



## reNIKOLA SOLAR SDN BHD

- **reNIKOLA ASEAN GREEN SRI SUKUK**  
ISLAMIC MEDIUM-TERM NOTES ISSUANCE PURSUANT TO AN ISLAMIC  
MEDIUM-TERM NOTES PROGRAMME OF UP TO RM390 MILLION IN NOMINAL  
VALUE

## SECOND OPINION REPORT 27 November 2020

### Analysts

Syafi Sani  
(603) 3385 2549  
syafi@ram.com.my

Gladys Chua  
(603) 3385 2611  
gladys@ram.com.my

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## ABOUT RAM SUSTAINABILITY

RAM Sustainability Sdn Bhd (RAM Sustainability) is a provider of sustainability services and environment, social and governance (ESG) analytics. Incorporated on 31 May 2000, RAM Sustainability is a wholly owned subsidiary of RAM Holdings Berhad (RAM Group). RAM Sustainability is the first ASEAN-based provider of sustainability ratings and second opinions, and has the distinction of being the first Registered Observer of the International Capital Market Associations' (ICMA) Green Bond Principles (GBP), Social Bond Principles (SBP) and Sustainability Bond Guidelines in ASEAN. It is also a member of both ICMA's 2019/2020 New Markets Taskforce and 2020/2021 Advisory Council to the GBP and SBP Executive Committee. On 12 August 2020, RAM Sustainability became an Approved Verifier for the certification of climate bonds under the Climate Bonds Standard & Certification Scheme after having been awarded the status by the Climate Bonds Standards Board. For further details, please refer to <https://www.ram.com.my/sustainability>.

### About the RAM Group

The RAM Group is a leading provider of independent credit ratings, research, training, risk analysis and bond pricing. Formerly known as Rating Agency Malaysia Berhad, the RAM Group was established in November 1990 as a catalyst for the domestic debt capital market and as the nation's first credit rating agency. On 1 July 2007, its rating operations were novated to RAM Rating Services Berhad (RAM Ratings). RAM Ratings is a wholly owned subsidiary of the RAM Group.

RAM Ratings is the leading and largest credit rating agency in both Malaysia and ASEAN. Established in 1990 by the central bank of Malaysia as part of the "institutional infrastructure" to support the development of Malaysia's bond market, RAM Ratings has rated over USD400 billion of bonds issued by over 500 entities based in Malaysia and 13 other countries. Its rating portfolio encompasses corporates, sovereign nations, financial institutions, insurance companies, project finance and structured finance obligations.

RAM Ratings is also the world's leading rating agency for securities issued under Islamic principles, or sukuk. RAM Ratings' experience in and contributions to the fast-growing sukuk market has won numerous awards, including Best Rating Agency (South-East Asia 2017) from CPI Financial and Best Islamic Rating Agency in 2016 from Islamic Finance News. Accredited by the Tokyo Stock Exchange for listings on the Japanese Pro-Bond Market, RAM Ratings also offers ratings on the ASEAN and global rating scales, in addition to the Malaysian national scale. On 26 May 2016, RAM Ratings joined the line-up of pioneer credit rating agency signatories to the United Nations-supported Principles for Responsible Investment's Statement on ESG in Credit Ratings. The Statement on ESG in Credit Ratings is a way for RAM Ratings to communicate its commitment to a more systematic and transparent incorporation of ESG into credit ratings and analysis.

The latest addition to the RAM Group, RAM Solutions Sdn Bhd, was founded in 2016 and provides independent credit opinions on ventures listed on a multi-bank, web-based platform known as the Investment Account Platform (IAP). As an associate of RAM Holdings, Bond Pricing Agency Malaysia Sdn Bhd is the sole provider of bond-pricing and valuation data on the Malaysian bond market. The RAM Group also organises capital markets professional training, educational courses and conferences. For further details, please refer to <https://www.ram.com.my>.



## SUMMARY OF SECOND OPINION ON reNIKOLA ASEAN GREEN SRI SUKUK PROGRAMME

reNIKOLA Solar Sdn Bhd's (reNIKOLA Solar or the Issuer) reNIKOLA ASEAN Green SRI Sukuk Programme Framework (the Framework) is **aligned with the transparency and disclosure requirements of Securities Commission Malaysia's (SC) Sustainable and Responsible Investment (SRI) Sukuk Framework, the ASEAN Green Bond Standards (ASEAN GBS) and the globally recognised Green Bond Principles (GBP)**. The Framework provides clarity on important aspects such as the intended use of the issuance proceeds, the process for project evaluation and selection, the procedure for the management of the proceeds, and the Issuer's future reporting commitments.

Issuance proceeds from the reNIKOLA ASEAN Green SRI Sukuk will be primarily used to part finance and/or part reimburse the total development costs incurred for the following three solar photovoltaic (PV) power plants in Malaysia as well as the costs relating to the issuance:

- (i) 30 MW<sub>ac</sub> solar PV power plant located in Gebeng, Pahang (the Gebeng Plant)
- (ii) 4 MW<sub>ac</sub> solar PV plant located in Arau, Perlis (the Arau Plant)
- (iii) 30 MW<sub>ac</sub> solar PV plant located in Pekan, Pahang (the Pekan Plant)

For the purposes of this report, the Gebeng Plant, the Arau Plant and the Pekan Plant will collectively be referred to as "the Solar Plants". Solar power generation is recognised as an eligible green project under the SRI Sukuk Framework, the ASEAN GBS and the GBP.

Malaysia has the potential to generate clean and renewable energy. Generating electricity via solar PV systems leaves a much smaller carbon footprint than fossil fuel-enabled power production. We opine that the Solar Plants conform with Malaysia's renewable-energy commitments and emission-reduction targets.

The Gebeng Plant and Arau Plant commenced operations in January 2020 and March 2018, respectively, while the Pekan Plant is expected to achieve the commercial operation date by January 2021. The Solar Plants are anticipated to generate a cumulative average of 123 GWh of energy per year throughout the tenure of the reNIKOLA ASEAN Green SRI Sukuk Programme. Sustainable project management requires the assessment of issues and challenges within the local context. The development of solar projects will involve various activities and inevitably have some impact on the environment. To address these issues, reNIKOLA Solar through the Project Companies have developed various policies and management systems such as its Environmental Management Plan, Environmental Policy, and Health & Safety Policy to manage the identified risks and meet the applicable environmental protection and regulation requirements.

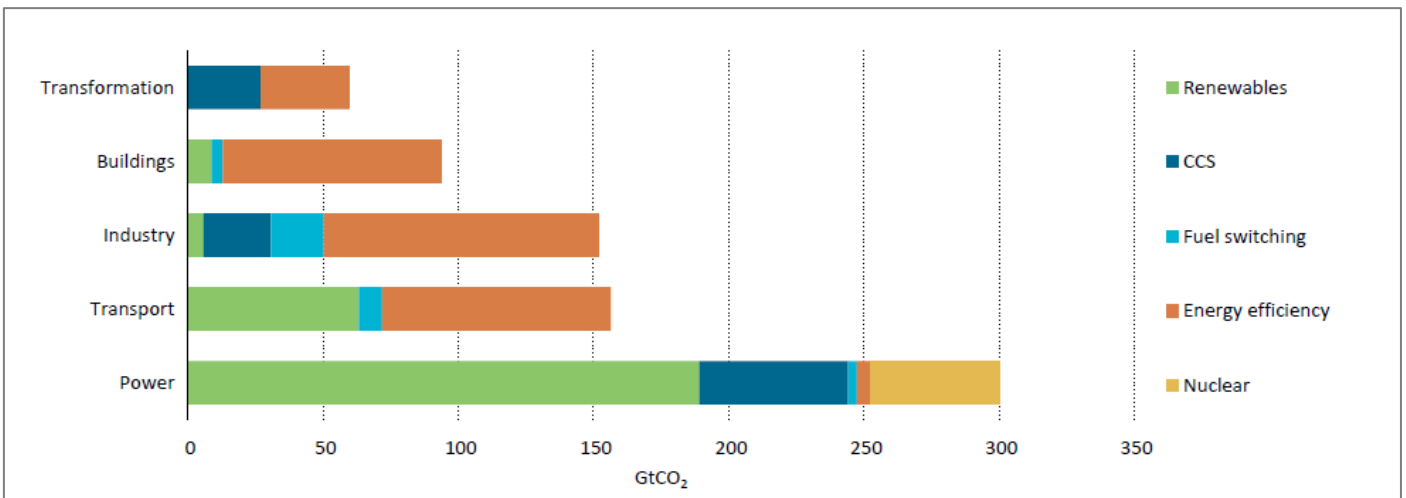
RAM Sustainability's Environmental Benefit assessment tiers projects and solutions based on their overall contributions to a 2-Degree Scenario (2DS). Top-tier projects use technologies that decarbonise the energy system. **RAM Sustainability has assigned a *Tier-1 Environmental Benefit* rating to the Solar Plants financed by the reNIKOLA ASEAN Green SRI Sukuk Programme.**



## RAM SUSTAINABILITY'S ENVIRONMENTAL BENEFIT ASSESSMENT AND DEFINITION

Climate change represents a fundamental threat to the planet and society, and is transforming life on Earth. The effects of climate change are wide-ranging and can be observed everywhere in our biosphere. The Conference of Parties (COP21) sets a global action plan for the 197 participating governments, including the Government of Malaysia (GoM), to limit global warming to well below 2°C above pre-industrial levels. In addition, these countries have committed to the United Nations' 17 Sustainable Development Goals that could transform the world by addressing areas of critical importance to the planet and society. The International Energy Agency has identified the industries that should aim to achieve reduced carbon emissions by 2050. A portfolio of low-carbon technologies is needed to reach 2DS; some solutions will be broadly applicable while others will need to target specific sectors.

**Figure 1: Cumulative CO<sub>2</sub> reduction by sector and technology in 2DS, up to 2050**



Source: Energy Technology Perspectives 2017, International Energy Agency

The ultimate objective of green bonds/sukuk is to facilitate the financing of environmentally friendly solutions that can help mitigate the effects of climate change and/or create value for the surrounding ecosystem. RAM Sustainability's green bond/sukuk evaluation is a qualitative and quantitative assessment of a project or financing facility's contributions to a low-carbon, sustainable future. The transparency and disclosure strength of the green bond/sukuk is also a key consideration. RAM Sustainability's Environmental Benefit assessment can be categorised as follows:

**RAM** Environmental Benefit  
**Tier-1**

- The project/financing is an important component of a low-carbon future and has clear, demonstrable environmental benefits.
- The project/financing directly contributes towards substantial and sustainable reductions of greenhouse gas emissions.

**RAM** Environmental Benefit  
**Tier-2**

- The project/financing is aligned with the goals of a low-carbon future and has some demonstrable environmental benefits.
- The project/financing directly contributes towards improvement in greenhouse gas emissions.

**RAM** Environmental Benefit  
**Tier-3**

- The project/financing has minimal contribution to a low-carbon future and has minimal demonstrable environmental benefits.
- The project/financing indirectly contributes to the broader environment and is focused on asset-level environmental improvements.

Projects/financing that do not conform with the long-term vision of the 2 Degrees Scenario reaffirmed under COP21 will not be assigned any Environmental Benefit Rating.

## 1. SCOPE AND OBJECTIVES

RAM Sustainability has been appointed to provide a second opinion on reNIKOLA Solar's Framework. This covers an assessment of the Framework against the disclosure requirements of the following guidelines and standards:

- The SC's **SRI Sukuk Framework**<sup>1</sup>
- The ASEAN Capital Market Forum's (ACMF) **ASEAN GBS**<sup>2</sup>
- The International Capital Market Association's **GBP**<sup>3</sup>

Our assessment relies on public information and data furnished by the Issuer. We have not undertaken any audit or other related activity to ascertain the validity or accuracy of the information provided. As part of our due diligence process, we conducted site visits to the Gebeng Plant and the Pekan Plant on 23 September 2020.

## 2. CORPORATE PROFILE

reNIKOLA Solar, incorporated in Malaysia on 9 July 2020, is wholly owned by the reNIKOLA Group (reNIKOLA or the Group). reNIKOLA is an investment holding company principally engaged in the renewable energy (RE) industry. reNIKOLA Solar provides operations and maintenance, treasury, and management services to solar power plants. The Group intends to expand its business in the RE industry through organic growth and targeted strategic acquisitions. The following are the completed and ongoing acquisitions by reNIKOLA pertaining to the reNIKOLA ASEAN Green SRI Sukuk Programme:

- reNIKOLA, through its wholly owned subsidiary, reNIKOLA (Gebeng) Sdn Bhd, has acquired 100% of the redeemable preference shares in RE Gebeng Sdn Bhd (RE Gebeng). RE Gebeng signed a power purchase agreement (PPA) with Tenaga Nasional Berhad (TNB) on 19 March 2018 - to build, own, operate and maintain the Gebeng Plant.
- reNIKOLA, through wholly owned subsidiary, reNIKOLA (Arau) Sdn Bhd, is acquiring 100% of the redeemable preference shares in SBU Power Sdn Bhd (SBU Power). SBU Power signed a PPA with TNB on 21 March 2017 - to build, own, operate and maintain the Arau Plant.
- reNIKOLA, through wholly owned subsidiary reNIKOLA (Pekan) Sdn Bhd, is acquiring 100% of the redeemable preference shares in Halpro Engineering Sdn Bhd (Halpro)<sup>4</sup>. Halpro signed a PPA with TNB on 23 April 2018 - to build, own, operate and maintain the Pekan Plant.

RE Gebeng, SBU Power and Halpro will collectively be referred to as "the Project Companies" in this report. **Diagram 1** highlights the reNIKOLA Group's corporate structure upon completion of acquisitions (ii) and (iii) above.

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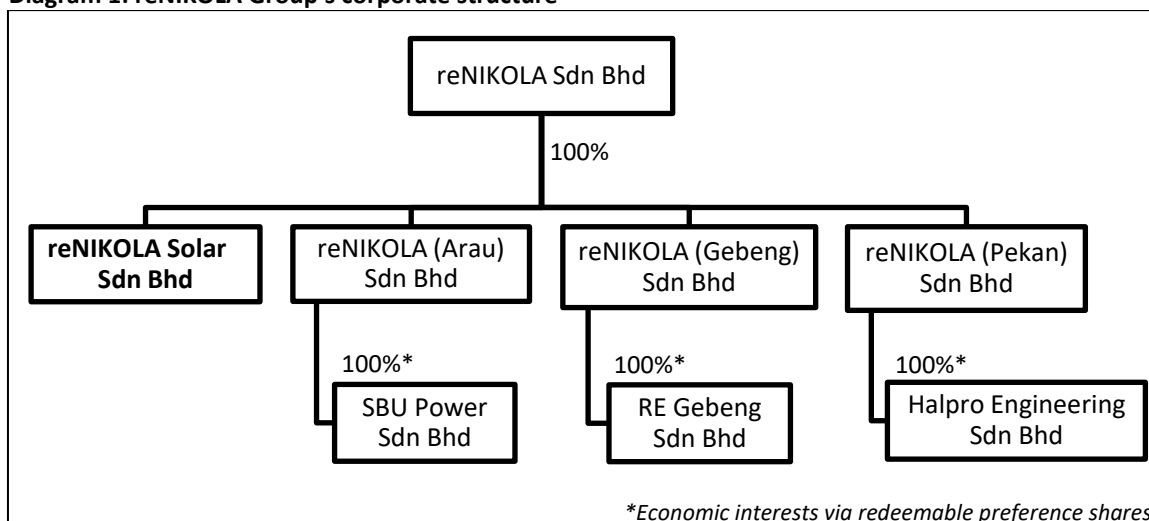
<sup>1</sup> Chapter 7 of Part 3 of Section B of the *Guidelines on Unlisted Capital Market Product*, issued by the SC (under the SRI Sukuk Framework). The SRI Sukuk Framework was launched by the SC in August 2014, to facilitate the financing of assets and projects with sustainable benefits. The SRI Sukuk Framework was updated by the SC on 30 June 2020 and 12 November 2020.

<sup>2</sup> Developed by the ACMF, the ASEAN GBS are standards established to enhance the transparency, consistency and uniformity of ASEAN Green Bonds. The ASEAN GBS had been developed based on the International Capital Market Association's (ICMA) GBP, and were issued in November 2017. The document was subsequently updated in October 2018. The ASEAN GBS are meant for issuers that intend to issue green bonds within the ASEAN region.

<sup>3</sup> The GBP, developed by the ICMA, are voluntary process guidelines that recommend transparency and disclosure measures for issuers. Initially issued in January 2014, the guidelines were updated in June 2018. The GBP are meant for broad use by a variety of participants in the green bond market, to facilitate the flow of financing to climate-friendly solutions.

<sup>4</sup> RAM Sustainability has published its second opinion report on Halpro's proposed RM195 million ASEAN Green SRI Sukuk Framework on 21 October 2019 and was updated on 13 January 2020. The report is available on RAM Sustainability's website (<https://www.ram.com.my/pressrelease/?prviewid=5252>).

**Diagram 1: reNIKOLA Group's corporate structure**



Source: reNIKOLA Solar

### 3. REVIEW OF reNIKOLA ASEAN GREEN SRI SUKUK PROGRAMME FRAMEWORK

We have analysed four components that are embedded in the following applicable standards and guidelines – the **SRI Sukuk Framework**, the **ASEAN GBS** and the **GBP**:

- (i) Utilisation of Proceeds
- (ii) Process for Project Evaluation and Selection
- (iii) Management of Proceeds
- (iv) Reporting Commitments

For a detailed comparison, please refer to **Appendix 1** for the SRI Sukuk Framework Checklist, **Appendix 2** for the ASEAN GBS Checklist, and **Appendix 3** for the GBP External Review Form.

#### 3.1. Utilisation of Proceeds

The issuance proceeds from the reNIKOLA ASEAN Green SRI Sukuk will be used to part finance and/or part reimburse the total development cost incurred for the Solar Plants. This includes payment(s) to third party and/or towards partial and/or full settlement of any external financing or advances obtained by the Project Companies to finance the Solar Plants, as well as the costs relating to the issuance. Details on the utilisation of issuance proceeds from the reNIKOLA ASEAN Green SRI Sukuk are outlined in **Table 1** below.

**Table 1: Utilisation of issuance proceeds from reNIKOLA ASEAN Green SRI Sukuk**

Utilisation of Proceeds	Nominal Amount (up to RM mil)	%
To part finance and/or part reimburse the total development costs incurred for the Solar Plants	360	92%
To fund the initial deposit of the minimum required balance for the Finance Service Reserve Account (FSRA) and the Maintenance Reserve Account (MRA) (if applicable)	20	5%
To pay fees, expenses and all other amounts payable under or related to the reNIKOLA ASEAN Green SRI Sukuk Programme	10	3%
<b>Total</b>	<b>390</b>	<b>100%</b>



The SRI Sukuk Framework, the ASEAN GBS and the GBP recognise several categories of eligible green projects. Broadly defined, green projects refer to innovative, climate-friendly solutions that help deliver clear environmental benefits. The Solar Plants fall under the RE category, which is classified “green” under the three guidelines and standards (**Table 2**). Solar power as a source of RE is clean and infinite, with a smaller carbon footprint compared to traditional power generation using fossil fuels.

**Table 2: RE – eligibility under the GBP, ASEAN GBS and SRI Sukuk Framework**

GBP	ASEAN GBS	SRI Sukuk Framework <sup>5</sup>
Use of proceeds – renewable energy (including production, transmission, appliances and products)	Item 4.1.5 (i) Use of Proceeds – renewable energy	Item 7.07 (c) and 7.08 (a) (i) – an Eligible SRI project refers to a project that promotes the use of renewable energy; and may include green projects that relate to renewable energy.

### 3.2. Process for Project Evaluation and Selection

Sustainable project management requires an assessment of issues and challenges within a local context. To this end, the Issuer, through the Project Companies, has commissioned the following:

- (i) Power system studies
- (ii) Yield assessments
- (iii) Soil investigations
- (iv) Environmental studies
- (v) Feasibility studies
- (vi) Technical due diligence by an independent technical advisor
- (vii) Flood studies

Additionally, an Environmental Impact Assessment (EIA) has been conducted for the Arau Plant, prepared by Ecolestari Consult Sdn Bhd in September 2016. The EIA had concluded that this plant would not generate any significant adverse impact on the local environment given the adequate pollution control measures and safeguards in place, complemented by an environmental management exercise.

Elsewhere, Environmental Management Plans (EMPs) have been established for the Gebeng Plant and Pekan Plant to identify appropriate mitigation measures to reduce the environmental impact of the project. The EMPs have been prepared in accordance with the Department of Environment’s (DOE) guidelines. They outline the requirement of a quarterly audit by the project team, including site inspections and compliance checks to ensure the effectiveness of the identified measures.

Ultimately, the key management team of the Issuer will assess the environmental viability of the Solar Plants, along with the relevant procedures throughout the operating period.

RAM Sustainability opines that the processes employed by reNIKOLA Solar are consistent with industry practices in terms of large-scale solar power development in Malaysia.

<sup>5</sup> As per the SC’s *Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework*, updated on 30 June 2020 and 12 November 2020 (Guidelines on LOLA Framework)

### 3.3. Management of Proceeds

The Issuer has clearly defined the formal internal processes linked to the management of proceeds. The issuance proceeds from the reNIKOLA ASEAN Green SRI Sukuk will be deposited into the designated accounts, which will be operated and maintained by the Security Trustee, i.e. Malaysian Trustees Berhad.

The Issuer has also established a clear eligibility rule that serves as a guide for the investment of unutilised funds in the designated accounts. Any unutilised proceeds in the designated accounts will be invested in Shariah-compliant products approved by the Shariah Advisory Council (SAC) of the SC and/or the SAC of Bank Negara Malaysia (BNM). Such Shariah-compliant investment products include Islamic fixed deposits, Islamic bankers' acceptances, Islamic treasury bills, Islamic money-market instruments, and other Islamic instruments or sukuk issued by BNM or the GoM.

In addition, the Issuer will appoint independent auditors or other third parties to verify its management of proceeds. The external assurance statement from the independent auditors or other third parties will be made publicly available on a website designated by the Issuer at the time of issuance of the reNIKOLA ASEAN Green SRI Sukuk.

### 3.4. Reporting Commitments

Transparency is an essential characteristic of green bonds or sukuk. reNIKOLA Solar has committed to reporting the following to the sukukholders annually, via a website designated by the Issuer (refer to **Table 3**):

**Table 3: Issuer's reporting commitments**

<b>Use of Proceeds Reporting</b>	<ul style="list-style-type: none"><li>▪ The list of Eligible Green SRI Projects to be funded by the reNIKOLA ASEAN Green SRI Sukuk and a brief description of the projects.</li><li>▪ The original amount allocated to the Eligible Green SRI Projects.</li><li>▪ The amount utilised for the Eligible Green SRI Projects.</li><li>▪ The unutilised amount and where it is placed or invested pending utilisation.</li></ul>
<b>Impact Reporting</b>	<ul style="list-style-type: none"><li>▪ Installed RE capacity (MW<sub>ac</sub>).</li><li>▪ RE produced (MWh).</li><li>▪ Greenhouse gas emissions (t/CO<sub>2</sub>e) avoided.</li></ul>

The Issuer has also committed to making available the Second Opinion Report and the reNIKOLA ASEAN Green SRI Sukuk Programme Framework on a website designated by the Issuer. This will ensure that the SRI Sukuk investors are kept updated on the latest material developments. In addition, our Second Opinion Report will be available on RAM Sustainability's website (<https://www.ram.com.my/sustainability>).

## 4. SUSTAINABILITY ASSESSMENT

### 4.1. National-Level Drivers

The reNIKOLA ASEAN Green SRI Sukuk Programme established by reNIKOLA Solar enables the financing of the RE sector and will support national-level objectives and plans on RE.

**Table 4: National-level objectives and plans**

Category	National-Level Objectives and Plans
Renewable energy	The GoM aims to raise the proportion of RE in the national energy mix to 20% by 2025. Enacted in 2011, the Renewable Energy Act targets to increase the contribution of clean and RE sources such as solar photovoltaic, biomass, biogas and hydro in Malaysia's electricity generation mix. An important driver of the RE industry is the feed-in-tariff mechanism, implemented and managed by the Sustainable Energy Development Authority of Malaysia. This mechanism supports the growth of the RE industry by providing guaranteed long-term contracts for power generated by RE sources.

### 4.2. Group-Level Assessment

The Solar Plants to be financed by the reNIKOLA ASEAN Green SRI Sukuk represent the Group's venture into the RE industry. The projects are aligned with the Group's vision to build a sustainable energy business while contributing towards a green and low-carbon environment.

reNIKOLA is owned by two individuals, i.e. Boumhidi Abdelali (70%) and YAM Tengku Zaiton Ibni Sultan Abu Bakar (30%). Before founding RE Gebeng, Boumhidi Abdelali had managed several iron ore mining concessions in Malaysia and Morocco. YAM Tengku Zaiton has extensive experience in the natural resources sector such as plantations, timber and mining.

As part of our ESG assessment, RAM Sustainability had run a media scan to discover whether there were controversies involving the reNIKOLA Group, its shareholders and directors as of the date of this report.

We note a recent news article on one of the Group's directors, Lim Beng Guan. Apex Equity Holdings Berhad (the Company) and its subsidiary, JF Apex Securities Bhd (JF Apex), had filed a legal suit against 18 defendants, including Lim Beng Guan, for allegedly acting in concert to obtain control of the Company.<sup>6</sup> All 18 defendants strike out the suit while the appeals made by the Company and JF Apex were dismissed by the Court of Appeal on 11 September 2020. Our assessment also reveals a publicly available statement regarding SC's regulatory settlement with Lim Beng Guan<sup>7</sup>, a person of a coincidentally identical name as the abovementioned reNIKOLA Group director. We have independently verified that this Lim Beng Guan is a different individual and not the director of the Group.

<sup>6</sup> Source: *Apex Equity takes shareholders to court for alleged capital market breaches*, published by *The Edge Markets* on 28 May 2019.

<sup>7</sup> Source: Securities Commission Malaysia [Regulatory Settlements in 2020](#)

### 4.3. Sustainability Management

This section assesses the Issuer's approach to integrating sustainability management within its operations.

#### Gebeng Plant

The project site for the Gebeng Plant had originally been an unused part of the Gebeng Industrial Park, which had been slated for industrial operations. The location has been chosen to minimise the distance between the plant and a substation, and to avoid deforestation.

The Issuer adheres to the various policies and management systems developed by the Project Companies. RE Gebeng has established an Environmental Policy which includes commitments to the following:

- (i) To comply with the applicable environmental regulations, legislation and laws.
- (ii) To recognise the Environmental Management System as an important corporate priority, and being committed to establishing policies, programmes and practices for construction in an environmentally sound manner.
- (iii) To monitor environmental management programme to ensure compliance with the DOE and the relevant local government legislative requirements.

A Health, Safety, Security and Environment Policy has been established to ensure safe operations that protect people, the environment and communities. According to the policy, it is formulated to be compatible with the relevant and widely recognised ISO standards such as ISO 9001: Quality Management System and ISO 14001: Environmental Management Systems. These allow the company to integrate quality, environmental and occupational health & safety management systems throughout its operations.

#### Arau Plant

The site of the Arau Plant had been an unused area inside the Ulu Pauh campus of the Universiti Malaysia Perlis (UniMap). Based on the EIA, the site is not located within any environmentally sensitive area as defined under the Environmental Quality (Prescribed Activities) (Environmental Impact Assessment) Order 2015.

Given that the Arau Plant is within the campus of UniMap, the project offers socio-economic benefits. SBU Power is committed to allowing UniMap's undergraduate students to make field trips to, as well as to run programmes for educational and research purposes on, the solar power system built by SBU Power. The Arau Plant has a brief Health & Safety Policy that outlines the necessary health and safety procedures at the site. We have not observed any EMP for the Arau Plant.

#### Pekan Plant

The project site had been abandoned agricultural (aquaculture) land covered by low-lying vegetation and shrubs. There are no residential buildings or communities near the site.

The EMP for the Pekan Plant aims to address key environmental and safety risks pertaining to noise, air quality, construction waste and scheduled waste management. It will also ensure compliance with the relevant environmental rules and regulations in Malaysia. A Waste Management Plan has also been developed for the Pekan Plant to manage waste generated from the project's day-to-day activities. This includes emphasis on waste minimisation and waste recovery for recycling. An Environment, Health and Safety Management System has been developed to set the Issuer's standards on managing various environmental, health and safety risks.

Meanwhile, Halpro's Corporate Social Responsibility Policy highlights important sustainability focus areas for the organisation. Halpro is committed to upholding good behaviour and will endeavour to manage the impact on its workforce, the community and the environment.


RAM Sustainability notes that the Issuer, through the Project Companies, has established adequate controls to protect the surrounding environment and communities through sound policies and management systems.

The Gebeng Plant and Arau Plant commenced operations in January 2020 and March 2018, respectively, while the Pekan Plant is scheduled to start by January 2021. The operations of a solar farm include daily maintenance, provision of site security, periodic maintenance of vegetation, and repair and replacement of solar equipment. Given the low level of activity and undemanding maintenance requirements, the environmental impact is anticipated to be minimal. During the operation of the Solar Plants, electricity generation using PV modules will not cause pollution or emit greenhouse gases. Moreover, operational waste streams are envisaged to be insignificant.

#### 4.4. Sukuk Positive Impact Creation

RAM Sustainability anticipates the Solar Plants to yield measurable positive effects on the environment. These are highlighted in **Table 5** below.

**Table 5: Positive impact created and alignment with United Nations’ Sustainable Development Goals**

Positive Impact	Description	Alignment with United Nations’ Sustainable Development Goals
Renewable energy	<p>Climate change is a serious planetary threat and may have costly repercussions on global communities and economies. Approximately two-thirds of the world’s GHG emissions today can be attributed to energy production and systems. Therefore, the energy sector plays a critical role in global efforts to mitigate the effects of climate change. The transition towards low-carbon energy systems is already taking place. RE provides a means to generate electricity from clean and sustainable sources such as sunlight, wind, hydro, biomass and other renewable resources. The deployment of RE solutions could significantly reduce the GHG emission intensity of the global energy system. As such, investment in RE ought to be scaled up so that the world can achieve the emission reduction goals under the Paris Climate Accord. RAM Sustainability opines that innovative RE will be a key component in the building of a low-carbon future. According to the International Renewable Energy Agency, renewable sources could account for 65% of global energy use by 2050.</p> <p>The Solar Plants are projected to generate approximately an average of 123 GWh of clean energy annually throughout the tenure of the reNIKOLA ASEAN Green SRI Sukuk Programme. Compared with the grid emission intensity<sup>8</sup> for Peninsular Malaysia, this translates into the potential avoidance of approximately 85,075 tonnes of carbon emissions per year throughout the tenure of the reNIKOLA ASEAN Green SRI Sukuk Programme.</p>	

<sup>8</sup> Baseline CO<sub>2</sub> for Peninsular Malaysia = 0.694 tCO<sub>2</sub> metric tonnes/MWh (2014) (source: Sustainable Energy Development Authority Malaysia)

# **APPENDIX 1**

## APPENDIX 1: SRI SUKUK FRAMEWORK CHECKLIST

### Reference:

Guidelines on Unlisted Capital Market Products Under the Lodge and Launch Framework

Part 3: Corporate Bonds and Sukuk

Chapter 7: Sustainable and Responsible Investment (SRI) Sukuk

No.	Item	Requirement	Alignment	Comment
7.07 & 7.08	Eligible SRI Projects	<p>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"> <li>(a) Preserving and protecting the environment and natural resources.</li> <li>(b) Conserving the use of energy.</li> <li>(c) Promoting the use of RE.</li> <li>(d) Reducing greenhouse gas emissions.</li> <li>(e) Addressing or mitigating a specific social issue or seeking to achieve positive social outcomes, especially but not exclusively for a target population.</li> <li>(f) Improving society's quality of life.</li> </ul> <p>Eligible SRI projects may include, but are not limited to, the following:</p> <ul style="list-style-type: none"> <li>(a) Green projects that relate to: <ul style="list-style-type: none"> <li>(i) Renewable energy.</li> <li>(ii) Energy efficiency.</li> <li>(iii) Pollution prevention and control.</li> <li>(iv) Environmentally sustainable management of living natural resources and land use.</li> <li>(v) Terrestrial and aquatic biodiversity conservation.</li> <li>(vi) Clean transportation.</li> <li>(vii) Sustainable water and wastewater management.</li> <li>(viii) Climate change adaptation.</li> <li>(ix) Eco-efficient and/or circular economy-adapted products, production technologies and processes.</li> <li>(x) Green buildings which meet regional, national or internationally recognised standards or certifications.</li> </ul> </li> <li>(b) Social projects that relate to: <ul style="list-style-type: none"> <li>(i) Affordable basic infrastructure.</li> <li>(ii) Access to essential services.</li> <li>(iii) Affordable housing.</li> <li>(iv) Employment generation, including the potential effects of SME financing and microfinancing.</li> <li>(v) Food security.</li> <li>(vi) Socioeconomic advancement and empowerment.</li> </ul> </li> <li>(c) Projects which are the combination of green and social projects, as described in (a) and (b) above.</li> <li>(d) Waqf projects that relate to the development of waqf properties or assets.</li> </ul>	Yes	Proceeds from the reNIKOLA ASEAN Green SRI Sukuk will be used to part finance and/or part reimburse the total development cost incurred for the Solar Plants. This includes payment(s) to third party and/or towards partial and/or full settlement of any external financing or advances obtained by the Project Companies to finance the Solar Plants, as well as the costs relating to the issuance.

No.	Item	Requirement	Alignment	Comment
7.10 & 7.11	Utilisation of Proceeds	An issuer must ensure that the proceeds raised from the issuance of the SRI sukuk are utilised only for the purpose of funding any activities or transactions relating to the Eligible SRI projects, as described in paragraph 7.08 above.	Yes	Please refer to the above.
		In relation to the activities or transactions that involve the acquisition of a company undertaking Eligible SRI projects, an issuer must ensure that the company to be acquired does not carry on any other business or projects except the Eligible SRI projects.	N/A	There are no activities/transactions related to the acquisition of a company.
7.12	Process for Project Evaluation and Selection	An issuer must establish internal processes for the evaluation and selection of the Eligible SRI projects, as identified in paragraph 7.08 above.	Yes	<p>The Issuer has conducted various technical studies and assessments for the development and implementation of large-scale photovoltaic solar farms in Malaysia.</p> <p>Ultimately, the key management team of the Issuer will be responsible for assessment of the environmental viability of the Solar Plants, along with the procedures involved throughout the operating period.</p> <p>For more detailed information, please refer to Section 3.2 Project Evaluation and Selection.</p>
7.13	Management of Proceeds	An issuer must ensure that the proceeds allocated to the Eligible SRI projects are deposited into a designated account or otherwise tracked in an appropriate manner.	Yes	The proceeds from the reNIKOLA ASEAN Green SRI Sukuk will be deposited into the designated accounts, which will be operated and maintained by the Security Trustee. Pending drawdown, the Issuer will be permitted to utilise the funds in the designated accounts to invest in Shariah-compliant products approved by the SAC of the SC and/or the SAC of BNM. The information on the designated accounts and details of proceeds management will be disclosed in the information memorandum of the reNIKOLA ASEAN Green SRI Sukuk Programme.
7.14	Reporting	<p>An issuer must provide the following information to the sukukholders, annually through a designated website:</p> <p>(a) The original amount allocated to the Eligible SRI projects.</p> <p>(b) The amount utilised for the Eligible SRI projects.</p> <p>(c) The unutilised amount and where such unutilised amount is placed or invested pending utilisation.</p> <p>(d) The list of Eligible SRI projects to which the SRI sukuk proceeds have been allocated, and a brief description of the said Eligible SRI projects and their impact or expected impact, including the key underlying methodology or assumptions used to determine the impact or expected impact.</p>	Yes	The Issuer is committed to disclosing all required information to the sukukholders every year, via a website designated by the Issuer. For more detailed information, please refer to Section 3.4 Reporting Commitments.



No.	Item	Requirement	Alignment	Comment
7.05 & 7.16	Disclosure Requirements	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 on the designated website must be made available at the point of issuance and throughout the tenure of the SRI sukuk.	Yes	The Issuer is committed to disclosing all required information to the sukukholders every year, via a website designated by the Issuer. For more detailed information, please refer to Section 3.4 Reporting Commitments.
		<p>For the purpose of disclosure of the details of the issuer and the SRI Sukuk Framework under paragraph 7.05 above, the following information must be included:</p> <ul style="list-style-type: none"> <li>(a) The overall SRI objectives that the issuer intends to achieve.</li> <li>(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 proceeds allocated to refinancing and which Eligible SRI projects will be refinanced.</li> <li>(c) The Eligible SRI projects to which the proceeds will be allocated.</li> <li>(d) The details of the Eligible SRI projects and, to the extent possible, the impact objectives of the Eligible SRI projects.</li> <li>(e) The processes used by the issuer to evaluate and select the Eligible SRI projects.</li> <li>(f) The criteria used by the issuer to identify and manage material environmental or social risks associated with the Eligible SRI projects.</li> <li>(g) The processes used by the issuer to manage the proceeds from the issuance of the SRI sukuk.</li> <li>(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.</li> </ul>	Yes	<p>The Issuer is committed to publishing its Framework, which contains items (a) to (h), on a website designated by the Issuer.</p> <p>For more detailed information on disclosure requirements, please refer to Section 3.4 Reporting Commitments.</p>
7.17	External Review	If an external reviewer is appointed to assess and provide a 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.	Yes	<p>RAM Sustainability has been appointed as an independent expert to provide a second opinion on the Issuer's reNIKOLA ASEAN Green SRI Sukuk Programme Framework, which covers an assessment of the framework against the disclosure requirements of the SRI Sukuk Framework, the ASEAN GBS and the GBP, as well as the Issuer's sustainability responsibilities.</p> <p>The Issuer intends to make RAM Sustainability's Second Opinion Report available on a website designated by itself. The report will also be available on RAM Sustainability's <a href="#">website</a>.</p> <p>Post-issuance, the Issuer intends to appoint an independent auditor to verify its management of proceeds and ensure that the report by the auditor or other third party will be made publicly available on a website designated by the Issuer.</p>

# **APPENDIX 2**

## APPENDIX 2: ASEAN GBS CHECKLIST

### Reference:

ASEAN Capital Markets Forum – ASEAN GBS

Item	No.	Requirement	Alignment	Comment
Eligible Issuers and Issuance	3.1	(i) Must be an ASEAN Issuer. (ii) In the case of a Non-ASEAN Issuer, the eligible Green Projects must be located in any of the ASEAN countries.	Yes	The Issuer is an entity incorporated in Malaysia, a member of ASEAN.  All the Solar Plants are located in Malaysia.
	3.2	ASEAN Green Bonds issuances must be originated from any of the ASEAN member countries.	Yes	The reNIKOLA ASEAN Green SRI Sukuk Programme originates from Malaysia.
Eligible Green Projects	4.1.5	There are several broad 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. The categories include RE and energy efficiency.	Yes	Proceeds from the reNIKOLA ASEAN Green SRI Sukuk will be used to part finance and/or part reimburse the total development cost incurred for the Solar Plants. This includes payment(s) to third party and/or towards partial and/or full settlement of any external financing or advances obtained by the Project Companies to finance the Solar Plants, as well as the costs relating to the issuance.
Ineligible Projects	4.1.6	For clarification purposes, fossil fuel power generation projects are excluded from the ASEAN GBS.	Yes	No fossil fuel power generation project is involved. The reNIKOLA ASEAN Green SRI Sukuk Programme is only intended for the Solar Plants.
Continuous Accessibility to Information and Reporting	4.2.1	The Issuer of ASEAN Green Bonds must clearly communicate to investors:  (i) The environmental sustainability objectives. (ii) The process by which the Issuer determines how the projects fit within the eligible Green Projects categories identified above. (iii) The related eligibility criteria, including, if applicable, exclusion criteria or any other process applied to identify and manage potentially material environmental and social risks associated with the Green Projects.	Yes	The Issuer aims to play a role in the global drive to create a low-carbon, climate-resilient future and sustainable world by undertaking RE projects.  The process for the evaluation and selection of the Solar Plants is detailed in the reNIKOLA ASEAN Green SRI Sukuk Programme Framework.
	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 ASEAN Green Bonds:  (i) The process for project evaluation. (ii) The use of proceeds. (iii) The external review report on the process (if any).	Yes	The Issuer is committed to making its Framework publicly available on a designated website. The framework includes information describing the use of proceeds, project evaluation and selection, management of proceeds and annual reporting commitments.  The Issuer also intends to make RAM Sustainability's Second Opinion Report available on a website designated by itself. Additionally, the report will be available on RAM Sustainability's website.
	4.3.1	Prior to the issuance of the ASEAN Green Bonds, the Issuer must disclose to investors in the documentation for the issuance of the ASEAN Green Bonds the process for managing the net proceeds from the ASEAN Green Bonds.	Yes	The proceeds from the reNIKOLA ASEAN Green SRI Sukuk will be deposited into the designated accounts, which will be operated and maintained by the Security Trustee. Pending drawdown, the Issuer will be permitted to utilise the funds in the Designated Accounts to invest in Shariah-compliant products approved by the SAC of the SC and/or the SAC of BNM. The information on the designated accounts and details of proceeds management will be disclosed in the information memorandum of the reNIKOLA ASEAN Green SRI Sukuk Programme.

Item	No.	Requirement	Alignment	Comment
	4.3.4	The Issuer must also disclose to investors in the documentation for the issuance of the ASEAN Green Bonds the intended types of temporary placement for the balance of unallocated proceeds.	Yes	The Issuer, in its framework, has stated its intention to provide annual reporting via a designated website, on the unutilised amount and where such unutilised amount is placed or invested pending utilisation.
	4.4.5	The Issuer must provide investors with an annual report and external review on the annual reporting, if any, through a website designated by the Issuer and/or annual reports throughout the tenure of the ASEAN Green Bonds.	Yes	The Issuer is committed to providing annual reports via a designated website, on the use of proceeds and impact reporting throughout the tenure of the reNIKOLA ASEAN Green SRI Sukuk Programme.
Encourage More Frequent Reporting	4.4.1	Issuers must report to investors at least once a year, and are encouraged to make more frequent reporting on the use of proceeds until full allocation, and as necessary thereafter in the event of material developments. This should include a list of the projects to which the ASEAN Green Bonds proceeds have been allocated, as well as a brief description of the projects and the amounts allocated and their expected impact.	Yes	The Issuer is committed to an annual disclosure on a designated website vis-à-vis the use of proceeds until full allocation, and as necessary thereafter in the event of material developments. This will include information on the Solar Plants, the allocation of proceeds to the Solar Plants, the amount that has been allocated and the impact of the Solar Plants.
External Review	5.1	Issuers are advised to appoint external review providers for the issuance of their ASEAN Green Bonds.	Yes	RAM Sustainability has been appointed to provide a second opinion on the Framework. The review covers an assessment of the Framework against the disclosure requirements of the ASEAN GBS, the SRI Sukuk Framework and the GBP, as well as the Issuer's sustainability responsibilities.
	4.2.4	It is recommended that the Issuer's process for project evaluation and selection be supported by an external review.	Yes	The second opinion review by RAM Sustainability covers project evaluation and selection.
	4.3.5	It is recommended that the Issuer's management of proceeds be supplemented by the appointment of an auditor, or other third party to verify the internal tracking method and allocation of the proceeds from the ASEAN Green Bonds proceeds.	Yes	The Issuer has stated in its Framework that it will appoint an auditor or other third party to verify its management of proceeds.
	4.3.6	Where the Issuer appoints an auditor or other third party to verify its 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 issuance of the ASEAN Green Bonds.	Yes	The Issuer is committed to ensuring that the report by the auditor or other third party will be made publicly available via a designated website at the time of issuance of the reNIKOLA ASEAN Green SRI Sukuk.
	4.4.4	It is recommended that the Issuer's annual reporting on the use of proceeds be supplemented by the confirmation of such use of proceeds by an external reviewer along with any relevant updates on the external review.	Yes	The Issuer will appoint an auditor and/or other third party to verify the use of proceeds and such report produced by the auditor and/or other third party will be made publicly available via a designated website.

# **APPENDIX 3**

## APPENDIX 3: GBP EXTERNAL REVIEW FORM

### Green Bond / Green Bond Programme External Review Form

#### Section 1. Basic Information

**Issuer name:** reNIKOLA Solar Sdn Bhd

**Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:** reNIKOLA ASEAN Green SRI Sukuk Programme Framework, Islamic medium-term notes issuance pursuant to an Islamic medium-term notes programme of up to RM390 mil in nominal value

**Independent External Review provider's name:** RAM Sustainability Sdn Bhd

**Completion date of this form:** 27 November 2020

**Publication date of review:** 27 November 2020

#### Section 2. Review overview

##### SCOPE OF REVIEW

*The following may be used or adapted, where appropriate, to summarise the scope of the review.*

The review assessed the following elements and confirmed their alignment with the GBP:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds        | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting                                    |

##### ROLE(S) OF REVIEW PROVIDER

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Consultancy (including second opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification                                      | <input type="checkbox"/> Rating        |
| <input type="checkbox"/> Other ( <i>please specify</i> ):                  |  |

*Note: In case of multiple reviews / different providers, please provide separate forms for each review.*

##### EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (*if applicable*)

Please refer to RAM Sustainability's Second Opinion Report on the reNIKOLA ASEAN Green SRI Sukuk Programme Framework.

### Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

#### 1. USE OF PROCEEDS

**Overall comment on section (if applicable):**

Proceeds from the reNIKOLA ASEAN Green SRI Sukuk will be used to part finance and/or part reimburse the total development cost incurred for the Solar Plants. This includes payment(s) to third party and/or towards partial and/or full settlement of any external financing or advances obtained by the Project Companies to finance the Solar Plants, as well as the costs relating to the issuance.

**Use of proceeds categories as per the GBP:**

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Renewable energy  | <input type="checkbox"/> Energy efficiency   |
| <input type="checkbox"/> Pollution prevention and control   | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation  | <input type="checkbox"/> Clean transportation  |
| <input type="checkbox"/> Sustainable water and wastewater management  | <input type="checkbox"/> Climate change adaptation   |
| <input type="checkbox"/> Eco-efficient and/or circular economy-adapted products, production technologies and processes                            | <input type="checkbox"/> Green buildings   |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP | <input type="checkbox"/> Other (please specify):   |

If applicable please specify the environmental taxonomy, if other than GBP:

#### 2. PROCESS FOR PROJECT EVALUATION AND SELECTION

**Overall comment on section (if applicable):**

The Issuer has conducted various technical studies and assessments for the development and implementation of large-scale photovoltaic solar farms in Malaysia.

Ultimately, the key management team of the Issuer will be responsible for assessment of the environmental viability of the Solar Plants, along with the procedures involved throughout the operating period.

The processes employed are consistent with industry practices in terms of large-scale solar power development in Malaysia.

## Evaluation and selection

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives            | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories               |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available       | <input type="checkbox"/> Other ( <i>please specify</i> ):   |

## Information on Responsibilities and Accountability

- |   |   |
|---|---|
| <input type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input checked="" type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other ( <i>please specify</i> ):   |   |

## 3. MANAGEMENT OF PROCEEDS

### Overall comment on section (*if applicable*):

The proceeds from the reNIKOLA ASEAN Green SRI Sukuk will be deposited into the designated accounts, which will be operated and maintained by the Security Trustee. Any unutilised proceeds in the designated accounts will be invested in Shariah-compliant products approved by the SAC of the SC and/or the SAC of BNM. These Shariah-compliant investment products include Islamic fixed deposits, Islamic bankers' acceptances, Islamic treasury bills, Islamic money-market instruments, and other Islamic instruments or sukuk issued by BNM or the GoM.

### Tracking of proceeds:

- |   |
|---|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in an appropriate manner          |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other ( <i>please specify</i> ):   |

### Additional disclosure:

- |   |  |
|---|--|
| <input type="checkbox"/> Allocations to future investments only                             | <input type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements                             | <input type="checkbox"/> Allocation to a portfolio of disbursements          |
| <input checked="" type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other ( <i>please specify</i> ):                    |

## 4. REPORTING

### Overall comment on section (*if applicable*):

The reporting process is aligned with the requirements of the GBP. The Issuer will disclose the following information via a designated website:

- The list of Eligible Green SRI Projects to be funded by the reNIKOLA ASEAN Green SRI Sukuk and a brief description of the projects.
- The original amount allocated to the Eligible Green SRI Projects.
- The amount utilised on the Eligible Green SRI Projects.
- The unutilised amount and where it is placed or invested pending utilisation.
- Installed RE capacity ( $MW_{ac}$ ).
- RE produced (MWh).
- Greenhouse gas emissions ( $t/CO_{2e}$ ) avoided.



**Use of proceeds reporting:**

- |  |  |
|--|--|
| <input type="checkbox"/> Project-by-project            | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other <i>(please specify)</i> :         |

**Information reported:**

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Allocated amounts    | <input checked="" type="checkbox"/> Green Bond-financed share of total investment |
| <input type="checkbox"/> Other <i>(please specify)</i> : |   |

**Frequency:**

- |  |                                      |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual               | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other <i>(please specify)</i> : |                                      |

**Impact reporting:**

- |  |  |
|--|--|
| <input type="checkbox"/> Project-by-project            | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other <i>(please specify)</i> :         |

**Frequency:**

- |  |                                      |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual               | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other <i>(please specify)</i> : |                                      |

**Information reported (expected or ex-post):**

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input type="checkbox"/> Energy Savings                                 |
| <input type="checkbox"/> Decrease in water use              | <input type="checkbox"/> Other ESG indicators <i>(please specify)</i> : |

**Means of Disclosure**

- |   |  |
|---|--|
| <input type="checkbox"/> Information published in financial report  | <input type="checkbox"/> Information published in sustainability report                                |
| <input type="checkbox"/> Information published in ad hoc documents  | <input checked="" type="checkbox"/> Other <i>(please specify)</i> : a website designated by the Issuer |
| <input type="checkbox"/> Reporting reviewed <i>(if yes, please specify which parts of the reporting are subject to external review)</i> : |  |

Where appropriate, please specify name and date of publication in the useful links section.

**USEFUL LINKS** *(e.g., to review provider’s methodology or credentials, for issuer’s documentation)***SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE****Type(s) of Review provided:**

- |  |   |
|--|---|
| <input type="checkbox"/> Second Party Opinion <sup>9</sup> | <input type="checkbox"/> Certification  |
| <input type="checkbox"/> Verification                      | <input type="checkbox"/> Scoring/Rating |
| <input type="checkbox"/> Other <i>(please specify)</i> :   |   |

**Review provider(s):****Date of publication:**

<sup>9</sup> Also known as Second Opinion

## ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE GBP

- 1) **Second Opinion:** An institution with environmental expertise that is independent from the issuer may issue a Second Opinion. The institution should be independent of the issuer's adviser on its Green Bond framework or appropriate procedures, such as information barriers, which would have been implemented within the institution to ensure the independence of the Second Opinion. It normally entails an assessment of alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- 2) **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- 3) **Certification:** An issuer can have its Green Bonds or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- 4) **Green Bond Scoring/Rating:** An issuer can have its Green Bonds, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.



**RAM Sustainability Sdn Bhd**

Level 8, Mercu 2, KL Eco City,  
No.3, Jalan Bangsar,  
59200, Kuala Lumpur, Malaysia  
**T** +603 3385 2488 | **F** +603 3385 2582

**Website:** [www.ram.com.my/sustainability](http://www.ram.com.my/sustainability)