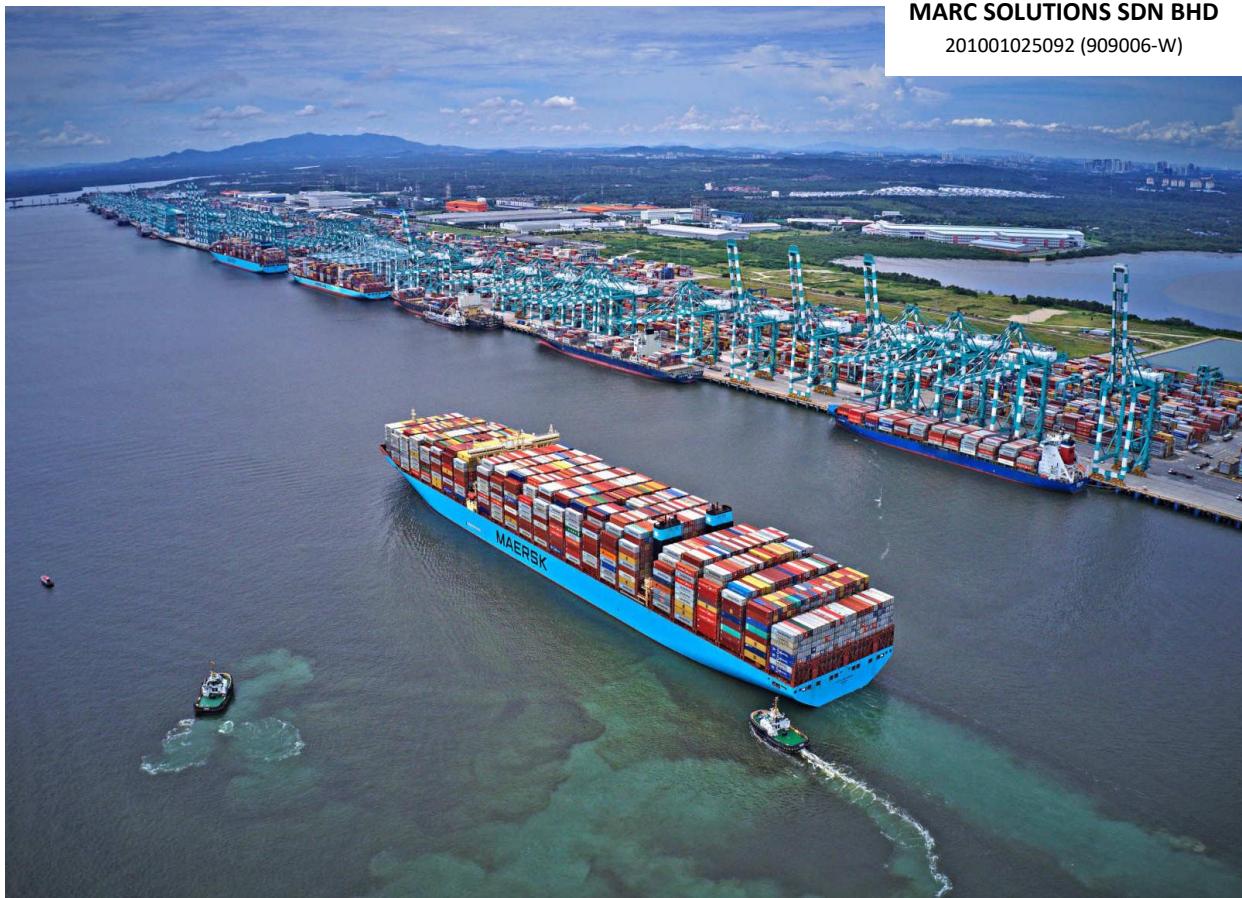


**MARC**

MARC SOLUTIONS SDN BHD

201001025092 (909006-W)



PELABUHAN TANJUNG PELEPAS SDN BHD

PRE-ISSUANCE SUSTAINABILITY SUKUK  
FRAMEWORK ASSESSMENT

MAY 2025



SUSTAINABILITY SUKUK  
FRAMEWORK ASSESSMENT

MARC Solutions Sdn Bhd (MARC Solutions) has been engaged by Pelabuhan Tanjung Pelepas Sdn Bhd (PTP) (Company Registration No: 199401043031 (328719-K)) as an independent external reviewer for its Sustainability Sukuk Framework. This external review was conducted according to the analytical framework in the Impact Bond Assessment (IBA) methodology that is published on Malaysian Rating Corporation Berhad's (MARC) website, last reviewed in December 2024.

Contact: (+603)-2717 2963

Publication date: May 27, 2025

## SUMMARY

Pelabuhan Tanjung Pelepas Sdn Bhd (PTP) (Company Registration No: 199401043031 (328719-K)) has engaged MARC Solutions Sdn Bhd to review its Sustainability Sukuk Framework (Framework). The Framework has been developed to set out how PTP intends to utilise sustainable financing towards Eligible Projects that will deliver environmental and social benefits in support of the United Nations Sustainable Development Goals (UN SDGs or SDGs). In assigning the assessment, we have 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 PTP's Framework; an assessment of alignment with the Social Bond Principles (SBP), Green Bond Principles (GBP), and Sustainability Bond Guidelines (SBG) of the International Capital Market Association (ICMA); and Social Bond Standards (SBS), Green Bond Standards (GBS), and Sustainability Bond Standards (SUS) of the ASEAN Capital Markets Forum (ACMF) (ASEAN Standards); and Sustainable and Responsible Investment (SRI) Sukuk Framework of the Securities Commission Malaysia (SC); and an evaluation of PTP's sustainability implementation capacity and performance.

The proceeds raised in accordance with the Framework will be utilised to finance or refinance, in whole or in part, new or existing assets, businesses, projects and/or products that meet the Eligibility Criteria set out in the Framework. PTP has established a proper process of project evaluation and selection, which involves the working committee, management, Chief Executive Officer (CEO), and the Board of Directors (Board). Proper identification and appropriate management of risks shall be conducted for the Eligible Projects, which include relevant evaluations and impact assessments.

The proceeds allocation will be managed internally by PTP through a register containing relevant information. PTP will publish an annual report on its website detailing the allocation of funds to each Eligible Category and impact of the Eligible Categories, as per the relevant impact indicators provided in the Framework.

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

PTP is a joint venture between MMC Port Holdings Sdn Bhd (MMC Port Holdings, 70% shareholding) and APM Terminals B.V. (APM Terminals, 30% shareholding). MMC Port Holdings is Malaysia's largest port operator, while APM Terminals is a Netherlands-based subsidiary of global integrated marine logistics conglomerate, Maersk.

Strategically located at the Strait of Malacca, a major global shipping route, PTP has an annual capacity of 13.5 million twenty-foot equivalent units (TEUs). Its naturally sheltered deep-water port, situated at the mouth of the Pulai River in southwestern Johor, can accommodate Ultra Large Container Vessels (ULCVs) carrying up to 23,756 TEUs. In 2024, PTP achieved a total volume throughput of over 12.25 million TEUs. The port's efficiency was recognised in the Container Port Performance Index (CPPI) 2023<sup>1</sup>, where it ranked fifth globally.

PTP features 14 berths and a large container yard, along with modern cranes and a substantial fleet of yard equipment. Its port is well-connected by road through the Malaysia-Singapore Second Link bridge and the North-South Expressway, and by rail to Singapore and Southern Thailand. An adjacent 648-acre free zone supports manufacturing and commercial activities, including inventory services, cargo consolidation, procurement, and regional distribution. This free zone is home to global companies, including regional warehouse operators and international logistics providers.

The company's operations are supported by advanced information technology (IT) systems, connecting all port users and enabling real-time information sharing. PTP leverages technology to streamline its operations, optimise resource use, and ensure efficient handling of cargo. Its integrated port and free zone offer excellent connectivity, making PTP the international gateway for southern Malaysia and a key contributor to the Iskandar Malaysia development and regional economic growth.

The main services provided by PTP are as follows:

Container Handling Services	Marine Services	Free Zone & Real Estate
 <ul style="list-style-type: none"> <li>Terminal handling services</li> <li>State-of-the-art equipment capable of handling ULCVs</li> </ul>	 <ul style="list-style-type: none"> <li>Towage services</li> <li>Pilotage services</li> <li>Ship-to-ship services</li> </ul>	 <ul style="list-style-type: none"> <li>Lease of land, storage facilities and office space</li> <li>Diversity of clients: Manufacturing firms, warehouse operators, and freight forwarders</li> </ul>

<sup>1</sup> World Bank Group & S&P Global Market Intelligence. (2023). The Container Port Performance Index 2023. Retrieved from <https://documents1.worldbank.org/curated/en/099060324114539683/pdf/P17583313892300871be641a5ea7b90e0e6.pdf>

To advance its sustainability agenda, PTP conducted a review to prioritise relevant SDGs and establish corresponding targets in 2022. The company's sustainability framework outlines its ambitions and initiatives across all environmental, social and governance (ESG) pillars.



In line with its sustainability focus, PTP's Sustainability Sukuk Framework sets forth the principles for utilising the funds to generate positive environmental and social impacts, supporting the company's aspiration to be one of the world's leading smart green ports.

# CONTENTS

## SUMMARY

01	IMPACT SIGNIFICANCE ANALYSIS	5
02	ASSESSMENT OF ALIGNMENT WITH ICMA'S GBP/SBP/SBG, ASEAN GBS/SBS/SUS, AND SC'S SRI SUKUK FRAMEWORK	13
03	ANALYSIS OF SUSTAINABILITY PERFORMANCE	16
04	ASSESSMENT SCALE	20
05	MARC SOLUTIONS SDN BHD	21

## APPENDIX

### COMPLIANCE REVIEW FORM

## 01 IMPACT SIGNIFICANCE ANALYSIS

This Framework details how PTP plans to fund Eligible Projects that are expected to deliver environmental and social benefits. The net proceeds from the Sustainability Sukuk will be utilised to finance Eligible Projects under the following Eligible Categories:

- Clean Transportation
- Energy Efficiency
- Renewable Energy
- Green Buildings
- Climate Change Adaptation
- Terrestrial and Aquatic Biodiversity Conservation
- Pollution Prevention, Control and Circular Economy
- Sustainable Water and Wastewater Management
- Socioeconomic Advancement and Empowerment

The qualitative analysis of the impact of the Use of Proceeds is conducted in the context of the UN SDGs. Based on the assessments, the Eligible Projects defined in PTP's Framework collectively support eight of the 17 UN SDGs.

### ELIGIBLE CATEGORIES FOR USE OF PROCEEDS

#### Eligible Green Projects

1 Clean Transportation			
<b>Eligibility Criteria:</b> Low-emission and low-energy consuming transportation and supporting infrastructure, including:			
Sustainability Objective	Sustainability Benefit	Corresponding to the UN SDGs	
<ul style="list-style-type: none"> <li>• To support the adoption of renewable energy in the global maritime and port sector, contributing to a global energy shift</li> <li>• To enhance energy efficiency via utilisation of sustainable port equipment and infrastructure</li> <li>• To reduce greenhouse gas (GHG) emissions by</li> </ul>	<ul style="list-style-type: none"> <li>• Reducing fossil fuel consumption, mitigating the impact of fuel price volatility</li> <li>• Enhancing connectivity and providing safe, affordable and equitable access to modern transportation options</li> <li>• Lowering the carbon footprint of port operations, and mitigating</li> </ul>	   	<b>Alignment to the UN SDGs:</b> <b>UN SDG 7</b> Ensure access to affordable, reliable, and sustainable energy through the deployment of clean transportation.

	<p>the port's vehicles, equipment and infrastructure</p> <ul style="list-style-type: none"> <li>To prevent or minimise air pollution through lowered emissions of harmful pollutant particles</li> </ul>	<p>risks associated with climate change</p> <ul style="list-style-type: none"> <li>Safeguarding both ecosystem and human health with improved air quality in the port's surrounding areas</li> </ul>	<p><b>UN SDG 9</b> Enhance the reliability and resiliency of port infrastructure to promote sustainable industrialisation.</p> <p><b>UN SDG 11</b> Increase access to sustainable transport systems to minimise the environmental impact of port activities.</p> <p><b>UN SDG 13</b> Strengthen resilience and adaptive capacity to climate-related hazards through the adoption of clean transportation.</p> <p><b>Indicative measurement:</b></p> <ul style="list-style-type: none"> <li>Annual GHG emissions reduced or avoided (tCO<sub>2</sub>e)</li> <li>Estimated reduction in fuel consumption</li> <li>Number of clean vehicles deployed</li> </ul>
--	--	--	--

## 2 Energy Efficiency

### Eligibility Criteria:

Projects aimed at reducing energy consumption or improving energy efficiency by at least 60 % via the use of low emission technology and equipment, including:

- Utilisation of internet of things (IoT) devices to track energy efficiency
- Utilisation of artificial intelligence (AI) software to enhance energy efficiency
- Retrofitting/refurbishment of existing equipment in facilities and buildings
- Installation of energy efficiency lighting, equipment and appliances
- Retrofitting and optimising the heating, ventilation, and air conditioning (HVAC) systems
- Installation of energy storage systems and smart meters
- Installation of cogeneration systems

Sustainability Objective	Sustainability Benefit	Corresponding to the UN SDGs
<ul style="list-style-type: none"> <li>To reduce energy consumption for the port's operations</li> <li>To increase overall energy efficiency through innovation and adoption of new technologies</li> <li>To lower GHG emissions associated with energy generation</li> </ul>	<ul style="list-style-type: none"> <li>Increasing resource consumption efficiency, leading to lower long-term operational costs</li> <li>Enhancing the port operations' resilience to climate-related disruptions such as energy shortage during extreme weather events</li> </ul>	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p><b>7</b> AFFORDABLE AND CLEAN ENERGY</p> </div> <div style="text-align: center;">  <p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> </div> <div style="text-align: center;">  <p><b>13</b> CLIMATE ACTION</p> </div> </div> <p><b>Alignment to the UN SDGs:</b></p> <p><b>UN SDG 7</b> Develop infrastructure and upgrade technology for efficient energy consumption.</p> <p><b>UN SDG 9</b> Support the development of climate-resilient infrastructures and increasing the adoption of environmentally sound technologies.</p>

			<p><b>UN SDG 13</b> Integrate climate change indicators into resource planning and industrial processes.</p> <p><b>Indicative measurement:</b></p> <ul style="list-style-type: none"> <li>• Annual energy savings (MWh/GWh)</li> <li>• Annual GHG emissions reduced or avoided (tCO<sub>2</sub>e)</li> </ul>
<b>3</b>	<b>Renewable Energy</b>		
	<p><b>Eligibility Criteria:</b></p> <p>Development, operation or maintenance of renewable energy projects, such as solar panel and mini-hydro power plants.</p>		
Sustainability Objective	Sustainability Benefit	Corresponding to the UN SDGs	
<ul style="list-style-type: none"> <li>• To conserve resources required for conventional energy generation, lowering fossil fuel dependency</li> <li>• To reduce the port's reliance on external energy suppliers through in-house renewable energy initiatives</li> <li>• To lower the port's electricity expenses in the long term</li> <li>• To reduce GHG emissions by transitioning to renewable energy sources</li> </ul>	<ul style="list-style-type: none"> <li>• Phasing out fossil fuels for energy generation by utilising renewable energy</li> <li>• Enhancing the port's energy security and resilience by placing lower reliance on external energy suppliers</li> <li>• Saving costs associated with energy, promoting operational resiliency</li> <li>• Lowering carbon footprint, demonstrating the port's environmental commitment</li> </ul>	  	<p><b>Alignment to the UN SDGs:</b></p> <p><b>UN SDG 7</b> Increase the share of renewable energy in the port's energy mix.</p> <p><b>UN SDG 9</b> Promote sustainable industrialisation via the adoption of clean and environmentally sound technologies and industrial processes.</p> <p><b>UN SDG 13</b> Mitigate the impact of climate change by diversifying energy sources.</p> <p><b>Indicative measurement:</b></p> <ul style="list-style-type: none"> <li>• Annual energy savings (MWh)</li> <li>• Annual GHG emissions reduced or avoided (tCO<sub>2</sub>e)</li> </ul>
<b>4</b>	<b>Green Buildings</b>		
	<p><b>Eligibility Criteria:</b></p> <p>Construction, development, renovation, maintenance, and/or acquisition of new or existing buildings that comply with regional, national, or international standards or certifications, including Green Real Estate (GreenRE), Green Building Index (GBI), and Leadership in Energy and Environmental Design (LEED) (Gold or above)</p>		
Sustainability Objective	Sustainability Benefit	Corresponding to the UN SDGs	
<ul style="list-style-type: none"> <li>• To reduce energy consumption by constructing and maintaining buildings that adhere</li> </ul>	<ul style="list-style-type: none"> <li>• Lowering the buildings' impacts on the environment, minimising the port's environmental footprint</li> </ul>	   	

	<ul style="list-style-type: none"> <li>to high sustainability standards</li> <li>To increase operational efficiency and reduce the overall environmental impact of the buildings</li> <li>To address and mitigate the risks posed by climate change</li> <li>To provide a healthy indoor environment for the buildings' occupants</li> </ul>	<ul style="list-style-type: none"> <li>Reducing resource consumption, leading to cost savings and operational resiliency</li> <li>Lowering carbon emissions from the buildings throughout their life cycle</li> <li>Enhancing the health and well-being of the buildings' occupants</li> </ul>	<p><b>Alignment to the UN SDGs:</b></p> <p><b>UN SDG 7</b> Ensure access to reliable and sustainable energy sources by increasing energy efficiency.</p> <p><b>UN SDG 9</b> Develop or upgrade infrastructure to increase resource-use efficiency and well-being of building occupants.</p> <p><b>UN SDG 11</b> Ensure adequate, resilient and sustainable infrastructure for industrial usage.</p> <p><b>UN SDG 13</b> Lower the overall environmental impact of buildings to combat climate change.</p> <p><b>Indicative measurement:</b></p> <ul style="list-style-type: none"> <li>Number of green building certifications obtained</li> <li>Number of solar panels installed on the customer's premises</li> <li>Annual energy savings (MWh/GWh)</li> </ul>
--	--	--	--

## 5 Climate Change Adaptation

### Eligibility Criteria:

Enhancing resilience against the physical risks of climate change, including rising sea levels and extreme weather conditions, via the construction or upgrade of port infrastructure and other activities, such as:

- Coastal protection infrastructure
- Technology and monitoring system
- Infrastructure strengthening
- Heat-resistant infrastructure

Sustainability Objective	Sustainability Benefit	Corresponding to the UN SDGs
<ul style="list-style-type: none"> <li>To adapt to the foreseeable impact of climate change and mitigate related risks</li> <li>To protect the port's assets and operations by investing in climate-resilient infrastructure</li> <li>To reduce economic losses associated with disruptions caused by extreme weather events, such as port closures or damage to facilities</li> </ul>	<ul style="list-style-type: none"> <li>Enhancing the port's resilience to the physical impacts of climate change to ensure delivery of the port's long-term value</li> <li>Safeguarding the port's assets and ensuring the continuity of its operations despite increasingly severe weather conditions</li> <li>Minimising the economic impact due to the physical risks of climate change, increasing operational resilience</li> </ul>	<div data-bbox="906 1439 1156 1563">   </div> <p><b>Alignment to the UN SDGs:</b></p> <p><b>UN SDG 7</b> Promote sustainable energy practices to enhance resilience against climate change.</p> <p><b>UN SDG 13</b> Strengthen the port's resilience and adaptive capacity to climate-related hazards and natural disasters.</p>

			<b>Indicative measurement:</b> <ul style="list-style-type: none"> <li>Annual GHG emissions reduced or avoided (tCO<sub>2</sub>e)</li> </ul>
<b>6</b>	<b>Terrestrial and Aquatic Biodiversity Conservation</b>		
	<b>Eligibility Criteria:</b> <p>Terrestrial and aquatic conservation projects aimed at enhancing resilience to climate change risks while protecting and restoring natural habitats for flora and fauna. These include:</p> <ul style="list-style-type: none"> <li>Coastal and habitat protection infrastructure</li> <li>Technology and monitoring systems</li> <li>Infrastructure fortification</li> <li>Heat-resistant infrastructure</li> <li>Replanting and translocating flora and fauna</li> </ul>		
<b>Sustainability Objective</b>	<b>Sustainability Benefit</b>	<b>Corresponding to the UN SDGs</b>	
<ul style="list-style-type: none"> <li>To reduce vulnerability by mitigating climate-related hazards on ecosystems and port operations</li> <li>To protect and restore natural habitats and ensure sustainable practices that conserve ocean and forest health</li> </ul>	<ul style="list-style-type: none"> <li>Enhancing resilience to climate change and increasing adaptive capacity to changing climate conditions</li> <li>Maintaining biodiversity and improving ecosystem services, such as clean water provision, flood control, and carbon sequestration</li> </ul>	  	<p><b>Alignment to the UN SDGs:</b></p> <p><b>UN SDG 13</b> Strengthen the port's resilience and adaptive capacity to climate-related hazards and natural disasters.</p> <p><b>UN SDG 14</b> Protect and restore marine and coastal ecosystems to avoid significant adverse impacts and achieve healthy and productive oceans.</p> <p><b>UN SDG 15</b> Ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services.</p> <p><b>Indicative measurement:</b></p> <ul style="list-style-type: none"> <li>Number of mangroves planted</li> </ul>
<b>7</b>	<b>Pollution Prevention, Control and Circular Economy</b>		
	<b>Eligibility Criteria:</b> <p>Construction and upgrades aimed at improving waste management efficiency to reduce landfill waste, including:</p> <ul style="list-style-type: none"> <li>Recycling hubs</li> <li>Waste management technology and innovation</li> <li>Infrastructure for efficient waste handling</li> </ul>		
<b>Sustainability Objective</b>	<b>Sustainability Benefit</b>	<b>Corresponding to the UN SDGs</b>	
<ul style="list-style-type: none"> <li>To reduce the consumption of new materials by reusing and recycling existing ones</li> </ul>	<ul style="list-style-type: none"> <li>Conserving raw materials, lowering reliance on the increasingly unpredictable raw material</li> </ul>	  	

	<ul style="list-style-type: none"> <li>• To minimise landfill waste, thereby reducing the environmental impact of waste disposal</li> <li>• To reduce GHG emissions associated with waste disposal and the production of new materials</li> </ul>	<ul style="list-style-type: none"> <li>supply chain and promoting a circular economy</li> <li>• Protecting the environment and ecosystems by reducing pollution</li> <li>• Mitigating climate change risks through the adoption of sustainable industrial technologies, processes and practices</li> </ul>	<p><b>Alignment to the UN SDGs:</b></p> <p><b>UN SDG 13</b> Minimise the port's environmental footprint to help reduce its impact on the climate.</p> <p><b>UN SDG 14</b> Protect and restore marine and coastal ecosystems to avoid significant adverse impacts and achieve healthy and productive oceans.</p> <p><b>UN SDG 15</b> Ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services.</p> <p><b>Indicative measurement:</b></p> <ul style="list-style-type: none"> <li>• Average recycling efficiency of general and scheduled waste (%)</li> <li>• Quantity of waste avoided from landfill (tonnes)</li> </ul>
<b>8</b>	<p><b>Sustainable Water and Wastewater Management</b></p> <p><b>Eligibility Criteria:</b></p> <p>Projects focused on improving water efficiency to ensure the responsible use of natural resources, including:</p> <ul style="list-style-type: none"> <li>• Rainwater harvesting infrastructure</li> <li>• Water and effluent management technology and innovation</li> <li>• Infrastructure for efficient water handling</li> </ul>		
	<p><b>Sustainability Objective</b></p> <ul style="list-style-type: none"> <li>• To reduce water consumption throughout the port's operations</li> <li>• To prevent water pollution by reducing wastewater and water runoffs</li> <li>• To increase resource-use efficiency and avoid the occurrence of water stress</li> </ul>	<p><b>Sustainability Benefit</b></p> <ul style="list-style-type: none"> <li>• Lowering the impact of the port's operations on local water resources</li> <li>• Preserving underwater ecosystems and the well-being of local communities</li> <li>• Contributing to climate resilience by reducing the strain on water resources, especially during extreme weather events</li> </ul>	<p><b>Corresponding to the UN SDGs</b></p> <div data-bbox="913 1253 1278 1358">  </div> <p><b>Alignment to the UN SDGs:</b></p> <p><b>UN SDG 13</b> Promote climate change-related planning and management in port operations.</p> <p><b>UN SDG 14</b> Protect and restore marine and coastal ecosystems to avoid significant adverse impacts and achieve healthy and productive oceans.</p> <p><b>UN SDG 15</b> Ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services.</p>

		<p><b>Indicative measurement:</b></p> <ul style="list-style-type: none"> <li>Condition of sewage discharge<sup>2</sup></li> <li>Rainwater harvested (litres)</li> </ul>
--	--	---

## Eligible Social Projects

1 Socioeconomic Advancement and Empowerment		
<b>Eligibility Criteria:</b>  Projects aimed at:		
Sustainability Objective	Sustainability Benefit	Corresponding to the UN SDGs
<ul style="list-style-type: none"> <li>Enhancing talent development and gender equality, creating a skilled workforce to meet the demands of a changing job market</li> <li>Supporting gender equality initiatives by financing programmes that advance women's leadership and entrepreneurship</li> </ul>	<ul style="list-style-type: none"> <li>Developing employees' skills and knowledge to enhance operational efficiency</li> <li>Enhancing workplace satisfaction that will, in turn, reduce employee turnover, contributing to operational stability</li> <li>Committing to social responsibility and building a positive image as an employer</li> </ul>	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p><b>4</b> QUALITY EDUCATION</p> </div> <div style="text-align: center;">  <p><b>5</b> GENDER EQUALITY</p> </div> </div> <p><b>Alignment to the UN SDGs:</b></p> <p><b>UN SDG 4</b> Ensure employees possess adequate skills and knowledge necessary for the sustainable development of the port.</p> <p><b>UN SDG 5</b> Empower women employees and entrepreneurs with equal opportunities for leadership roles in the workplace.</p> <p><b>Indicative measurement:</b></p> <ul style="list-style-type: none"> <li>Proportion of women in managerial positions</li> <li>Increase/decrease in staff retention rate</li> <li>Number of staff receiving relevant training</li> </ul>

*Note: Indicative measurements stated represent examples only and are not exhaustive.*

<sup>2</sup> The condition of sewage discharge will be measured and benchmarked against the Department of Environment (DOE) Malaysia's Standard B acceptable conditions for sewage discharge, which parameters include temperature, pH Value, Biochemical Oxygen Demand (BOD), Chemical Oxygen Demand (COD), suspended solids, oil and grease, ammoniacal nitrogen, nitrate-nitrogen, and phosphorous, applicable to discharges into inland or Malaysian waters outside of specific catchment areas. Refer: The Environmental Quality (Sewage) Regulations 2009. DOE Malaysia. Retrieved from <https://www.doe.gov.my/en/environmental-quality-sewage-regulations-2009-2/>

## Overall Impact Significance

The list of Eligible Categories defined in the Framework aligns with ICMA's GBP/SBP/SBG, ASEAN GBS/SBS/SUS, and SC's SRI Sukuk Framework, supporting the realisation of PTP's environmental and social goals. These goals include reducing Scope 1 and 2 GHG emissions, increasing renewable energy consumption, and improving women's participation in the traditionally male-dominated global maritime and port sector.

United Nations Trade and Development (UNCTAD) projects a 2.4% average annual growth rate for maritime trade between 2025 and 2029, fuelled by technological advancements, the transition to cleaner energy, and infrastructure development.<sup>3</sup> However, critical maritime chokepoints, including the Strait of Malacca where PTP operates, are vulnerable to climate change-induced disruptions which could severely impact global supply chains and the overall economy. As ports typically have long infrastructure planning horizons and lifespans, the potential negative impacts of climate change underscore the urgent need for proactive climate action.

In tandem with climate action, PTP's Framework also highlights its planned efforts in mitigating other impact associated with port activities, including loss of marine biodiversity and ecosystem health, degradation of coastal marine habitats, resource inefficiency, and gender-based inequality of opportunities. PTP, being part of the extensive global transport networks, will be able to create positive environmental and social impacts through the Eligible Projects, and thus contribute to the supply chain sustainability. Overall, the anticipated impact of the Use of Proceeds is assessed to be "Significant", supporting the achievement of targeted SDGs.

<input type="checkbox"/>	<b>Very Significant</b>	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"/>	<b>Significant</b>	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"/>	<b>Fairly Significant</b>	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"/>	<b>Marginal</b>	This level of impact significance is assigned where underlying projects are expected to generate a positive but limited ground level impact.
<input type="checkbox"/>	<b>Not Significant</b>	This level of impact significance is assigned where underlying projects are expected to have negligible ground level impact.

<sup>3</sup> United Nations Conference on Trade and Development. (2024). Review of Maritime Transport 2024. Retrieved from [https://unctad.org/system/files/official-document/rmt2024overview\\_en.pdf](https://unctad.org/system/files/official-document/rmt2024overview_en.pdf)

## 02 ASSESSMENT OF ALIGNMENT WITH ICMA'S GBP/SBP/ SBG, ASEAN GBS/SBS/SUS, AND SC'S SRI SUKUK FRAMEWORK

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



Principle One: Utilisation of Proceeds

The proceeds raised from the issuance of Sustainability Sukuk will be utilised for the financing and/or the refinancing, in whole and/or in part, new or existing assets, businesses, projects and/or products that comply with the eligibility criteria recognised by ICMA's GBP/SBP/SBG; the ASEAN GBS/SBS/SUS, and the SC's SRI Sukuk Framework.

The proceeds shall be utilised for the following purposes in relation to the Eligible Projects:

- to repay or refinance the financing or existing borrowings of the PTP group of companies
- to finance current and future investments
- to finance working capital requirements
- to finance and/or reimburse capital expenditure requirements

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



Principle Two:  
Process for Project  
Evaluation and Selection

PTP's internal process for project identification, selection, and approval involves the working and management levels, as illustrated below.



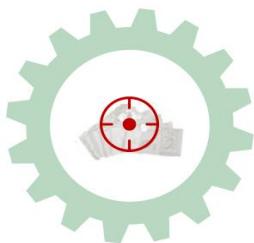
The Eligible Projects will be identified by the dedicated working committee whereby they will consider if the projects meet the Eligibility Criteria, align with the relevant SDGs, support the relevant environmental and/or social objectives, and are in line with PTP's sustainability strategy. The approved Eligible Projects will be reviewed by the ESG Steering Committee (ESC) quarterly or as frequent as necessary.

In the event a project no longer fulfils the Eligibility Criteria during the tenure of the Sukuk due to project postponement, divestment or other reasons, PTP will replace the project as soon as reasonably practicable. Such replacement shall comply with the Eligibility Criteria detailed in the Framework.

To be considered eligible, projects must demonstrate proper identification and appropriate management of all associated risks, including environmental and social impacts. Such evaluation may include critical inputs assessment, environmental impact assessment, and socioeconomic impact assessment.

Additionally, the Framework has defined exclusion criteria<sup>4</sup> as follows:

- Fossil fuel-related activities, including their transportation or storage
- Gambling, casinos and equivalent enterprises
- Production or trade in alcoholic beverages
- Production or trade in weapons
- Production or trade in tobacco products
- Waste incineration resulting in pollution/ harmful biomass
- Production, trade or activities in commercial logging operations
- Production or activities involving forced labour
- Other non-Shariah compliant purposes



Principle Three:  
Management of  
Proceeds

The net proceeds will be held in PTP's general funding accounts pending allocation. Any unallocated funds may be temporarily invested in cash, cash equivalents, and/or other liquid marketable securities, in line with PTP's internal policies.

PTP will monitor the allocation of issuance proceeds to the Eligible Projects by establishing a register containing relevant information including but not limited to:

- Sustainability Sukuk issuance details such as nominal value, issuance date, maturity date, tenure, and profit rate
- Information about the Eligible Projects to which the proceeds were allocated
- Amount of proceeds allocated to the Eligible Projects
- Amount of proceeds utilised for the Eligible Projects
- Unallocated amount of proceeds
- Information on temporary investments for unallocated proceeds

On a best-effort basis, PTP will replace any projects that no longer fulfil the Eligibility Criteria as soon as practicable with appropriate replacement projects. The replacement projects shall comply with the Eligibility Criteria outlined in the Framework.

PTP will publish an Annual Sustainability Sukuk Report on its website (<https://www.ptp.com.my>). The report shall be updated yearly until the funds are fully allocated, and in a timely manner in the event of material developments.

<sup>4</sup> For avoidance of doubt, the exclusion criteria shall not apply to the handling of containers and vessels, or the storage and repair of containers for the listed items.



#### Principle Four: Reporting

##### Allocation Reporting

The section on allocation in the Annual Sustainability Sukuk Report will include:

- Aggregate amount of proceeds allocated to each Eligible Project
- Amount utilised for the Eligible Projects
- Outstanding amount of net proceeds pending allocation at the end of the reporting period and its temporary placement
- List of Eligible Projects to which the proceeds were allocated including their brief description and impact or expected impact
- Removal or substitution of the Eligible Projects (if any)

##### Impact Reporting

Where possible, PTP intends to provide examples of the Eligible Projects financed or refinanced by the issuance under the Framework, as well as the quantifiable impact of each Eligible Category. The relevant impact indicators are provided in the Framework.

PTP shall make the pre-issuance external review available in its corporate website. Post-issuance, the company may engage an independent external assurance provider to verify the management of the proceeds and reporting of the Sustainability Sukuk as and when required.

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

#### Overall Assessment

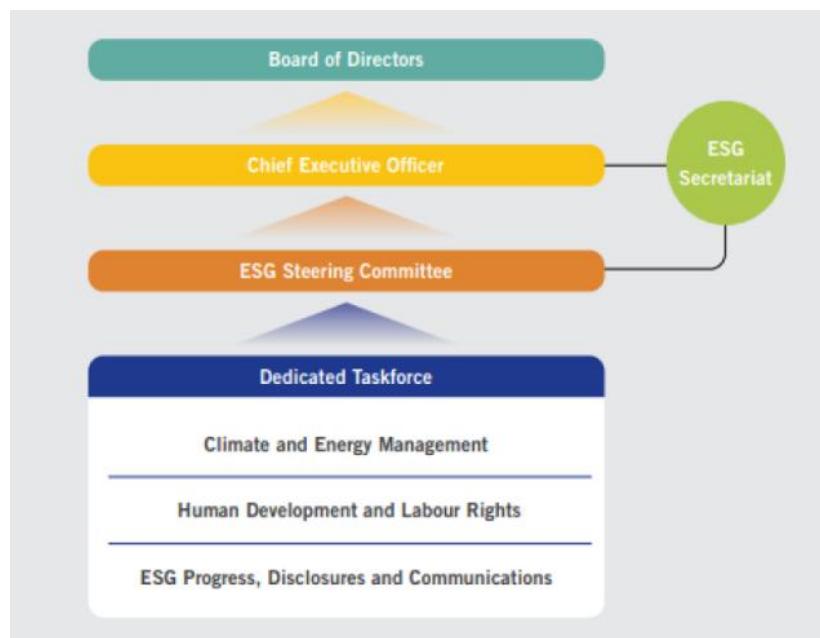
	Clarity of Issuance Process and Disclosure	Total Score
<input checked="" type="checkbox"/>	High	10 - 12 points
<input type="checkbox"/>	Good	7 - 9 points
<input type="checkbox"/>	Satisfactory	4 - 6 points
<input type="checkbox"/>	Low	Below 4 points

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

## 03 ANALYSIS OF SUSTAINABILITY PERFORMANCE

### Governing Sustainability Matters



PTP's sustainability decision-making and management processes is overseen by its ESC, led by PTP's CEO. The ESC manages the company's policies, goals, and strategies, which include the supervision of sustainability performance and periodic reporting to senior management and the Board. To ensure accountability, PTP's sustainability performance has been incorporated as part of the corporate key performance indicators (KPIs).

At PTP, the CEO holds ultimate accountability for the company's ESG initiatives and ensures the Board's commitment. The Head of Sustainability leads the execution of ESG strategies by facilitating effective communication and overseeing the implementation process. The ESC meets quarterly to review sustainability progress, focusing on decarbonisation, social performance, and sustainability performance at the operational level.

A dedicated ESG Working Committee has been appointed to support the ESC. The Sustainability Core Team, being part of the working committee, drives the ESG strategies and ensures alignment between the ESC and the ESG Working Committee, fostering coherence and synergy towards the achievement of PTP's ESG objectives. In relation to the Framework, the working committee is also responsible for identifying and nominating the Eligible Projects.

PTP actively monitors the business environment and complies with relevant laws and regulations to mitigate potential risks. Its risk management system is supported by well-defined governance, frameworks, and policies. The company has implemented relevant procedures, training and drills to foster ethical conduct in the areas of whistleblowing, anti-bribery and corruption (ABAC), competition law, raid protocol, and cybersecurity. PTP has also obtained International Organization for Standardization (ISO) certifications to ensure the adoption of best practices in managing the environment, quality of services, occupational health and safety (OHS), and information security.

## Decarbonisation and Operational Efficiency

In support of Malaysia's commitment to the Paris Agreement, PTP targets to reduce 45% of its carbon emissions by 2030, and has set a long-term goal to achieve net-zero emissions by 2050. The company's decarbonisation plan covers its operations in ports and terminals, free zones, and marine services. PTP has identified four levers to support its decarbonisation plan, including energy optimisation, electrification of assets and vehicles, installation of green infrastructure, and installation of on-site renewables.

PTP prioritises the electrification of its terminal equipment, including the utilisation of e-RTG and e-quay cranes as well as e-PM at the port. Currently, all PTP's quay cranes and RTGs have been electrified. The company plans to phase out its diesel prime movers and has initiated a viability study for e-PMs based on the five e-PMs acquired. Based on positive results from the study, the company plans to replace 54 units of its fleet with electric models. The contract is targeted to be awarded by the end of 2Q2025, with final delivery scheduled for the end of 1Q2026. This initiative is expected to reduce 48% of the company's Scope 1 emissions by 2030.

PTP is also exploring the use of transitional fuels, such as B20 biodiesel, to further reduce its carbon footprint, particularly for prime movers, in conjunction with its electrification efforts. B20 biodiesel is a common biodiesel blend as it balances cost, emissions, cold-weather performance, and engine compatibility.<sup>5</sup> The company also completed its first methanol bunkering in November 2024, fuelling Maersk's vessel, Antonia Maersk. This operation, supported by thorough safety procedures and operational assessments, signifies PTP's readiness to handle alternative marine fuels.

Furthermore, PTP is working to improve how it measures and reports carbon emissions, including refining its Scope 3 emissions calculations and developing mitigation strategies. The company is also exploring opportunities to reduce Scope 2 emissions, particularly through renewable electricity procurement. PTP has integrated carbon footprint considerations into its business expansion, starting in 2024, including optimisation of operation and equipment prior to any investment in equipment. This approach encourages employees to consider carbon footprints when designing and planning future operations, avoiding carbon lock-in.

Following the development of its sustainability framework in 2022, PTP has continued to pursue its vision to become a leading global smart, green port. Key focus areas for PTP include IoT, AI and robotics, data analytics, and cybersecurity. For instance, PTP has integrated features such as live dashboard for energy usage and indoor air quality, and meteorology monitoring sensors into its office infrastructure and for a more efficient workplace.

To preserve water source, PTP has employed the roof catchment method to harvest rainwater for domestic use. The company has installed four water harvesting systems across the terminal area, which have helped reduced water consumption. These water harvesting systems are monitored by meters installed at PTP's offices, resting areas, toilets and washing areas.

PTP focuses on resource efficiency by carefully planning resource usage and maximising material use. In addition to minimising unnecessary consumption and waste, PTP takes an innovative approach to support a circular economy. The company engages licensed third-party contractors to handle the storage and disposal of hazardous waste. PTP is also exploring waste-to-energy opportunities. The company conducted a waste characterisation study in 2023 and began a vessel waste study in 2024.

<sup>5</sup> Alternative Fuels Data Center. (n.d.). Biodiesel blends. US Department of Energy. Retrieved February 12, 2025, from <https://afdc.energy.gov/fuels/biodiesel-blends>

## Supporting Workforce and Local Communities

PTP's talent attraction and retention strategy is driven by the need to ensure smooth operations and employee satisfaction. The company focuses on providing competitive remuneration packages, fostering employee well-being and supporting professional development. Temporary and contract employees, alongside permanent employees, have adequate access to health insurance, training programmes, and performance-based incentives.

To address the challenges of digitalisation and electrification in the port industry, PTP has invested in relevant talent development initiatives to enhance workforce resiliency. The company's structured learning programmes are aimed at developing essential port-specific skills and equipping employees with skills to keep pace with rapid technological advancements. Examples of such initiatives include PTP's pilot training programme, mooring training programme, and Lean Academy that instil value-creating business practices and focus on customer satisfaction.

Additionally, the company provides comprehensive health and wellness programmes aimed at promoting physical and mental well-being, including regular health screenings, fitness activities and wellness workshops. PTP's community service initiatives promote active corporate citizenship and include community aid, job opportunities and community empowerment programmes.

In alignment with its focus on OHS and employee well-being, PTP has collaborated with Social Security Organisation (SOCSO) since 2020 to set up a rehabilitation centre, known as Fit-Port Tanjung Pelepas (Fit-Port). The Fit-Port is the first centre outside of SOCSO's own facility in Malaysia, providing physical rehabilitation programmes for PTP employees and other Pertubuhan Keselamatan Sosial (PERKESO) members within Malaysia's southern region. The centre aims to maximise the potential and physical functions of employees. As of 2023, the centre has helped 90% of PTP's rehabilitated staff resume their employment.

PTP upholds the principles of human rights and labour practices outlined in the United Nations Global Compact (UNG) framework, promoting diversity and equal opportunities for all employees. The company has also established a Human Rights Policy to address potential issues such as child labour, forced labour, and discrimination within its operations and supply chain. To mitigate the challenges associated with foreign worker recruitment, including potential non-compliance by recruitment agencies and language barriers, PTP practises direct, end-to-end hiring and provides on-the-job training in both English and the workers' native languages. The company also complies with the requirements of the Employment Act 1955 and the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990.

Operating in a male-dominated industry, PTP aims to increase the proportion of female employees to 30% by 2030. The company has launched its Female Employee Referral Programme, established Diversity and Inclusion policies, and implemented internal mobility and training programmes. The company's flagship Female Terminal Equipment Operator Fast Track Upskilling Programme has produced the country's first technical talent pool which consists of two female RTG operators and six female quay crane operators/clerks.

## Sustainability Performance Assessment

<input type="checkbox"/>	<b>Excellent/Highest Assurance</b>	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"/>	<b>Very Good/High</b>	The issuer has integrated risk-based sustainability considerations in its operations and has a robust process for assessing significant sustainability risk exposures to minimise adverse impacts on its business. The focus of the issuer's sustainability performance monitoring and evaluation is on managing risk exposures to minimise downside risk. Globally recognised best practice reporting frameworks guide the issuer's sustainability reporting.
<input type="checkbox"/>	<b>Good/Medium</b>	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"/>	<b>Fair/Basic</b>	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"/>	<b>Poor/Weak</b>	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 ASSESSMENT SCALE

GRADE	DESCRIPTION
 GOLD	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.
 SILVER	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.
 BRONZE	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.

## 05 MARC SOLUTIONS SDN BHD

MARC Solutions Sdn Bhd was incorporated as a private limited company to undertake the business of providing analytics solutions for ESG risks and sustainability-related offerings, on behalf of the MARC group of companies.

MARC Solutions continues to consult international best practices and the International Capital Market Association's Guidelines for Green, Social and Sustainability 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 assessing 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](http://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 assessed as Gold, Silver or Bronze.

For more information, visit [www.marc.com.my](http://www.marc.com.my) or contact us at [solutions@marc.com.my](mailto:solutions@marc.com.my).

## Appendix

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

Criteria	Compliance with criteria	Remarks/Scope of work undertaken
<b>Issuer</b>		
<u>ASEAN GBS/ SBS/ SUS</u>		
3.1 <i>The issuer must be an ASEAN issuer, or the eligible green and/or social project(s) must be in an ASEAN country.</i>	<i>The Issuer is an ASEAN issuer.</i>	
<u>SRI Sukuk Framework</u>		
7.02 <i>The proceeds (of Sukuk) will be applied exclusively for funding of any activities or transactions relating to the Eligible SRI projects.</i>	<i>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.</i>	
7.03 <i>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.</i>	<i>The Issuer intends to issue SRI sukuk that complies with the Guidelines.</i>	
7.04 <i>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.</i>	<i>The Issuer commits to establish policies and processes as needed to ensure compliance with the SRI Sukuk Framework.</i>	
7.05 <i>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.</i>	<i>The Issuer's Framework will be made available at the point of issuance and throughout the tenure of the SRI sukuk via its website as indicated in the Framework.</i>	
<b>Eligible Projects</b>		
<u>SRI Sukuk Framework</u>		
7.07 <i>An eligible SRI project refers to a project that seeks to achieve any one or a combination of the following objectives:</i> 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;	<i>Eligible Projects as defined by the Framework seek to achieve objectives (a), (b), (c), (d), and (e) set out in paragraph 7.07 of the SRI Sukuk Framework.</i>	<i>The Framework defined clean transportation, energy efficiency, renewable energy, green buildings, climate change adaptation, terrestrial and aquatic biodiversity conservation, pollution prevention, control and circular economy, sustainable water and wastewater management, and socioeconomic advancement and empowerment as the Eligible Projects.</i>

<b>Criteria</b>	<b>Compliance with criteria</b>	<b>Remarks/Scope of work undertaken</b>
<p>e) Addressing or mitigating a specific social issue or seeking to achieve positive social outcomes especially but not exclusively for a target population; or</p> <p>f) Improving the quality of life of society.</p> <p><b>7.08</b> 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><i>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; terrestrial and aquatic biodiversity conservation; clean transportation; sustainable water and wastewater management; climate change adaptation; green buildings which meet regional, national or internationally recognised standards or certifications; and socioeconomic advancement and empowerment.</i></p>	
<p><b><u>ASEAN GBS/ SBS/ SUS</u></b></p> <p><b>4.1</b></p> <p><b>4.1.1</b> The utilisation of issue proceeds must be described in the documentation for issuance.</p> <p><b>4.1.2</b> 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><b>4.1.3</b> 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><i>The utilisation of proceeds is clearly described in the Framework.</i></p> <p><i>The Issuer has disclosed categories of eligible Green and/or Social Projects to which the issue proceeds will be allocated.</i></p> <p><i>The Eligible Categories set out in the Framework provide clear environmental/social benefits.</i></p>	

<b>Criteria</b>	<b>Compliance with criteria</b>	<b>Remarks/Scope of work undertaken</b>
<p><b>4.1.4</b></p> <p><i>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 look-back period for refinanced projects.</i></p>	<p><i>Refinancing of Eligible Projects is subject to a look-back period of up to 36 months prior to the time of issuance.</i></p>	<p><i>An area of improvement is for the Issuer to state the share of refinancing in the Framework.</i></p>
<p><b>Process for Project Evaluation and Selection</b></p>		
<p><b><u>SRI Sukuk Framework</u></b></p> <p><b>7.12</b></p> <p><i>An issuer must establish internal processes for evaluation and selection of the Eligible SRI projects as identified in paragraph 7.08 above.</i></p>	<p><i>The Issuer has established internal processes for project evaluation and selection.</i></p>	
<p><b><u>ASEAN GBS/ SBS/ SUS</u></b></p> <p><b>4.2.1</b></p> <p><i>The issuer must clearly communicate to investors:</i></p> <p><i>(i) The environmental/ social sustainability objectives; The Eligible Categories are framed in the context of SDGs with specific E&amp;S objectives;</i></p>	<p><i>The Eligible Categories in the Framework are framed in the context of SDGs with specific E&amp;S objectives.</i></p>	
<p><i>(ii) The process by which the Issuer determines how the projects fit within the identified eligible project categories; and</i></p> <p><i>(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&amp;S) risks associated with the selected projects.</i></p>	<p><i>The Framework outlines an internal process by which Eligible Projects are assessed and selected to ensure fulfillment of criteria.</i></p>	
<p><b>4.2.2</b></p> <p><i>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.</i></p>	<p><i>The eligibility criteria, including exclusion criteria and process applied to identify and manage potentially material E&amp;S risks associated with the selected projects have been detailed in the Framework.</i></p>	
<p><b>4.2.3</b></p> <p><i>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.</i></p>	<p><i>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.</i></p>	

<b>Criteria</b>	<b>Compliance with criteria</b>	<b>Remarks/Scope of work undertaken</b>
<p>4.2.4  <i>It is recommended that the Issuer's process for project evaluation and selection be supported by an external review.</i></p>	<p><i>The Issuer has appointed MARC Solutions as the external reviewer for its Framework.</i></p>	<p><i>The Framework will provide information on the process for project evaluation, and the Issuer will issue a Sustainability Sukuk Report on an annual basis that will provide information on the allocation and impacts throughout the tenure of the Sukuk. MARC Solutions' external review assessment will also be made available on its corporate website indicated in the Framework.</i></p>
<p>4.2.5  <i>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></p> <p><i>(i) The process for project evaluation</i>  <i>(ii) The Use of Proceeds; and</i>  <i>(iii) External review report on the process (if any)</i></p>	<p><i>The Issuer has committed to make the required information available in a Sustainability Sukuk Report to be published on its corporate website.</i></p>	
<p><b>Management of Proceeds</b></p> <p><u><b>SRI Sukuk Framework</b></u></p>		
<p>7.13  <i>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.</i></p>	<p><i>The Issuer will deposit the net proceeds in its general funding accounts pending allocation. The Issuer will also establish a register to monitor the allocation of proceeds.</i></p>	
<p><u><b>ASEAN GBS/ SBS/ SUS</b></u></p>		
<p>4.3.1  <i>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.</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>4.3.2  <i>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.</i></p>	<p><i>The net proceeds from the issuance of the Sukuk will be monitored through a register. Any unallocated funds may be temporarily invested in the form of cash, cash equivalents, and/or other liquid marketable securities, in line with the issuer's internal policies.</i></p>	
<p>4.3.3  <i>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.</i></p>	<p><i>The Issuer will disclose the amount of proceeds allocated to the Eligible Projects and the balance of unallocated proceeds in its allocation reporting.</i></p>	<p><i>An area of improvement will be to state in the Framework that the Issuer will undertake periodic reconciliation of the tracked proceeds to allocations made to Eligible Projects.</i></p>
<p>4.3.4  <i>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.</i></p>	<p><i>The Framework discloses the intended temporary placement for the balance of unallocated net proceeds.</i></p>	<p><i>Any unallocated funds may be temporarily invested in the form of cash, cash equivalents, and/or other liquid marketable securities, in line with the issuer's internal policies.</i></p>

Criteria	Compliance with criteria	Remarks/Scope of work undertaken
<p>4.3.5</p> <p><i>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.</i></p>	<p><i>The Issuer may engage an independent external assurance provider to verify the management of the proceeds and reporting of the Sustainability Sukuk as and when required.</i></p>	<p><i>The appointment of a third party to verify the internal tracking method and the allocation of funds from the Sukuk proceeds is encouraged by the ASEAN Standards to provide a high level of transparency.</i></p>
<p>4.3.6</p> <p><i>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.</i></p>		
<p><b>Reporting</b></p> <p><u>ASEAN GBS/ SBS/ SUS</u></p>		
<p>4.4.1</p> <p><i>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.</i></p>	<p><i>The Issuer has committed to publish a Sustainability Sukuk Report on its corporate website, which includes allocation reporting and impact reporting.</i></p> <p><b>(a) Allocation Reporting</b></p> <p><i>The section on allocation in the Sustainable Finance Report will include, among others:</i></p> <ul style="list-style-type: none"> <li>• Aggregate amount of proceeds allocated to each Eligible Project</li> <li>• Amount utilised for the Eligible Projects</li> <li>• Outstanding amount of net proceeds pending allocation at the end of the reporting period and its temporary placement</li> <li>• List of Eligible Projects to which the proceeds were allocated, including their brief description and impact or expected impact</li> <li>• Removal or substitution of the Eligible Projects (if any)</li> </ul>	
<p>4.4.2</p> <p><i>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).</i></p>		
<p>4.4.3</p> <p><i>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.</i></p>	<p><i>Where possible, the Issuer will report on the impacts associated with the Eligible Projects.</i></p>	<p><i>An area of improvement will be to state in the Framework that the Issuer will disclose the key underlying methodology and/or assumptions used in the quantitative determination.</i></p>
<p>4.4.4</p> <p><i>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.</i></p>	<p><i>The Issuer may engage an independent external assurance provider to verify the management of the proceeds and reporting of the Sustainability Sukuk as and when required.</i></p>	

<b>Criteria</b>	<b>Compliance with criteria</b>	<b>Remarks/Scope of work undertaken</b>
<p><b>4.4.5</b>  <i>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.</i></p> <p><b>Disclosure Requirements</b></p> <p><u><b>SRI Sukuk Framework</b></u></p> <p><b>7.16</b>  <i>The following information must be included:</i></p> <p><i>a) The overall SRI objectives that the issuer intends to achieve;</i></p> <p><i>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 being allocated for refinancing and which Eligible SRI projects to be refinanced;</i></p> <p><i>c) The Eligible SRI projects in which the proceeds will be allocated;</i></p> <p><i>d) The details of the Eligible SRI projects and to the extent possible, impact objectives from the Eligible SRI projects;</i></p> <p><i>e) The processes used by the issuer to evaluate and select the Eligible SRI projects;</i></p> <p><i>f) The criteria used by the issuer to identify and manage material environmental or social risks associated with the Eligible SRI projects;</i></p> <p><i>g) The processes used by the issuer to manage the proceeds from the issuance of the SRI sukuk; and</i></p> <p><i>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.</i></p>	<p><i>The Issuer shall provide to investors the annual reporting and the external review on the annual reporting, if any.</i></p>	
<p><b>External Review</b></p> <p><u><b>SRI Sukuk Framework</b></u></p> <p><b>7.17</b>  <i>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.</i></p>	<p><i>MARC Solutions 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.</i></p>	<p><i>MARC Solutions 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.</i></p>
<p><u><b>ASEAN GBS/ SBS/ SUS</b></u></p> <p><b>5.1</b>  <i>Issuers are recommended to appoint external review providers for the bond issuances or programmes.</i></p>	<p><i>The review conducted by MARC Solutions is a full review and addresses alignment with all four components of the relevant standards.</i></p>	

<b>Criteria</b>	<b>Compliance with criteria</b>	<b>Remarks/Scope of work undertaken</b>
<p>5.2  <i>The external review may be partial, covering only certain aspects of the bond's framework or full, assessing alignment with all four core components as stated in the relevant standards.</i></p> <p>5.3  <i>The external review provider must have the relevant expertise and experience in the components of the Bonds which they are reviewing.</i></p> <p>5.4  <i>The external review provider must also disclose their relevant credentials and expertise, and the scope of the review conducted in the external review report.</i></p>	<p><i>The scope of MARC Solutions' external review is set out in MARC Solutions' IBA methodology that is publicly accessible from its corporate website.</i></p>	

## THE UN SUSTAINABLE DEVELOPMENT GOALS



**GOAL 1:** End poverty in all its forms everywhere



**GOAL 2:** End hunger, achieve food security and improved nutrition and promote sustainable agriculture



**GOAL 3:** Ensure healthy lives and promote well-being for all at all ages



**GOAL 4:** Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



**GOAL 5:** Achieve gender equality and empower all women and girls



**GOAL 6:** Ensure availability and sustainable management of water and sanitation for all



**GOAL 7:** Ensure access to affordable, reliable, sustainable and modern energy for all



**GOAL 8:** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



**GOAL 9:** Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation



**GOAL 10:** Reduce inequality within and among countries



**GOAL 11:** Make cities and human settlements inclusive, safe, resilient and sustainable



**GOAL 12:** Ensure sustainable consumption and production patterns



**GOAL 13:** Take urgent action to combat climate change and its impacts



**GOAL 14:** Conserve and sustainably use the oceans, seas and marine resources for sustainable development



**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 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 17:** Strengthen the means of implementation and revitalize the global partnership for sustainable development

---

----- Disclaimer -----

Copyright © 2025 MARC Solutions Sdn Bhd ("MARC Solutions") and/or its affiliates have exclusive proprietary rights in the data or information provided herein. This report is the property of MARC Solutions and is protected by Malaysian and international copyright laws and conventions. The data and information shall only be used for intended purposes and not for any improper or unauthorised purpose. All information contained herein shall not be copied or otherwise reproduced, repackaged, transmitted, transferred, disseminated, redistributed, or resold for any purpose, in whole or in part, in any form or manner, or by any means or person without MARC Solutions' prior written consent.

A Green Bond Assessment, Social Bond Assessment or Sustainability Bond Assessment, hereafter collectively referred to as Impact Bond Assessments, is not a credit rating. This assessment is based on the Impact Bond Assessment (IBA) criteria that MARC Solutions has published and continuously evaluates and updates. The IBA may be changed or withdrawn at any time for any reason in the sole discretion of MARC Solutions. IBAs are not a recommendation to buy, sell, or hold any security. IBAs do not comment on the adequacy of market price or the suitability of any security for a particular investor. The IBA does not constitute a recommendation to buy, sell or hold any security and/or investment. MARC Solutions receives fees from issuers, insurers, guarantors, other obligors, and underwriters for IBA.

Assessments are solely statements of opinion and therefore shall not be taken as statements of fact under any circumstances. The information which MARC Solutions relies upon to assign its assessments includes publicly available and confidentially provided information obtained from issuers and its advisers including third-party reports and/or professional opinions which MARC Solutions reasonably believes to be accurate and reliable to the greatest extent. MARC Solutions assumes no obligation to undertake independent verification of any information it receives and does not guarantee the accuracy, completeness, and timeliness of such information. MARC SOLUTIONS OR ITS AFFILIATES, SUBSIDIARIES, DIRECTORS AND EMPLOYEES DISCLAIM ANY WARRANTY, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTY AS TO THE ACCURACY, COMPLETENESS OR TIMELINESS OF ANY INFORMATION CONTAINED HEREIN FOR ANY PARTICULAR PURPOSE AND SHALL NOT IN ANY EVENT BE HELD RESPONSIBLE FOR ANY DAMAGES, DIRECT OR INDIRECT, CONSEQUENTIAL OR COMPENSATORY, ARISING OUT OF THE USE OF SUCH INFORMATION. MARC Solutions will not defend, indemnify or hold harmless any user of this report against any claims, demands, damages, losses, proceedings, costs and/or expenses which the user may suffer or incur as a result of relying on this report in any way whatsoever. Any person making use of and/or relying on any assessment report produced by MARC Solutions and information contained therein solely assumes the risk in making use of and/or relying on such reports and all information contained therein and acknowledges that this disclaimer has been read and understood and agrees to be bound by it.

© 2025 MARC Solutions Sdn Bhd

Published by:

**MARC SOLUTIONS SDN BHD** 201001025092 (909006-W)  
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: [solutions@marc.com.my](mailto:solutions@marc.com.my) Website: [www.marc.com.my](http://www.marc.com.my)