide insights to the green, social and sustainability credentials of green, social and sustainability bonds: (1) an assessment of environmental and/or social benefits of the underlying funded project(s); (2) an assessment of compliance with internationally recognised principles and market standards for the evaluation of such bonds; and (3) an evaluation of the issuer's sustainability strategy and performance. Bonds which meet the minimum thresholds in each of the three analytical components will be rated Gold, Silver or Bronze.

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

Appendix

Review of SENTRAL's Compliance with ICMA's GBP/ SBP/ SBG, ASEAN GBS/ SBS/ SUS, and SC's SRI Sukuk Framework

Criteria	Compliance with criteria	Remarks/Scope of work undertaken
<p>Issuer</p> <p><u>ASEAN GBS/ SBS/ SUS</u></p> <p>3.1 The issuer must be an ASEAN issuer, or the eligible green and/or social project(s) must be in an ASEAN country.</p> <p><u>SRI Sukuk Framework</u></p> <p>7.02 The proceeds (of Sukuk) will be applied exclusively for funding of any activities or transactions relating to the Eligible SRI projects.</p> <p>7.03 An issuer must not– (a) use or adopt the term “SRI sukuk”; or (b) hold itself out as an issuer of such SRI sukuk, unless the issuance of the SRI sukuk has complied with these Guidelines.</p> <p>7.04 An issuer who wishes to issue an SRI sukuk must establish policies and processes to ensure compliance with the SRI Sukuk Framework as set out in these Guidelines.</p> <p>7.05 The information relating to the issuer and the details of the issuer's SRI Sukuk Framework must be made publicly accessible via a designated website to be disclosed by the issuer. Such information in the designated website must be made available at the point of issuance and throughout the tenure of the SRI sukuk.</p> <p>Eligible Projects</p> <p><u>SRI Sukuk Framework</u></p> <p>7.07 An eligible SRI project refers to a project that seeks to achieve any one or a combination of the following objectives:</p> <ul style="list-style-type: none"> a) Preserving and protecting the environment and natural resources; b) Conserving the use of energy; c) Promoting the use of renewable energy; d) Reducing greenhouse gas emissions; e) Addressing or mitigating a specific social issue or seeking to achieve positive social outcomes especially but not exclusively for a target population; or f) Improving the quality of life of society. 	<p>SENTRAL is an ASEAN issuer.</p> <p>The Sukuk proceeds will be applied exclusively for the funding of activities falling within those broad categories of eligibility recognised by the SC's SRI Sukuk Framework.</p> <p>The Issuer intends to issue SRI sukuk that complies with the Guidelines.</p> <p>The Issuer commits to establishing policies and processes needed to ensure compliance with the SRI Sukuk Framework.</p> <p>The Issuer's Framework will be made available at the point of issuance and throughout the tenure of the SRI sukuk via its corporate website as indicated in the Framework.</p> <p>Eligible projects as defined by the Framework seek to achieve objectives (a), (b), (c), (d), (e), and (f) set out in paragraph 7.07 of the SRI Sukuk Framework.</p>	<p>In relation to the objective set out in paragraph 7.07 (e) of the SRI Sukuk Framework, the eligible projects aim to achieve positive social outcomes including for marginalised/underprivileged communities and lower-income families.</p>

Criteria	Compliance with criteria	Remarks/Scope of work undertaken
<p>7.08 The Eligible SRI projects may include but not limited to the following:</p> <p>a) Green projects that relate to – renewable energy; energy efficiency; pollution prevention and control; environmentally sustainable management of living natural resources and land use; terrestrial and aquatic biodiversity conservation; clean transportation; sustainable water and wastewater management; climate change adaptation; eco-efficient and/or circular economy adapted products, production technologies and processes; and green buildings which meet regional, national or internationally recognised standards or certifications.</p> <p>b) Social projects that relate to, amongst others, affordable basic infrastructure; access to essential services; affordable housing; employment generation including the potential effect of SME financing and microfinance; food security; and socioeconomic advancement and empowerment.</p> <p>c) Projects which are the combination of Green and Social projects as described in (a) and (b) above; and</p> <p>d) Waqf projects that relate to the development of waqf properties or assets.</p> <p><u>ASEAN GBS/ SBS/ SUS</u></p> <p>4.1.1 The utilisation of issue proceeds must be described in the documentation for issuance.</p> <p>4.1.2 The issuer must disclose the following information: The categories of eligible Green and/or Social Projects to which the issue proceeds will be allocated; and/or the information on specific Green and/or Social Projects in the case where the issuer has identified the specific Green and/or Social Projects to which the issue proceeds will be allocated.</p> <p>4.1.3 All designated Green and/or Social Projects must provide clear environmental/social benefits, which will be assessed and, where feasible, quantified by the issuer.</p> <p>4.1.4 In the event that all or a proportion of the proceeds are or may be used for refinancing, it is recommended that issuers provide an estimate of the share of financing and refinancing, and where appropriate, also clarify which investments or project portfolios may be refinanced and, to the extent relevant, the expected lookback period for refinanced projects.</p>	<p>The Eligible Categories outlined in the Framework are aligned to the following Green and Social project categories specified in paragraph 7.08 (a) and (b) of the SRI Sukuk Framework: renewable energy; energy efficiency; pollution prevention and control; clean transportation; sustainable water and wastewater management; green buildings which meet regional, national or internationally recognised standards or certifications; and socioeconomic advancement and empowerment.</p> <p>The utilisation of proceeds is clearly described in the Framework.</p> <p>The Issuer has disclosed the categories of eligible Green and/or Social Projects to which the issue proceeds will be allocated.</p> <p>The Green and/or Social project categories set out in the Framework provide clear environmental/social benefits, which will be assessed by the Issuer.</p> <p>The Issuer has disclosed that the proceeds may be used for refinancing existing debts. Refinancing of operational expenditures in relation to the Eligible Projects is subject to a maximum lookback period of up to 36 months prior to the time of issuance.</p>	

Criteria	Compliance with criteria	Remarks/Scope of work undertaken
<p>Process for Project Evaluation and Selection</p> <p><u>SRI Sukuk Framework</u></p> <p>7.12 An issuer must establish internal processes for evaluation and selection of the Eligible SRI projects as identified in paragraph 7.08 above.</p> <p><u>ASEAN GBS/ SBS/ SUS</u></p> <p>4.2.1 The issuer must clearly communicate to investors: (i) The environmental/ social sustainability objectives; (ii) The process by which the issuer determines how the projects fit within the identified eligible project categories; and (iii) The related eligibility criteria, including, if applicable, exclusion criteria or any other process applied to identify and manage potentially material environmental and social (E&S) risks associated with the selected projects.</p> <p>4.2.2 The issuer must establish the process for project evaluation and selection prior to the issuance of the bonds and disclose the same to investors in the documentation for the issuance of the bonds.</p> <p>4.2.3 Issuers are encouraged to position this information within the context of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental and social sustainability. Issuers are also encouraged to disclose any green and social standards or certifications referenced in project selection.</p> <p>4.2.4 It is recommended that the issuer's process for project evaluation and selection be supported by an external review.</p> <p>4.2.5 The issuer must make the following publicly available on a website designated by the issuer at the time of the issuance and throughout the tenure of the bonds: (i) The process for project evaluation; (ii) The Use of Proceeds; and (iii) External review report on the process (if any)</p>	<p>The Issuer has established internal processes for project evaluation and selection.</p> <p>The eligible categories in the Framework are framed in the context of SDGs with specific E&S objectives.</p> <p>The Framework outlines an internal process by which eligible projects are assessed and selected to ensure fulfilment of criteria.</p> <p>The eligibility criteria, including exclusion criteria and process applied to identify and manage potentially material E&S risks associated with the selected projects have been detailed in the Framework.</p> <p>The Framework details the process for project evaluation and selection, and these details will be available to investors prior to the issuance of the bonds.</p> <p>The Issuer has positioned this information within the context of the Issuer's overarching sustainability strategies. The Issuer has also provided information on standards and certifications referenced in project selection.</p> <p>The Issuer has appointed MARC Ratings as the external reviewer for its Framework.</p> <p>The Issuer has committed to making the required information available on its corporate website.</p>	<p>The Framework has outlined a step-by-step process which involve the Issuer's SWC for evaluation and selection of eligible projects.</p> <p>To identify and manage the E&S risks associated with the selected projects, the Issuer will establish relevant policies, including TCFD climate change policy and waste management policy. The Issuer will also implement necessary procedures, including the assessment of suppliers and contractors based on their financial capacity, technical experience and level of bribery risks.</p> <p>The Issuer has referenced relevant environmental standards in project selection, such as GBC for "Green Buildings", IE for "Energy Efficiency" and WEPLS for "Sustainable Water and Wastewater Management".</p> <p>The Framework will provide information on the process for project evaluation, and the Issuer will provide allocation and impact reports on an annual basis throughout the tenure of the bond/sukuk. The external review assessment will also be made available on its website indicated in the Framework.</p>

Criteria	Compliance with criteria	Remarks/Scope of work undertaken
<p>Management of Proceeds</p> <p><u>SRI Sukuk Framework</u></p> <p>7.13 An issuer must ensure that the proceeds allocated for the Eligible SRI projects are credited into a designated account or otherwise tracked in an appropriate manner.</p> <p><u>ASEAN GBS/SBS/SUS</u></p> <p>4.3.1 Prior to the issuance of the bonds, the issuer must disclose to investors in the documentation for the issuance of the bonds the process for managing the net proceeds from the bonds.</p> <p>4.3.2 The net proceeds of the bonds, or an amount equal to these net proceeds, must be credited into a sub-account, moved to a sub-portfolio or otherwise tracked by the issuer in an appropriate manner and attested to by a formal internal process. The total amount deployed from the net proceeds for the eligible projects need not occur simultaneously.</p> <p>4.3.3 If the bonds are outstanding, the balance of the tracked net proceeds must be periodically adjusted to match allocations to eligible projects made during that period.</p> <p>4.3.4 The issuer must also disclose to investors in the documentation for the issuance of the bonds the intended types of temporary placement for the balance of unallocated net proceeds.</p> <p>4.3.5 It is recommended that the issuer's management of proceeds be supplemented by the use of an auditor, or other third party, to verify the internal tracking method and the allocation of funds from the bonds' proceeds.</p> <p>4.3.6 Where the issuer appoints an auditor or other third party to verify the issuer's management of proceeds, the issuer must make the report produced by the auditor or other third party publicly available on a website designated by the issuer at the time of the issuance of the bonds.</p>	<p>The Issuer will monitor the allocation of the sukuk proceeds and the eligible projects portfolio internally.</p> <p>Prior to issuance, the Issuer will make the Framework available to investors. The Framework describes the process for managing the net proceeds from the financing.</p> <p>The net proceeds from the issuance will be internally tracked. Any unallocated proceeds will be managed according to the Issuer's management processes.</p> <p>The Issuer will disclose the amounts issued and outstanding. The Issuer commits to fully allocating the proceeds within 36 months.</p> <p>The Framework discloses that any unallocated proceeds will be managed according to the Issuer's liquidity management processes.</p> <p>The Issuer may seek a post-issuance external review on its management of proceeds, to verify its internal tracking method.</p> <p>The external review, if any, will be made available on the Issuer's website.</p>	<p>Proceeds raised will be deposited in the Issuer's general funding account and earmarked for Eligible Projects. The Issuer will maintain internal records about the allocation of net proceeds to the Eligible Projects.</p> <p>In the event of asset divestment or cancellation of a project, the proceeds will be reallocated to finance other Eligible Projects which meet the eligible criteria set out in the Framework.</p>

Criteria	Compliance with criteria	Remarks/Scope of work undertaken
<p>Reporting</p> <p><u>ASEAN GBS/ SBS/ SUS</u></p> <p>4.4.1 Issuers must report to investors at least on an annual basis and are encouraged to make more frequent reporting on the Use of Proceeds until full allocation, and on a timely basis in the case of material developments. The annual report should include a list of the projects to which the bonds' proceeds have been allocated, as well as a brief description of the projects and the amounts allocated, and their expected impact.</p> <p>4.4.2 Where confidentiality agreements, competitive considerations, or a large number of underlying projects limit the amount of detail that can be made available, the issuer may present the information in generic terms or on an aggregated portfolio basis (e.g., percentage allocated to certain project categories).</p> <p>4.4.3 It is recommended that issuers use qualitative performance indicators, and where feasible, quantitative performance measures and disclose the key underlying methodology and/or assumptions used in the quantitative determination.</p> <p>4.4.4 It is recommended that the issuer's annual reporting on the Use of Proceeds be supplemented by a confirmation of such Use of Proceeds by an external reviewer along with any relevant updates of the external review.</p> <p>4.4.5 The issuer must provide to investors the annual reporting and the external review on the annual reporting, if any, through a website designated by the issuer and/or annual reports throughout the tenure of the bonds.</p> <p>Disclosure Requirements</p> <p><u>SRI Sukuk Framework</u></p> <p>7.16 The following information must be included:</p> <p>a) The overall SRI objectives that the issuer intends to achieve;</p> <p>b) The utilisation of proceeds from the issuance of the SRI sukuk. Where all or part of the proceeds are used for refinancing, an issuer must provide the amount of</p>	<p>The Issuer has committed to publish allocation and impact reporting annually on its corporate website.</p> <p>(a) Allocation Reporting The allocation report will include:</p> <ul style="list-style-type: none"> • Amounts issued and outstanding for the bonds/sukuk • Total value of Eligible Projects • Description of the portfolio of Eligible Projects, including a breakdown of the allocated amounts based on ICMA's eligible categories where appropriate • The amount and/or percentage of new and existing projects, i.e. share of financing and refinancing • Details in relation to management of unallocated proceeds. <p>(b) Impact Reporting The impact report will include qualitative and quantitative performance measures and examples associated with each category of Eligible Projects, and the example of impact metrics have been disclosed in the Framework. The relevant methodology corresponding to the impact indicators will also be disclosed where feasible.</p> <p>The Issuer may seek a post-issuance external review on its allocation reporting, impact reporting, and management of proceeds, to verify the company's internal tracking method. The external verification, if any, will be included in the allocation report.</p> <p>The Issuer has committed to providing information including items (a) through (h) within its Framework.</p>	

Criteria	Compliance with criteria	Remarks/Scope of work undertaken
<p>proceeds being allocated for refinancing and which Eligible SRI projects to be re-financed;</p> <p>c) The Eligible SRI projects in which the proceeds will be allocated;</p> <p>d) The details of the Eligible SRI projects and to the extent possible, impact objectives from the Eligible SRI projects;</p> <p>e) The processes used by the issuer to evaluate and select the Eligible SRI projects;</p> <p>f) The criteria used by the issuer to identify and manage material environmental or social risks associated with the Eligible SRI projects;</p> <p>g) The processes used by the issuer to manage the proceeds from the issuance of the SRI sukuk; and</p> <p>h) A statement that the issuer has complied with the relevant environmental, social and governance standards or recognised best practices relating to the Eligible SRI projects.</p> <p>External Review</p> <p><u>SRI Sukuk Framework</u></p> <p>7.17</p> <p>If an external reviewer is appointed to assess and provide report on the Eligible SRI projects or the issuer's compliance with the requirements under these Guidelines, such external reviewer's report must be made available on the designated website.</p> <p><u>ASEAN GBS/SBS/SUS</u></p> <p>5.1</p> <p>Issuers are recommended to appoint external review providers for the bond issuances or programmes.</p> <p>5.2</p> <p>The external review may be partial, covering only certain aspects of the bonds' Framework or full, assessing alignment with all four core components as stated in the relevant standards.</p> <p>5.3</p> <p>The external review provider must have the relevant expertise and experience in the components of the bonds which they are reviewing.</p> <p>5.4</p> <p>The external review provider must also disclose their relevant credentials and expertise, and the scope of the review conducted in the external review report.</p>	<p>MARC Ratings has been engaged as the independent external reviewer for the Framework. The external reviewer's report will be made available on the Issuer's corporate website.</p> <p>The review conducted by MARC Ratings is a full review and addresses alignment with all four components of the relevant standards.</p> <p>MARC Ratings is registered with the Securities Commission Malaysia as a credit rating agency. The scope of MARC Ratings' external review is set out in MARC Ratings' IBA methodology that is publicly accessible from its corporate website.</p>	<p>MARC Ratings has established a transparent score-based Framework for its green, social and sustainability bond assessments that is published on its website. The differentiated approach taken recognises that some projects offer more environmental and/or social benefits than others.</p>

Review of SENTRAL's Compliance with APLMA/LMA/LSTA's GLP/SLP

Criteria	Compliance with criteria	Remarks/Scope of work undertaken
<p>Use of Proceeds</p> <p><u>GLP/SLP</u> The fundamental determinant of a green/social loan is the utilisation of the loan proceeds for Green/Social Projects (including other related and supporting expenditures, including R&D), which should be appropriately described in the finance documents, and if applicable, marketing materials for the financing and/or a green loan Framework. All designated Green/Social Projects should provide clear environmental/social benefits, which will be assessed and, where feasible, quantified by the borrower.</p> <p>Where funds are to be used, in whole or part, for refinancing, it is recommended that borrowers provide an estimate of the share of financing versus refinancing. Where appropriate, they should also clarify which investments or project portfolios may be refinanced, and, to the extent relevant, the expected look-back period for refinanced eligible Green/Social Projects.</p> <p><u>GLP</u> The GLP explicitly recognise broad, non-exhaustive categories of eligibility for Green Projects, which contribute to environmental objectives such as: climate change mitigation, climate change adaptation, natural resource conservation, biodiversity conservation, and pollution prevention and control.</p> <p><u>SLP</u> Social Projects directly aim to address or mitigate a specific social issue and/or seek to achieve positive social outcomes including for, but not limited to, a target population(s).</p> <p>Process for Project Evaluation and Selection</p> <p><u>GLP/SLP</u> The borrower of a green/social loan should clearly communicate to its lenders:</p> <ul style="list-style-type: none"> the environmental/social sustainability objective(s) of the Green/Social Projects and the target population of the Social Projects; the process by which the borrower determines how the project(s) to be funded fits within the eligible Green/Social Projects categories; and 	<p>The utilisation of the loan proceeds for Green and Social Projects has been appropriately described in the Framework. The Framework has also defined clear E&S benefits for all designated Green and Social Projects, which will be assessed and, where feasible, quantified by the borrower.</p> <p>Where appropriate, the company will provide an estimate of the share of financing versus refinancing and clarify which investments or project portfolios may be refinanced. Refinancing of operational expenditures in relation the Eligible Projects is subject to a maximum lookback period of up to 36 months prior to the time of issuance.</p> <p>The Framework has outlined categories of eligible Green Projects, which contribute to environmental objectives such as natural resource conservation, energy conservation, promoting renewable energy, and reducing GHG emissions.</p> <p>The Social Project seeks to achieve positive social outcomes for marginalised/underprivileged communities and lower-income families.</p> <p>The borrower has clearly communicated the required information to its lenders in the Framework.</p>	<p>At the point of issuance, the Issuer will clarify which investments or project portfolios may be refinanced, within the corresponding transaction documentation, where relevant. The share/amount of proceeds to be allocated for refinancing will also only be determined at the point of issuance.</p> <p>The Framework has outlined a step-by-step process which involve the borrower's SWC for evaluation and selection of eligible projects.</p>

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<ul style="list-style-type: none"> complementary information on the processes by which the borrower identifies and manages perceived, actual or potential environmental and social risks associated with the relevant project(s). <p><i>Borrowers are encouraged to:</i></p> <ul style="list-style-type: none"> position the information communicated above within the context of their overarching objectives, strategy, policy and/or processes relating to environmental/social sustainability; provide information on the related eligibility criteria, including if applicable, exclusion criteria and also disclose any green/social standards or certifications referenced in project selection; and have a process in place to identify mitigants to known or potential material risks of negative social and/or environmental impacts from the relevant project(s). Such mitigants may include clear and relevant trade-off analysis undertaken and monitoring required where the borrower assesses the potential risks to be meaningful. <p>Management of Proceeds</p> <p><u>GLP/SLP</u></p> <p><i>The proceeds of a green/social loan should be credited to a dedicated account or otherwise tracked by the borrower in an appropriate manner, so as to maintain transparency and promote the integrity of the product.</i></p> <p><i>Management of proceeds should be attested to by the borrower in a formal internal process linked to the borrower's lending and investment operations for Green/Social Projects. The borrower should make known to the lenders any intended types of temporary placement for the balance of unallocated proceeds.</i></p> <p><i>Where a green/social loan takes the form of one or more tranches of a loan facility, each tranche(s) must be clearly designated, with proceeds of the green tranche(s) credited to a separate account or tracked by the borrower in an appropriate manner.</i></p> <p>Reporting</p> <p><u>GLP/SLP</u></p> <p><i>Borrowers should make, and keep, readily available up to date information on the use of proceeds, such information to be renewed annually until the green/social loan is fully drawn (or until the loan maturity in the case of a revolving credit facility), and on</i></p>	<p><i>The borrowers have positioned/provided the information as required.</i></p> <p><i>The borrower will monitor the allocation of the proceeds and the eligible projects portfolio internally.</i></p> <p><i>The Framework discloses that any unallocated proceeds will be managed according to the borrower's management processes. The Issuer commits to fully allocate the proceeds within 36 months.</i></p> <p><i>Proceeds raised will be deposited in the borrower's general funding account and earmarked for Eligible Projects. The borrower will maintain internal records about the allocation of net proceeds to the Eligible Projects.</i></p> <p><i>The borrower has committed to make, and keep, readily available up-to-date information on the use of proceeds annually until the green/social loan is fully drawn, and on a timely basis in the event of material developments.</i></p>	<p><i>The borrower has referenced relevant environmental standards in project selection, such as GBC for "Green Buildings", IE for "Energy Efficiency" and WEPLS for "Sustainable Water and Wastewater Management".</i></p> <p><i>To identify and manage the E&S risks associated with the selected projects, the Issuer will establish relevant policies, including TCFD climate change policy and waste management policy. The Issuer will also implement necessary procedures, including the assessment of suppliers and contractors based on their financial capacity, technical experience and level of bribery risks.</i></p> <p><i>Prior to issuance, the Issuer will make the Framework available to investors. The Framework describes the process for managing the net proceeds from the financing.</i></p> <p><i>An area of improvement is for the borrower to make known to the lenders any intended types of temporary placement for the balance of unallocated proceeds.</i></p> <p><i>In the event of asset divestment or cancellation of a project, the proceeds will be re-allocated to finance other Eligible Projects which meet the eligible criteria set out in the Framework.</i></p> <p><i>The borrower has committed to publish allocation and impact reporting annually on its corporate website.</i></p> <p>(a) Allocation Reporting <i>The allocation report will include:</i></p>

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<p>a timely basis in the event of material developments. This annual report should include a list of the Green/Social Projects to which the green/social loan proceeds have been allocated and a brief description of the projects, the target population, the amounts allocated and their expected and, where possible, achieved impact.</p> <p>Where confidentiality agreements, competitive considerations, or a large number of underlying projects limit the amount of detail that can be made available, the GLP/SLP recommend that information is presented in generic terms or on an aggregated portfolio basis (e.g. percentage allocated to certain project categories). Information need only be provided to those institutions participating in the loan.</p> <p>The GLP/SLP recommend the use of qualitative performance indicators and, where feasible, quantitative performance measures and disclosure of the key underlying methodology and/or assumptions used in the quantitative determination. Borrowers with the ability to monitor achieved impacts are encouraged to include those in regular reports to those institutions participating in the loan.</p> <p>Review</p> <p><u>GLP/SLP</u></p> <p>Where appropriate, it is recommended that borrowers appoint (an) external review provider(s) to assess the alignment of their green loan or green loan programme with the four core components of the GLP/SLP.</p> <p>The GLP/SLP encourage external review providers to disclose their credentials and relevant expertise and communicate clearly the scope of the review(s) conducted.</p> <p>Where applicable, any external review should be communicated and made available in a timely manner to all the financial institutions party to the loan in accordance with the relevant loan documentation provisions. Where appropriate, and taking into account confidentiality and competitive considerations, borrowers should make the external review publicly available, or an appropriate summary, via their website or otherwise.</p>	<p>This annual report will include the information required.</p> <p>Qualitative and quantitative performance measures will be used. The key underlying methodology used in the quantitative determination will also be disclosed where feasible.</p> <p>MARC Ratings has been engaged as the independent external reviewer for the Framework. The review conducted by MARC Ratings is a full review and addresses alignment with all four components of the relevant standards.</p> <p>MARC Ratings is registered with the Securities Commission Malaysia as a credit rating agency. The scope of MARC Ratings' external review is set out in MARC Ratings' IBA methodology that is publicly accessible from its corporate website.</p> <p>The external reviewer's report will be made available on the Issuer's corporate website.</p>	<ul style="list-style-type: none"> Amounts issued and outstanding for the loans Total value of Eligible Projects Description of the portfolio of Eligible Projects, including a breakdown of the allocated amounts based on eligible categories where appropriate The amount and/or percentage of new and existing projects, i.e. share of financing and refinancing Details in relation to management of unallocated proceeds. <p>(b) Impact Reporting</p> <p>The impact report will include qualitative and quantitative performance measures and examples associated with each category of Eligible Projects, and the example of impact metrics have been disclosed in the Framework. The relevant methodology corresponding to the impact indicators will also be disclosed where feasible.</p> <p>MARC Ratings has established a transparent score-based Framework for its green, social and sustainability loan assessments analysis that is published on its website. The differentiated approach taken recognises that some projects offer more environmental and/or social benefits than others.</p>

Review of SENTRAL's Compliance with ICMA's SLBP, SC's SRILSF and ASEAN SLBS

Criteria	Compliance with Criteria	Remarks/Scope of work undertaken
<p>Selection of KPIs</p> <p><u>SRILSF</u> 9.09 An issuer must select KPIs that the issuer intends to use as its sustainability targets.</p> <p>9.10 An issuer must select KPIs that, among others— (a) are significant to the issuer's sustainability and business strategy; (b) address relevant environmental, social or governance (ESG) challenges in the issuer's industry; and (c) are within the issuer's control.</p> <p><u>SLBP</u> The KPIs should be: <ul style="list-style-type: none"> relevant, core and material to the corporate issuer's overall business, and of high strategic significance to the issuer's current and/or future operations; consistent with the overall issuer's sustainability strategy or policies but also reflecting the most material strategic dimensions for the issuer; for example, the KPI may be included in or supported by a strategy/policy disclosure, or notably for hard-to-abate sectors, by a transition plan; measurable or quantifiable on a consistent methodological basis; externally verifiable; and able to be benchmarked, i.e. as much as possible using an external reference or definitions to facilitate the assessment <p>Issuers are encouraged to refer to the KPI Registry as sector guidance for the selection of KPI(s) and to the Note to Users within the KPI Registry for detailed guidance on the key notion of core vs. secondary KPIs supporting KPI selection.</p> <p><u>SRILSF</u> 9.11 An issuer may select any previous or existing KPIs that the issuer has set for itself subject to the following: (a) The KPIs must have been made available to the public in any of the issuer's publications, such as in the issuer's annual reports, sustainability reports or other non-financial disclosure reports; or</p> </p>	<p>The Issuer has selected the following three KPIs as its sustainability targets:</p> <ul style="list-style-type: none"> KPI 1: Green Building Portfolio KPI 2: Energy Consumption KPI 3: Water Consumption <p>The three selected KPIs are significant to the Issuer's sustainability and business strategy; address relevant ESG challenges in the Issuer's industry; and are within the Issuer's control.</p> <p>The KPIs are significant, relevant, core and material to the Issuer's overall business strategies and operations; consistent with the Issuer's overall sustainability strategy or policies but also reflecting the material strategic dimensions for the Issuer; measurable on a consistent methodological basis; externally verifiable; and able to be benchmarked to external references.</p> <p>The Issuer has referred to the KPI Registry for the selection of KPI(s).</p> <p>KPI 1 is a newly selected target for the purpose of SLF issuances and has not been disclosed in the Issuer's annual sustainability report previously. However, the Issuer has reported its green buildings portfolio in its three most recent years' annual report.</p>	<p>The KPIs selected are consistent with the Issuer's materiality assessment, whereby quality of assets and services, climate change and GHG emissions, and water management are identified as the Issuer's sustainability focus. In selecting the KPIs, the Issuer has referred to ICMA's Illustrative KPI Registry 2023, MSCI's ESG Industry Materiality Map and SASB's Materiality Finder. All calculation methodology, baseline and historical performance associated with the KPIs has been clearly defined in the Framework.</p> <p>In selecting the KPIs, the Issuer has referred to ICMA's Illustrative KPI Registry 2023, MSCI's ESG Industry Materiality Map and SASB's Materiality Finder.</p> <p>The Issuer's historical performance for the KPIs have not been externally verified. However, KPI 1 is inherently reliant on external verification by organisations with recognised GBC programmes.</p> <p>The historical performance of KPIs 2 and 3 has been reported in the Issuer's annual</p>

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<p>(b) In the case where the KPIs were not made available to the public, the KPIs' values must be externally verified to the extent possible, for a period covering at least the three most recent years.</p> <p>ASEAN SLBS</p> <p>4.1.5 Issuers are encouraged to align the selected KPIs with the SDGs and highlight this in the documentation of the ASEAN Sustainability-Linked Bonds.</p> <p>4.1.6 The issuer must disclose the following to investors in the documentation for issuance of the ASEAN Sustainability-Linked Bonds, through a publicly available website designated by the issuer throughout the tenure of the ASEAN Sustainability-Linked Bonds:</p> <p>(i) The rationale and process according to which the KPIs have been selected and how the KPIs fit into the issuer's sustainability strategy.</p> <p>(ii) A clear definition of the KPIs and include:</p> <p>a. the applicable scope or perimeter (e.g. the percentage of the issuer's total emissions to which the target is applicable); and</p> <p>b. the calculation methodology (e.g. clear definition of the denominator of intensity-based KPIs, definition of a baseline, and where feasible, science-based or benchmarked against an industry standard (e.g. consider SMART philosophy: specific, measurable, attainable, relevant and time-bound)).</p> <p>Calibration of SPTs</p> <p>SRILSF</p> <p>9.12 An issuer must set out the SPTs, which are measurable targets of improvement over a predefined timeline, for each KPIs.</p> <p><i>Guidance to paragraph 9.12</i> The SPTs selected must be–</p> <p>a. ambitious yet realistic;</p> <p>b. a material improvement in the respective KPIs and be beyond a "Business as Usual" trajectory;</p> <p>c. comparable to a benchmark or an external reference, where possible;</p> <p>d. consistent with the issuers' overall sustainability, business and ESG strategy; and</p> <p>e. set before, or concurrently with, the issuance of the SRI-linked sukuk.</p>	<p>KPIs 2 and 3 have been made available to the public in the Issuer's sustainability reports, with the three most recent years of performance value provided.</p> <p>The selected KPIs are aligned with the SDGs, and this has been highlighted in the Framework.</p> <p>The Issuer has disclosed the required information in the Framework.</p> <p>The SPTs selected are moderately ambitious yet realistic; comparable to a benchmark or an external reference, where possible; consistent with the Issuer's overall sustainability, business and ESG strategy; and set before the issuance of the bonds.</p>	<p>report based on the total NLA, instead of committed NLA. The Issuer has clarified that the SPT is based on committed NLA to reflect the actual performance across its properties.</p> <p>The scope of KPI 1 encompasses all buildings owned and actively managed by the counterparty, which excludes the Lotus's Penang building that is fully managed by the tenant. The scope of KPI 2 and 3 encompasses committed NLA at all counterparty's buildings.</p> <p>The calculation methodologies of the KPIs are expressed as equations in the Framework.</p>

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<p>SLBP</p> <p>The target-setting exercise should be based on a combination of benchmarking approaches:</p> <ol style="list-style-type: none"> the issuer's own performance over time for which a minimum of 3 years, where feasible, of measurement track record on the selected KPI(s) is recommended and when possible forward-looking guidance on the KPI; the issuers' peers, i.e. the SPT's relative positioning versus its peers' where available (average performance, best-in-class performance) and comparable, or versus current industry or sector standards (or, for sovereign issuers, comparable countries); and/or reference to the science, i.e. systematic reference to science-based scenarios, or absolute levels (e.g. carbon budgets), or to official country/regional/international targets (Paris Agreement on Climate Change and net zero goals, Sustainable Development Goals (SDGs), Kunming-Montreal Global Biodiversity Framework, etc.) or to recognised Best-Available-Technologies or other proxies to determine relevant targets across environmental and social themes. 	<p>The target setting exercise was based on the Issuer's own performance over 3 years, benchmarked against the Issuer's peers, and official country/regional/international targets.</p>	<p>In addition to SDGs, the Issuer has referenced APAEC Phase II: 2021-2025, Malaysia Energy Efficiency and Conservation Act and National Building Energy Intensity Project in calibrating the SPTs.</p>
<p>SLBS</p> <p>4.2.5</p> <p>The issuer must disclose the following in the documentation for issuance of the ASEAN Sustainability-Linked Bond, through a publicly available website designated by the issuer throughout the tenure of the ASEAN Sustainability-Linked Bonds:</p> <ol style="list-style-type: none"> Description and definition of SPTs; Motivation for the outlined SPTs (i.e. ambition level and consistency with issuer's overall strategic planning); Relevant benchmarking approaches set out in paragraph 4.2.4; Timelines for the target achievement, including the target observation date(s)/period(s), the trigger event(s) and the frequency of SPTs; Verified baseline or reference point selected for improvement of KPIs as well as the rationale for that baseline or reference point to be used (including date/period), where relevant; Situations in which recalculations or pro forma adjustments of baselines will take place, where relevant; where possible and taking competition and confidentiality considerations into account, how the issuer intends to reach such SPTs, (e.g. by describing its 	<p>The Issuer has disclosed the description and definition of SPTs; motivation for the outlined SPTs; relevant benchmarking approaches; timelines for the target achievement; baselines; situations in which recalculations or pro forma adjustments of baselines will take place, where relevant; how it intends to reach such SPTs; and other key factors beyond the Issuer's direct control that may affect the achievement of the SPTs. The Framework will be publicly available on the Issuer's website throughout the tenure of the bonds.</p>	<p>In relation to Item 4.2.5 (v) set out in ASEAN SLBS, the baselines of the SPTs were selected based on the most recent year for which reliable data is available. The baselines for the KPIs have not been externally verified. However, KPI 1 is inherently reliant on verification by organisations with recognised GBC programmes.</p> <p>We note that the Issuer has reported the performance of KPIs 2 and 3 based on the total NLA, instead of committed NLA in its annual report, as committed NLA reflects the actual performance across its properties.</p>

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<p>ESG strategy, supporting ESG governance and investments, and its operating strategy) i.e. through highlighting the key levers/type of actions that are expected to drive the performance towards the SPTs, as well as their expected respective contribution, in quantitative terms wherever possible; and</p> <p>(viii) any other key factors beyond the issuer's direct control that may affect the achievement of the SPTs.</p> <p>Bond/SRI-Linked Sukuk Characteristics</p> <p><u>SLBP</u> The cornerstone of an SLB is that the bond's financial and/or structural characteristics can vary depending on whether the selected KPI(s) reach (or not) the predefined SPT(s), i.e. the SLB will need to include a financial and/or structural impact involving trigger event(s).</p> <p>The potential variation of the coupon is the most common example, but it is also possible to consider the variation of other SLB's financial and/or structural characteristics.</p> <p>It is recommended that the variation of the bond financial and/or structural characteristics be commensurate and meaningful relative to the issuer's original bond financial characteristics.</p> <p>Any fallback mechanisms in the case that the SPTs cannot be calculated or observed in a satisfactory manner should be explained.</p> <p>Issuers may also consider including, where needed, language in the bond documentation to take into consideration potential exceptional events (such as significant change in perimeters through material M&A activities for corporate issuers) or extreme events, including drastic changes in the regulatory or technical environment that could substantially impact the calculation of the KPI, the restatement of the SPT, and/or pro forma adjustments of baselines or KPI scope.</p>	<p>A detailed description of the potential variation of financial characteristics of the SLB will be specified in the legal documentation including changes to the financial and/or structural characteristics which may follow the occurrence of a trigger event.</p> <p>These adjustments can be one-way or two-way and may take place in the form of step-up and/or step-down coupon; premium payable on the redemption price; margin adjustments; and/or other financial impacts, such as donations towards environmental/social projects.</p> <p>The instrument's documentation may include provisions for a fallback mechanism in the event the SPTs cannot be calculated or observed in a satisfactory manner, and/or language that takes into consideration potential exceptional or extreme events, outside the Issuer's direct control, resulting in the step-up not being triggered, subject to lenders and investors' agreement.</p>	<p>In the event where any SPT cannot be calculated or observed in a satisfactory manner, taking into consideration potential exceptional events or extreme events, a SRE is considered to have occurred, whereby the REIT will recalculate the baselines, baseline dates and/or the SPTs to reflect the changes.</p> <p>Any such amendment, adjustment and/or recalculation will be subject to the Issuer's SPO provider's independent confirmation that the proposed revision is consistent with the Issuer's sustainable strategy, and is in line with, or more ambitious than, the initial level of ambition of the SPTs.</p>

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<p>SLBS 4.3.5</p> <p>Post-issuance, in case of any material change to perimeter/KPI methodology/SPTs calibration prior to maturity of the ASEAN Sustainability-Linked Bond, the issuer must:</p> <p>(i) Clearly communicate the rationale and/or restatement optionality, or set out a restatement policy as part of the issuer's documentation of the ASEAN Sustainability-Linked Bond, through a publicly available website designated by the issuer; and</p> <p>(ii) Appoint an external review provider to assess any of these changes and publish the external review report, through a publicly available website designated by the issuer throughout the tenure of the ASEAN Sustainability-Linked Bonds.</p> <p>In case of any material change to perimeter/KPI methodology/ SPTs calibration, an external review provider should confirm, among others, the following:</p> <ul style="list-style-type: none"> Any changes would result in the SPTs being no less ambitious than those originally set; The ASEAN Sustainability-Linked Bond continues to align with the ASEAN SLBS; There continues to be consistency with the issuer's sustainability strategy; There is no material impact on the original external review; There is no material adverse effect on the interests of the bondholders; and Changes to calculation policies are aligned with the Science Based Targets initiative (SBTi) methodology (or another relevant recognised body), where applicable. <p>Reporting SLBP</p> <p>Issuers of SLBs should publish, and keep readily available and easily accessible:</p> <ul style="list-style-type: none"> up-to-date information on the performance of the selected KPI(s), including baselines where relevant; a verification assurance report relative to the SPT outlining the performance against the SPTs and the related impact, and timing of such impact, on the bond's financial and/or structural characteristics; and any information enabling investors to monitor the level of ambition of the 	<p>In the Framework, the Issuer has communicated the level of the SPTs may be affected due to changes in:</p> <ul style="list-style-type: none"> calculation methodology of the SPTs data due to better information accessibility the Issuer's perimeter. <p>These changes result in an increase or decrease in the value of the KPIs. The Issuer may opt to amend, adjust, and/or recalculate the relevant SPT, baseline and/or intermediate target.</p> <p>The Issuer will appoint an external review provider to assess any of these changes and publish the external review report on its corporate website.</p> <p>In case of any material change to a perimeter/ KPI methodology/ SPT calibration, an external review provider will confirm the required information.</p> <p>The Issuer will publish and keep readily available and easily accessible the information required.</p>	<p>Following the SRE, if no amendments are made effective and documented within the specified submission period, it shall be considered that the relevant SPT has not been met. Consequently, the financial characteristics of the instrument will be adjusted according to the applicable terms and conditions.</p> <p>The Issuer shall disclose any SRE in its Annual Report.</p> <p>The Issuer's progress report will contain the following information:</p> <ul style="list-style-type: none"> Up-to-date information on the performance of the selected KPIs, including the baseline where relevant Up-to-date information outlining the Issuer's performance against the SPTs and the related impact, and timing of such impact on the respective SLF instrument's performance Relevant information for investors to monitor the progress of the SPTs

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<p>SPTs (e.g. any update in the issuers sustainability strategy or on the related KPI/ESG governance or any update in the sovereign issuer's strategic development plans and/or policies, and more generally any information relevant to the analysis of the KPIs and SPTs).</p> <p><i>This reporting should be published regularly, at least annually, and in any case for any date/period relevant for assessing the SPT performance leading to a potential adjustment of the SLB's financial and/or structural characteristics.</i></p> <p><u>SLBS</u> 4.4.2 <i>Issuers are also encouraged to publish, and keep readily available and easily accessible, where feasible, the following information through a publicly available website designated by the issuer throughout the tenure of the ASEAN Sustainability-Linked Bonds:</i></p> <p>(i) <i>A qualitative or quantitative explanation of the contribution of the main factors, including M&A activities, behind the evolution of the performance/KPI; and</i></p> <p>(ii) <i>An illustration of the positive sustainability impacts of the performance improvement.</i></p> <p>4.4.4 <i>Issuers are also encouraged to provide more frequent periodic reporting which would increase transparency and investor confidence in the ASEAN Sustainability-Linked Bonds.</i></p> <p>4.4.5 <i>Issuers are encouraged to indicate the timeline in which the reporting on the ASEAN Sustainability-Linked Bonds will be made available.</i></p> <p>Verification/ External Review <u>Pre-Issuance</u> <u>SRILSF</u> 9.13 <i>An issuer must appoint an external reviewer to assess and provide a report on the issuer's compliance with the requirements under these Guidelines.</i></p> <p><i>Guidance to paragraph 9.13</i> <i>The external reviewer's report should include—:</i></p> <p>(a) <i>the assessment of the relevance, robustness and reliability of the selected KPIs;</i></p>	<p><i>Relevant reporting will be published in an annual Progress Report, which will be made publicly available either in the Issuer's Annual Report or on a standalone basis.</i></p> <p><i>The Issuer will publish and keep readily available and easily accessible the relevant information through its website throughout the tenure of the bonds.</i></p> <p><i>The Issuer will provide the relevant reporting annually.</i></p> <p><i>The Progress Report will be published annually no later than the reporting end date, until after the final SPT trigger event.</i></p> <p><i>The Issuer has appointed MARC Ratings to provide an SPO on the Framework, which will be made available on its corporate website.</i></p> <p><i>Our report includes item (a) to (c) outlined in the SRILSF Guidance to paragraph 9.13.</i></p>	<ul style="list-style-type: none"> • <i>Verification assurance relative to the reporting including the information stated above.</i> <p><i>Where feasible and available, the Progress Report will also include:</i></p> <ul style="list-style-type: none"> • <i>Qualitative or quantitative explanation of the contribution of the main factors, including M&A activities, behind the evolution of the performance/KPI on an annual basis</i> • <i>Illustration of the positive sustainability impacts of the performance improvement</i> • <i>Relevant re-assessments of KPIs and/or restatement of the SPT and/or pro forma adjustments of baselines or KPI scope, if applicable.</i> <p><i>The provision of more frequent periodic reporting is encouraged by the ASEAN SLBS but is strictly voluntary.</i></p>

Criteria	Compliance with criteria	Remarks/Scope of work undertaken
<p>(b) the rationale and level of ambition of the proposed SPTs;</p> <p>(c) the relevance and reliability of selected benchmarks and baselines; and</p> <p>(d) the credibility of the strategy outlined to achieve the SPTs, based on scenario analyses, where relevant.</p> <p><u>SLBS</u></p> <p>5.3 The external review provider must have the relevant expertise and experience in the components of the ASEAN Sustainability-Linked Bonds which they are reviewing.</p> <p>5.4 The external review provider must also disclose their relevant credentials and expertise, and scope of the review conducted in the external review report.</p> <p><u>Post-Issuance</u></p> <p>9.15 An issuer must appoint an independent verifier to provide a verification report on the issuer's performance level against each SPT for each KPI.</p> <p>9.16 The verification must be carried out at least annually, during the predefined timeline for assessing the SPT performance, until after the last SPT trigger event of the SRI-linked sukuk has been reached.</p> <p>9.17 The issuer must make available the verifier's report on the designated website.</p> <p><u>SLBS</u></p> <p>4.5.3 The external review provider must also disclose their relevant credentials and expertise, and scope of the verification conducted in the verification assurance report.</p> <p>4.5.4 The verification assurance report must be made publicly available, through a website designated by the Issuer throughout the tenure of the ASEAN Sustainability-Linked Bonds.</p> <p>4.5.5 Issuers are encouraged to indicate the timeline in which the verification assurance report on the ASEAN Sustainability-Linked Bonds will be made available.</p>	<p>MARC Ratings is registered with the Securities Commission Malaysia as a credit rating agency. The scope of MARC Ratings' external review is set out in MARC Ratings' Impact Bond Assessment (IBA) methodology that is publicly accessible from its corporate website.</p> <p>The Issuer will appoint an independent verifier to provide a verification report on the Issuer's performance level against each SPT for each KPI.</p> <p>The verification will be conducted annually using a "Limited Assurance" standard, until after the last SPT trigger event of the SRI-linked sukuk has been reached.</p> <p>The Issuer will make available the verifier's report on its corporate website no later than the reporting end date throughout the tenure of the bonds.</p>	

Review of SENTRAL's Compliance with APLMA/LMA/LSTA's SLLP

Criteria	Compliance with criteria	Remarks/Scope of work undertaken
<p>SLLP</p> <p>Selection of KPIs</p> <p>The KPIs must be:</p> <ul style="list-style-type: none"> relevant, core and material to the borrower's overall business, and of high strategic significance to the borrower's current and/or future operations; measurable or quantifiable on a consistent methodological basis; and able to be benchmarked (i.e. as much as possible using an external reference or definitions to facilitate the assessment of the SPT's level of ambition). <p>A clear definition of the KPI(s) should be provided by the borrower and should include the applicable scope or parameters, as well as the calculation methodology, a definition of a baseline and be benchmarked against an industry standard and/or industry peers where feasible.</p> <p>Calibration of SPTs</p> <p>The SPTs must be set in good faith and remain relevant (so long as they apply) and ambitious throughout the life of the loan. It is therefore recommended that an annual SPT should be set per KPI for each year of the loan term. In instances where strong rationale is provided as to why this is not appropriate, exceptions to the annual frequency of SPTs can be agreed between the borrowers and lenders. The borrower should, where possible and taking competition and confidentiality considerations into account, also highlight any strategic information that may decisively impact the achievement of the SPTs.</p> <p>The SPTs should be ambitious, and take into consideration the following factors:</p> <ul style="list-style-type: none"> represent a material improvement in the respective KPIs and be beyond both a "business as usual" trajectory and regulatory required targets; where possible be compared to a benchmark or an external reference; be consistent with the borrower's overall sustainability strategy; and be determined on a predefined timeline, set before or concurrently with origination of the loan. 	<p>The KPIs are relevant, core and material to the borrower's overall business, and of high strategic significance to the borrower's current and/or future operations; measurable or quantifiable on a consistent methodological basis; and able to be benchmarked.</p> <p>The borrower has provided a clear definition of the KPIs including the applicable scope or perimeter, as well as the calculation methodology, and a definition of a baseline. The KPIs have been benchmarked against an industry standard and/or industry peers.</p> <p>Annual SPTs were set per KPIs for each year of the loan term, except SPT 1, which was set for 2025, 2028 and 2030. The SPTs are supported by relevant strategies, which have been highlighted by the borrower.</p> <p>The SPTs selected are moderately ambitious; representing a material improvement in the respective KPIs and beyond both a "business as usual" trajectory; comparable to a benchmark or an external reference; consistent with the borrower's overall sustainability strategy; and determined on a predefined timeline, set before origination of the loan.</p>	<p>In addition to SDGs, the Issuer has referenced APAEC Phase II: 2021-2025, Malaysia Energy Efficiency and Conservation Act and National Building Energy Intensity Project in setting the KPIs.</p>

Criteria	Compliance with criteria	Remarks/Scope of work undertaken
<p>Market participants recognise that any SPTs should be based on recent performance levels and be based on a combination of benchmarking approaches:</p> <ul style="list-style-type: none"> the borrower's own performance over time, for which a minimum of 3 years, where feasible, of measurement track record on the selected KPI(s) is recommended; the borrower's peers, i.e. the SPT's relative positioning versus its peers' where available (average performance, best in class performance) and comparable, or versus current industry or sector standards; and/or reference to the science, i.e. systematic reference to science-based scenarios, or absolute levels (e.g. carbon budgets), or to official country/regional/international targets (Paris Agreement on Climate Change, net zero goals, Sustainable Development Goals, etc.) or to recognised best-available-technologies or other proxies to determine relevant targets across ESG themes. 	<p>The SPTs are based on the borrower's own performance over 3 years, benchmarked against the Issuer's peers, and official country/regional/international targets.</p>	<p>In addition to SDGs, the Issuer has referenced APAEC Phase II: 2021-2025, Malaysia Energy Efficiency and Conservation Act and National Building Energy Intensity Project in calibrating the SPTs.</p>
<p>Information provided to lenders with respect to target setting should make clear reference to:</p> <ul style="list-style-type: none"> the timelines for the target achievement, including the target observation date(s)/period(s), the trigger event(s) and the frequency of review of the SPTs; where relevant, the verified baseline or science-based reference point selected for improvement of KPIs as well as the rationale for that baseline or reference point to be used (including date/period); where relevant, in what situations pro forma adjustments or recalculations of baselines and/or recalculations of KPIs and subsequent SPTs will take place; where possible and taking competition and confidentiality considerations into account, how the borrower intends to reach such SPTs, e.g. by describing its ESG strategy, supporting ESG governance and investments, and its operating strategy, i.e. through highlighting the key levers/type of actions that are expected to drive the performance towards the SPTs as well as their expected respective contribution, in quantitative terms wherever possible; and 	<p>The borrower's Framework has made clear reference to the timelines for the target achievement, including the target observation dates, the trigger events and the frequency of review of the SPTs; baselines selected for improvement of KPIs; rationale for that baseline to be used; situations where pro forma adjustments or recalculations of baselines and/or recalculations of KPIs and subsequent SPTs will take place; how the borrower intends to reach such SPTs, e.g. by describing its ESG strategy; and other key factors beyond the borrower's direct control that may affect the achievement of the SPTs.</p>	<p>The baselines for the KPIs have not been externally verified. However, KPI 1 is inherently reliant on external verification by organisations with recognised GBC programmes.</p>

Criteria	Compliance with criteria	Remarks/Scope of work undertaken
<ul style="list-style-type: none"> any other key factors beyond the borrower's direct control that may affect the achievement of the SPTs. <p>It is recommended, where appropriate, that borrowers seek input from an external party, via e.g. a pre-signing Second Party Opinion (SPO) or KPI/SPT assessment. In their pre-signing SPO, external reviewers should assess the relevance, robustness and reliability of selected KPIs, the rationale and level of ambition of the proposed SPTs, the relevance and reliability of selected benchmarks and baselines, and the credibility of the strategy outlined to achieve them, based on scenario analyses, where relevant. Post-signing, in case of any material change to parameters/ KPI methodology/ SPT(s) calibration, borrowers are encouraged to ask external reviewers to assess these changes.</p> <p>Loan Characteristics A key characteristic of an SLL is that an economic outcome is linked to whether the selected predefined SPT(s) are met. For example, the margin under the relevant loan agreement will often be reduced where the borrower satisfies a pre-determined SPT as measured by the pre-determined KPIs and vice versa, and, in some cases, where a strong rationale is provided, the ratchet may include a neutral bracket in which no margin adjustment applies.</p> <p>Reporting Borrowers should, at least once per annum, provide the lenders participating in the loan with:</p> <ul style="list-style-type: none"> up-to-date information sufficient to allow them to monitor the performance of the SPTs and to determine that the SPTs remain ambitious and relevant to the borrower's business; and a sustainability confirmation statement with verification report attached, outlining the performance against the SPTs for the relevant year and the related impact, and timing of such impact, on the loan's economic characteristics. <p>As transparency is of particular value in this market, borrowers are encouraged to publicly report information relating to their SPTs, including details of any underlying methodology of SPT calculations and/or assumptions.</p>	<p>MARC Ratings has been engaged as the independent external reviewer for the Framework. The external reviewer's report will be made available on the borrower's corporate website.</p> <p>In our pre-signing SPO, we had assessed the relevance, robustness and reliability of selected KPIs, the rationale and level of ambition of the proposed SPTs, and the relevance and reliability of selected benchmarks and baselines.</p> <p>Post-signing, in case of any material change to parameters/ KPI methodology/ SPT(s) calibration, the borrower will seek an external reviewer's assessment on these changes.</p> <p>A detailed description of the potential variation of the financial characteristics of the SLL will be specified in the legal documentation including changes to the financial and/or structural characteristics which may follow the occurrence of a trigger event.</p> <p>The borrower will, at least once per annum, provide the lenders participating in the loan with the required information.</p> <p>The Framework has detailed the underlying methodology of SPT calculations. These details will be available to investors prior to the origination of the loans.</p>	<p>MARC Ratings is registered with the Securities Commission Malaysia as a credit rating agency. The scope of MARC Ratings' external review is set out in MARC Ratings' IBA methodology that is publicly accessible from its corporate website.</p> <p>The adjustments to the loan characteristics can be one-way or two-way and may take place in the form of step-up and/or step-down coupon; premium payable on the redemption price; margin adjustments; and/or other financial impacts, such as donations towards environmental/social projects.</p>

Criteria	Compliance with criteria	Remarks/Scope of work undertaken
<p><i>This information will often be included in a borrower's integrated annual report or sustainability report. However, this will not always be the case and, where appropriate, a borrower may choose to share this information privately with the lenders rather than making this publicly available.</i></p> <p>Verification <i>Borrowers must obtain independent and external verification of the borrower's performance level against each SPT for each KPI for any date/period relevant for assessing the SPT performance leading to a potential adjustment of the SLL economic characteristics, until after the last SPT trigger event of the loan has been reached.</i></p> <p><i>This is a necessary element of the SLLP and should be conducted by a qualified external reviewer with relevant expertise, such as an auditor (by way of limited or reasonable assurance), environmental consultant and/or independent ratings agency.</i></p> <p><i>The verification of the performance against the SPTs must be shared with the lenders in a timely manner and, where appropriate, be made publicly available.</i></p> <p><i>Once reporting has been completed and verification has taken place, the lenders will evaluate the borrower's performance against the SPTs and KPIs based on the information available.</i></p>	<p><i>Relevant reporting will be published annually in a Progress Report, which will be made publicly available either in the borrower's Annual Report or on a standalone basis.</i></p> <p><i>The borrower will appoint an independent and external verifier to provide a verification report on the Issuer's performance level against each SPT for each KPI.</i></p> <p><i>The verification will be conducted annually using a "Limited Assurance" standard.</i></p> <p><i>The verification report will be published on the Issuer's website no later than the reporting end date, until after the last SPT trigger event.</i></p> <p><i>The verification and the relevant reporting will form the basis for evaluation of whether a trigger event has occurred with respect to any loans originated under this Framework.</i></p>	

Review of SENTRAL's Compliance with ISDA's SLD KPI Guidelines

Principles	Compliance with principles	Remarks/Scope of work undertaken
<p>1. Specific</p> <p>KPI(s) should be clearly and precisely defined to avoid disputes arising between counterparties. There are a number of aspects to this.</p> <ul style="list-style-type: none"> ESG targets should be clearly set out in the documentation. The scope of a KPI should be clear to minimise the possibility of the counterparties reaching different interpretations. The timeline should be clearly identified. The reference point or source for a KPI should be clearly established and ideally publicly available to enable. The KPI methodology calculation should be included in the documentation. Fallbacks should be included (where relevant) to allow for situations in which the KPI cannot be calculated in a satisfactory manner in accordance with the stated methodology. The consequence of achieving or failing to meet an ESG target should be clearly stated. 	<p>The counterparty has described the KPIs by reference to percentages and made clear that KPI 2 and 3 involve intensity-based changes in the relevant metrics.</p> <p>The scope of the KPIs refers only to the counterparty's portfolio buildings.</p> <p>The Framework has properly defined the respective KPIs' targets, baselines, historical performances, target observation dates, trigger events, frequencies, as well calculation methodologies.</p> <p>The counterparty has defined a trigger event as an event that will prompt a change in the financial characteristics of the relevant derivatives, including achievement or non-achievement of the corresponding SPT for a selected KPI on the target observation date; and failure to verify the corresponding SPT for a selected KPI on the target observation date.</p> <p>The derivative's documentation may include provisions for a fallback mechanism in the event the KPIs cannot be calculated or observed in a satisfactory manner.</p>	<p>The scope of KPI 1 encompasses all buildings owned and actively managed by the counterparty, which excludes the Lotus's Penang building that is fully managed by the tenant. The scope of KPI 2 and 3 encompasses committed NLA at all counterparty's buildings.</p> <p>The baselines of the SPTs were selected based on the most recent year for which reliable data is available.</p> <p>The calculation methodologies of the KPIs are expressed as equations in the Framework.</p> <p>The financial adjustments that will be prompted by the occurrence of a trigger event can be one-way or two-way and may take place in the form of step-up and/or step-down coupon; premium payable on the redemption price; margin adjustments; and/or other financial impacts, such as donations towards environmental/social projects.</p>
<p>2. Measurable</p> <p>KPI(s) should be quantifiable, objective and within the counterparty's control to achieve.</p>	<p>The KPIs are quantifiable, objective and within the counterparty's control.</p>	<p>The KPIs were benchmarked against the counterparty's own performance over 3 years and its peers. Official country/regional/international targets were referenced, including the SDGs, APAEC Phase II: 2021-2025, Malaysia Energy Efficiency and Conservation Act and National Building Energy Intensity Project.</p>
<p>3. Verifiable</p> <p>Whether or not the counterparty has met the relevant KPI(s) within the applicable time periods must be verified either by one of the counterparties or an independent third party.</p>	<p>The Issuer will appoint an independent verifier to provide a verification report on the Issuer's performance level against each SPT for each KPI.</p>	<p>The verification will be conducted annually using a "Limited Assurance" standard.</p>

Principles	Compliance with principles	Remarks/Scope of work undertaken
<p>4. Transparent</p> <p>The counterparties should establish a process for information to be made available to relevant parties following execution of an SLD.</p> <p>The parties will need to decide:</p> <ul style="list-style-type: none"> • What information should be made available over the life of the transaction; • Which parties should receive this information; and • The frequency at which this information should be disclosed and the process for dealing with market-sensitive information, if required. The timeline should be clearly identified. <p>5. Suitable</p> <p>Counterparties should choose KPIs that:</p> <ul style="list-style-type: none"> • Are material and strategically significant to the relevant counterparty's business; • Are consistent with the relevant counterparty's ESG strategy; • Contain outcomes that are within the relevant counterparty's control; • Are sufficiently ambitious and do not simply represent business as usual; and • Address meaningful sustainability issues for that counterparty. 	<p>The counterparty will publish an annual Progress Report, which will be made publicly available either in its Annual Report or on a standalone basis, available in the counterparty's website.</p> <p>The counterparty's progress report will contain the following information:</p> <ul style="list-style-type: none"> • Up-to-date information on the performance of the selected KPIs, including the baseline where relevant • Up-to-date information outlining the counterparty's performance against the SPTs and the related impact, and timing of such impact on the respective SLF instrument's performance • Relevant information for investors to monitor the progress of the SPTs • Verification assurance relative to the reporting including the information stated above. <p>The KPIs chosen are material, relevant, and strategically significant to the relevant counterparty's business and ESG strategy; within the counterparty's control; moderately ambitious; and address meaningful sustainability issues for the counterparty.</p>	<p>Where feasible and available, the Progress Report will also include:</p> <ul style="list-style-type: none"> • Qualitative or quantitative explanation of the contribution of the main factors, including M&A activities, behind the evolution of the performance/KPI on an annual basis • Illustration of the positive sustainability impacts of the performance improvement • Relevant re-assessments of KPIs and/or restatement of the SPT and/or pro-forma adjustments of baselines or KPI scope, if applicable.

THE UN SUSTAINABLE DEVELOPMENT GOALS

	GOAL 1: End poverty in all its forms everywhere		GOAL 10: Reduce inequality within and among countries
	GOAL 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture		GOAL 11: Make cities and human settlements inclusive, safe, resilient and sustainable
	GOAL 3: Ensure healthy lives and promote well-being for all at all ages		GOAL 12: Ensure sustainable consumption and production patterns
	GOAL 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all		GOAL 13: Take urgent action to combat climate change and its impacts
	GOAL 5: Achieve gender equality and empower all women and girls		GOAL 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development
	GOAL 6: Ensure availability and sustainable management of water and sanitation for all		GOAL 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
	GOAL 7: Ensure access to affordable, reliable, sustainable and modern energy for all		GOAL 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
	GOAL 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all		GOAL 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development
	GOAL 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation		

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19-07, Level 19, Q Sentral, 2A Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 KUALA LUMPUR
Tel: [603] 2717 2900 Fax: [603] 2717 2920
Email: ratings@marc.com.my Website: www.marc.com.my