

SECOND-PARTY OPINION REPORT

Sunway Real Estate Investment Trust

External Review Parameters

Scope of review	❖ Sunway Real Estate Investment Trust's Sustainability-Linked Financing Framework
Instrument types	❖ Sustainability-linked bonds and sustainability-linked loans
Relevant guidelines	Securities Commission Malaysia (SC) <ul style="list-style-type: none">❖ Sustainable and Responsible Investment linked (SRI-linked) Sukuk Framework ASEAN Capital Market Forum (ACMF) <ul style="list-style-type: none">❖ ASEAN Sustainability-Linked Bond Standards (SLBS) International Capital Market Association (ICMA) <ul style="list-style-type: none">❖ Sustainability-Linked Bond Principles (SLBP) Loan Market Association (LMA), Loan Syndications & Trading Association (LSTA) and Asia Pacific Loan Market Association (APLMA) <ul style="list-style-type: none">❖ Sustainability-Linked Loan Principles (SLLP)
Validity	❖ Valid as long as the cited Framework remains unchanged, from the publication of this report

Sustainable Finance Rating



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Public Investment Bank Berhad (SUNREIT Capital Berhad)

EXECUTIVE SUMMARY

RAM Sustainability was appointed to provide an external review on the Sustainability-Linked Financing (SLF) Framework (the Framework) prepared by Sunway Real Estate Investment Trust (Sunway REIT or the REIT). We have assigned a *Gold* Sustainable Finance Rating to the Framework. Our key considerations include the Framework's alignment to the relevant guidelines and its overarching sustainability assessment.

The Framework is viewed to have an *Aligned* disclosure level with all necessary requirements and is consistent with the transparency and disclosure requirements of the relevant guidelines indicated. The Framework comprehensively describes the five core components and will lay forth guidelines for all SLF undertaken by the REIT and its subsidiaries including but not limited to SUNREIT Bond Berhad, SUNREIT Perpetual Bond Berhad, SUNREIT Capital Berhad and any future Special Purpose Vehicle (collectively, the Issuer) established for financing purposes.

RAM Sustainability finds the established Key Performance Indicators (KPIs) relevant and material to Sunway REIT. In the context of a local REIT player, the REIT's Sustainability Performance Targets (SPTs) are viewed to be ambitious and impactful in alignment to the overall sustainability goals. The sustainability governance processes and policies in place sufficiently address potential environmental, social, and governance (ESG) risks arising from the business operating environment of REIT players.

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RAM Sustainability is not aware of any conflict of interest relating to the opinion it provides in this report. RAM Sustainability will adequately disclose all related information in the report if there are such instances.

METHODOLOGY

RAM Sustainability's Second-Party Opinion independently assesses the Framework for an issuer's bond, sukuk, loan or other relevant finance instruments against market best practices in adherence to regulations and guidelines, namely by Securities Commission Malaysia, ASEAN Capital Market Forum and International Capital Market Association. Our opinion is consolidated into a Sustainable Finance Rating graded as **Bronze, Silver, Gold** or **Platinum**.

Our analytical process examines the Framework's key performance indicators and relevant sustainability performance targets with emphasis on reliability, robustness, significance and ambitiousness, as well as the sustainability governance established. In most situations, we would also consider the technological advancements, relevant peer comparisons, evolving best practices and ultimately, the environmental and/or social impact created. As sustainable finance continues to evolve, RAM Sustainability will stay updated with new considerations and adapt accordingly to ensure that our approach stays current and consistent with the prevailing best practices.

The Framework reviewed by RAM Sustainability may meet the market or regulatory requirements to label bond, sukuk, loan and other sustainability-related instruments as 'green', 'social', 'sustainability', 'blue', 'climate', or United Nation's 'Sustainable Development Goals (SDGs)'. RAM Sustainability goes a step further in forming an opinion on the Framework's characteristics and the current/future impacts to the environment, social and/or SDGs as follows:

Alignment to Relevant Guidelines

RAM Sustainability classifies the transparency and disclosure strength of green, social, sustainability or sustainability-linked bond/sukuk frameworks in comparison to applicable guidelines or best practices.

Level	Framework Characteristics
Weak	Not observable in the framework.
Aligned	Observable in the framework, but is below best practice.
Strong	Observable in the framework and in line with best practice.
Advanced	Observable in the framework and is more stringent, comprehensive, and establishes a new benchmark and new best practice.

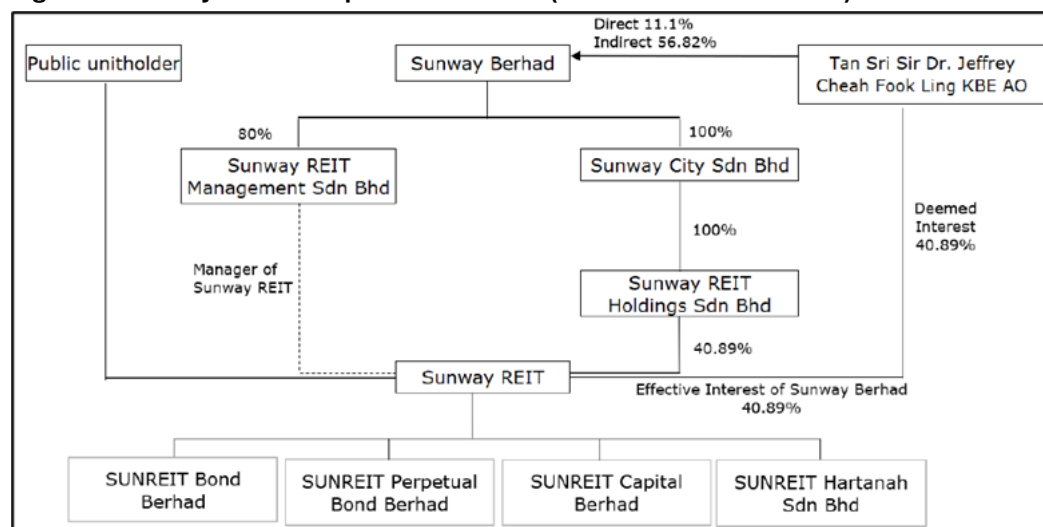
SECOND-PARTY OPINION ON THE FRAMEWORK

1. Corporate Profile

Sunway REIT was listed on the Main Market of Bursa Malaysia Securities Berhad on 8 July 2010. To date, the REIT strategically expanded its portfolio and positioned diverse assets across key areas including Selangor, Kuala Lumpur, Penang, Perak and Johor, solidifying its position as one of Malaysia’s largest diversified REITs. As of 30 June 2024, the REIT’s property portfolio comprises 25 assets from the retail, hotel, office, services, industrial and others segments.

The REIT is managed by Sunway REIT Management Sdn Bhd which governs day to day operations and maintenance, as well as execution of sustainability initiatives in accordance to Sunway REIT’s strategies and targets. Sunway Berhad, a conglomerate with vast track record in sustainable development across different industries, owns 80% of the REIT Manager¹ and is also a sponsor of the REIT, with 40.9% effective interest in the REIT as at 31 December 2023 (Figure 1).

Figure 1: Sunway REIT’s Corporate Structure (as at 31 December 2023)



Source: Sunway REIT Management

In 2021, Sunway REIT cemented itself as a market leader in venturing into the sustainable financing sphere among Malaysian REITs through the issuance of Sustainability-Linked Medium Term Note (SLMTN) under SUNREIT Bond Berhad (formerly known as SUNREIT Unrated Bond Berhad)². Since then, the REIT has grown its repertoire of sustainable financing instruments like sustainability-linked cross currency swap, revolving loans and perpetual notes. As a real estate player, the REIT has developed and embedded a sustainability mindset into its business strategies and operations focusing on four key goals (Figure 2).

Figure 2: Sunway REIT’s Sustainability Goals



Source: Sunway REIT Sustainability Report 2023

¹ The remaining 20% stake of the REIT Manager is held by Millennium Pavilion Sdn Bhd.

² SUNREIT Bond has issued RM1.6 bil of SLMTN in July 2024.

2. Alignment to Relevant Guidelines

Our review examines the five core components in accordance with the relevant guidelines:

- (i) Selection of Key Performance Indicators
- (ii) Calibration of Sustainability Performance Targets
- (iii) Bond characteristics
- (iv) Reporting
- (v) Verification

We find the framework to have an *Aligned* level of disclosure, incorporating details that we view to be in line with requirements. Table 2 shows the assessment of each component alignment to relevant guidelines. For a detailed review, please refer to Appendix 1 for the SRI-linked Sukuk Framework Checklist, Appendix 2 for the ASEAN SLBS Checklist and Appendix 3 for the ICMA External Review Form.

Table 2: RAM Sustainability’s Assessment of SunREIT’s Framework

Components	SLLP	ICMA SLBP	ASEAN SLBS	SRI-linked Sukuk Framework
Selection of KPIs	<i>Aligned</i>	<i>Aligned</i>	<i>Aligned</i>	<i>Aligned</i>
Calibration of SPTs	<i>Aligned</i>	<i>Aligned</i>	<i>Aligned</i>	<i>Aligned</i>
Bond Characteristics	<i>Aligned</i>	<i>Aligned</i>	<i>Aligned</i>	<i>Aligned</i>
Reporting	<i>Strong</i>	<i>Strong</i>	<i>Strong</i>	<i>Strong</i>
Verification	<i>Strong</i>	<i>Strong</i>	<i>Strong</i>	<i>Strong</i>

Sustainability-Linked Cross Currency Swap (CCS)

In 2023, Sunway REIT established a sustainability-focused derivative through its sustainability-linked cross currency swaps (CCS) tied with its foreign currency loan. The economic terms of the sustainability-linked CCS are linked with Sunway REIT’s KPIs and SPTs listed in the Framework, providing incentive to the REIT to achieve its predefined SPTs in alignment with sustainability objectives.

Based on the Framework, all sustainability-linked CCS entered by Sunway REIT or the Issuer shall be guided by the Sustainability-Linked Derivatives: KPI Guidelines administered by ISDA. While not a fundraising tool, sustainability-linked CCS is a key financing mechanism for advancing sustainable finance. As of 30 June 2024, Sunway REIT holds two sustainability-linked CCS contracts hedging USD75 million and USD70 million bilateral bank loans, respectively. Table 3 elaborates on the adherence of the swap’s sustainability payment arrangement with the guideline by ISDA.

Table 3: Review of Sunway REIT’s sustainability-linked CCS arrangement

Overarching Principles	RAM Sustainability’s Comments
Specific: KPI(s) should be clearly and precisely defined to avoid disputes arising between counterparties	KPI-1 and KPI-2 in the Framework are stipulated and clearly defined.
Measurable: KPI(s) should be quantifiable, objective and within the counterparty’s control to achieve.	KPI-1 and KPI-2 are derived from the formula indicated in the Framework and are largely within the REIT’s control with accompanying strategies (refer Section 2.2)
Verifiable: Whether or not the counterparty has met the relevant KPI(s) within the applicable time	Sunway REIT is committed to appoint or maintain an independent verification agent to verify the achievement of KPI-1 and KPI-2.

periods must be verified either by one of the counterparties or an independent third party.	
Transparent: The counterparties should establish a process for information to be made available to relevant parties following execution of an SLD.	The ESG Compliance Certificate will lay out the achievement of the sustainability targets with an independent assurance statement. This certificate will be shared to relevant parties of the sustainability-linked CCS.
Suitable: To avoid greenwashing concerns, it is advisable for the KPIs to be appropriate for the relevant counterparty and derivatives structure.	Both KPIs selected are relevant and aligned to Sunway REIT's priority to enhance energy efficiency and promote clean energy.

2.1 Selection of Key Performance Indicators

Definition and Methodology of Key Performance Indicators

KPI-1: Annual Renewable Energy (RE) Generation (MWh)

This shall be measured by the aggregate units of electrical energy in MWh generated by solar photovoltaic energy generation facilities located on or within the properties in Sunway REIT's portfolio, in any given time.

KPI-2: Building Energy Intensity (BEI) (kWh/m²/year)

This KPI shall be the average BEI of Sunway Pyramid Mall, Sunway Carnival Mall and Sunway Putra Mall, out of the five retail assets in the REIT's portfolio. The other retail assets are excluded as Sunway Pier is undergoing redevelopment exercise while SunCity Ipoh Hypermarket and the six recently acquired hypermarkets are under Triple Net Lease arrangements, where utilities expenses and consumption are managed by the tenant and not in direct control of the REIT. The BEI shall be computed as follows:

$$BEI = \left[\frac{TBEC - CPEC - DCEC}{GFA - DCA - GLA \times FVR} \right] \times \frac{84}{WOH}$$

Where;

TBEC = Total Building Energy Consumption (kWh/year)

CPEC = Carpark Energy Consumption (kWh/year)

DCEC = Data Centre Energy Consumption (kWh/year)

GFA (excluding carpark) = Gross Floor Area exclusive of car park area (m²)

DCA = Data Centre Area (m²)

GLA = Gross Lettable Area (m²)

FVR = Weighted Floor Vacancy Rate of GLA (%)

84 = Typical weekly operating hours for retail areas and malls in Kuala Lumpur/Malaysia (hours/week)

WOH = Weighted Weekly Operating Hours of GLA exclusive of DCA (hours/week)

The formula and assumption are in accordance with the Green Building Index's (GBI) Non-Residential Existing Building (NREB): Retail v1.0 rating tool. GBI is a local green building rating system and certification tool.

Relevance and Materiality of Key Performance Indicators

The REIT tracks its journey to meeting goals and targets through a Sustainability Scorecard that measures performance across all four sustainability goals (Figure 2). Based on materiality assessments conducted by the REIT, the material matters are largely associated with Goal 1 (Transforming Our Portfolios to Low-Carbon Assets) as climate change is recognised as a pressing challenge globally. A REIT player would contribute to carbon emissions owing to building use like malls with high energy demands.

From our discussions with the management, enhancing energy efficiency and promoting clean energy among its portfolio are priority solutions, within their control, to address climate change concerns. While there are different KPIs to be explored, Sunway REIT will take a cost-benefit approach to measure the feasibility. Additionally, 25% of the Sustainability Scorecard is integrated into performance evaluation of Senior Management and respective Head of Business Segments to align the REIT's sustainability goals and management decision-making. A critical aspect monitored in the scorecard is Sunway REIT's climate change initiatives.

Alignment with Issuer's Sustainability Strategy

Sunway REIT has identified Climate Action and Resource Management as material issues to its stakeholders. The KPIs selected are in line with some of its 2030 sustainability targets. The REIT aims at least 40% of its electricity consumption sourced from RE by 2030. Out of the 40%, management aims to locally generate 5% of RE sources through solar panels installed on the rooftops of its real estate portfolio. The remainder portion will be met through purchase of green energy sources. The use of RE sources will enable Sunway REIT's decarbonisation and climate agenda.

By 2030, the REIT endeavours to maintain the BEI of all its assets below GBI's minimum baseline for respective segments – retail, office and hotel. Improved BEI signifies efficient electricity consumption and lower carbon emissions. There are limitations in managing BEI given the various stakeholders involved in occupying and managing a building. The retail assets consume the largest electricity consumption in the REIT's portfolio and are included as part of KPI-2 scope, except for Sunway Pier which is currently undergoing redevelopment and SunCity Ipoh Hypermarket along with the six recently acquired hypermarkets, all of which are under Triple Net Lease Arrangements. Studies are being conducted by the management to explore assessment of carbon emissions intensity or absolute carbon emission targets over the longer term. These approaches represent a more precise and direct alignment with decarbonisation objectives, although implementation hinges on technological advancements and financial feasibility.

In our opinion, the selected KPIs are adequately relevant and material to the REIT's business and sustainability strategy. The definition of the KPIs is clear and the methodology to calculate the KPIs are credible, based on the GBI standard. RAM Sustainability notes that there are other robust KPIs which would further boost the sustainability ambition of the REIT. With reference to ICMA's KPI selection registry for Sustainability-linked Bonds, the current KPIs selected in the Framework are categorised as Secondary KPIs.

2.2 Calibration of Sustainability Performance Targets

SPT-1 in relation to KPI-1:

Increase in annual RE generation by 2% per annum from the baseline year 2022.

SPT-2 in relation to KPI-2:

Reduction in BEI by 0.5% per annum from the baseline year 2019.

Table 2: SPTs from 2024 to 2030

Year	KPI-1 (MWh)	Variance	Year	KPI-2 (kWh/m ² /year)	Variance
2022 (Baseline)	3,008		2019 (Baseline)	295	
2024	3,130	+122	2024	292	-3
2025	3,192	+62	2025	291	-1
2026	3,256	+64	2026	289	-2
2027	3,321	+65	2027	288	-1
2028	3,387	+66	2028	287	-1
2029	3,455	+68	2029	285	-2
2030	3,524	+69	2030	284	-1
	Total	516		Total	-11

Source: The Framework

Strategy to achieve Sustainability Performance Targets

SPT-1

The primary strategy deployed is to increase the number of solar panels or installed capacity across the REIT's portfolio. There are, however, physical limitations due to the availability of rooftop area to expand solar panel installation. The REIT Manager disclosed that most of the assets under the portfolio have reached maximum physical capacity for solar panel installations. Working closely with the solar panel operator, a subsidiary under Sunway Berhad, the REIT expects to achieve increment in RE generation through a comprehensive operations and maintenance programme. Some comfort is derived from intergroup relations whereby the support is promptly available to ensure optimum maintenance of the solar panels and/or equipment.

The Framework acknowledges the potential impact of achieving SPT-1 should there be asset additions and/or disposals in the future. Depending on eventual actual RE output and other future RE generation initiatives, recalibration and reassessment of the targets may be required. For the six acquired hypermarkets this year, Sunway REIT will carry out studies to explore the feasibility of installing rooftop solar panels in contribution to SPT-1.

SPT-2

Sunway REIT has taken proactive measures in rolling out energy reduction initiatives such as installation of Building Energy Management Systems, replacement and upgrading of lighting with more efficient options, use of smart meters, daily operational needs adjustment and maximising the use of natural lighting and ventilation. The REIT endeavours to exhaust all possible efforts in enhancing energy efficiency within the retail malls, so long as the technology or infrastructure required is financially viable. Currently, there are a few ongoing energy efficiency initiatives like upgrading of air handling units and chiller plants as well as energy audits of selected assets.

Another consideration to achieve SPT-2 is the cooperation and alignment of sustainability interests of the mall tenants. The BEI is directly influenced by tenants' consumption of electricity which is beyond the control of the REIT. The Green Lease Partnership Programme, established in 2022, aims to drive a coherent sustainability alignment with participating tenants including prominent ones like The Body Shop, Muji, L'OCCITANE, Starbucks Coffee, Roche (Malaysia), Accenture Technology Solutions, etc. Under the programme, Sunway REIT rolled out several initiatives to encourage tenants to improve energy efficiency, responsibly manage water usage and divert waste from landfills. The programme has achieved a tenant participation of 82% among retail and office tenants as well as 100% among hotel lessees as of end-December 2023.

Baseline Setting

The initial baseline and SPTs were established in the SLMTN Framework under SUNREIT Bond Berhad in 2021. The SPTs set were for a term of three years which the REIT has revisited last year. Upon further review, actual outperformance in KPI-1 was observed due to the injection of assets into the REIT and subsequent higher installation capacity of solar panels (Table 3). The management, therefore, has recalibrated SPT-1 to reflect actual RE generation with a new baseline set at 2022.

The Framework discloses that business activities in 2022 were still below pre-pandemic level in 2019. The movement restrictions from 2020 to 2022 owing to COVID-19 have reduced the operations level in retail malls and affected the BEI calculations. Hence, the baseline for SPT-2 remain unchanged at 2019 as it is more reflective of ordinary operating conditions of the mall.

In the Framework provided to us, both SPTs have targets set leading up till 2030. As the SPTs track year on year targets, the REIT has disclosed to us that the target observation dates would coincide with the financial reporting year and publication of Sunway REIT's Annual Sustainability Report. The report preparation process includes compilation, assessment and external verification of the KPI data.

Should the situation arise, the Framework incorporates a mechanism for recalculations or pro-forma adjustments of baselines. This helps ensure that the SPTs remain relevant, reflecting the potential changes in sustainability performance. Recalculations would be based on actual performance and any proposed adjustments shall be discussed at the Sustainability Working Group (SWG) and subsequently escalated to the Sustainability Committee (SC).

Benchmarks and Ambitiousness of the Sustainability Performance Targets

The nature of the SPTs selected by the REIT is catered to their asset types and data feasibility, which may differ with other REITs. There is limited peer benchmarking on KPI-1 because few REITs pursue the same initiatives or publicly disclose the relevant data. Furthermore, there is no standard industry benchmark amount to meet for solar energy generation by asset types. In view of this, actual performance of the past three years is the most applicable comparison. All the three years' KPI data were externally verified by SIRIM QAS International Sdn Bhd (SIRIM). As for KPI-2, the BEI level is benchmarked against GBI's NREB criteria and has consistently stayed below the BEI threshold of 350 kWh/m²/year for retails.

Table 3: Actual performance of KPIs for past three years

	2021	2022	2023
KPI-1: Annual RE Generation (MWh)	2,886	3,675	4,307
Year on year change (%)	-	27	17
KPI-2: BEI (kWh/m²/year)	218	277	288
Year on year change (%)*	-	27	4

*The COVID-19 movement restrictions have caused a lower BEI owing to lower retail business levels. The increased BEI up to 2023 reflects the resumption of ordinary business conditions among the three retail malls.

Source: Sunway REIT Sustainability Report 2023

We recognise that strategies outlined in the Framework is aimed to support a low-carbon transition for the REIT. There are budget allocations for maintenance of the assets and green retrofitting to ensure that its entire portfolio is certified as green buildings. We understand that the management aims to obtain minimum one green building certification annually going forward and targets to certify all existing buildings as green by 2034 as well as maintaining certifications already existing. There are, although, further avenues for ambition in the setting of KPIs and SPTs.

Over the past three years, the REIT has demonstrated efforts and commitment to achieve the SPTs despite challenging external conditions like the COVID-19 movement restrictions. The strategies deployed by the REIT have demonstrated positive results in meeting the SPTs. The management has shared its commitment to continuously search and study newer technical solutions to ensure that the SPTs are achieved annually. While there are factors beyond Sunway REIT's control, we opine that the SPTs set remain to be sufficiently ambitious in the context of a local REIT player.

2.3 Bond characteristics

Under the Framework, the characteristic of the SLF will be adjusted according to Sunway REIT's achievement or non-achievement of individual SPTs. The Framework allows for one or a combination of the below arrangements, so long as agreed between the Issuer and the respective SLF subscriber/counterparty:

- (1) Coupon rate or credit margin adjustment,
- (2) Purchase of Renewable Energy Certificates (RECs),
- (3) Redemption price adjustment,
- (4) Purchase of carbon credits,
- (5) Payment for green certification of properties under the REIT, and
- (6) Other arrangements agreed by the respective SLF subscriber/counterparty.

If a SPT is met and the reporting and verification processes outlined have been fully complied with, the Issuer shall recognise an achievement and be granted a step down in coupon rate and/or waiver of purchasing RECs or other adjustments, depending on the arrangement pre-agreed. Conversely, the Issuer will be penalised accordingly if a SPT is not accomplished.

For arrangement (5) above, the capital expenditure required for green certification may be larger than the required financing cost. This reflects Sunway REIT's commitment to support environmental goals. The adjustment arrangement must be predetermined and agreed between the Issuer and the respective SLF subscriber/counterparty prior to commencement of the financing instrument.

Should the Issuer fail to deliver a third-party independent assurance statement, both SPTs are deemed not met and relevant adjustments shall apply for that financial year. The financial characteristics in the

Framework are viewed to provide sufficient incentive for the Issuer to achieve its targets. Few of the characteristic options (such as purchase of carbon credits or RECs) in the Framework are comparable to some global sustainability-linked bonds issued. In a local market context, the Issuer aims to provide different yet innovative structures to encourage funding towards a sustainability-driven agenda.

2.4 Reporting

Sunway REIT commits to reporting and disclosing the achievement of the KPIs on an annual basis in its annual sustainability report. The report will be made publicly available on Sunway REIT's website at <https://www.sunwayreit.com/>. The sustainability report will minimally cover the following:

- a) Up-to-date information considered relevant on the performance of the selected KPIs, including but not limited to Sunway REIT's ESG governance and sustainability strategy.
- b) Independent assurance statement on Sunway REIT's annual sustainability report.

In our view, the Issuer's reporting commitment is aligned strongly with the SLBP and SLBS. Based on retrospective checking of the reported KPI data and disclosures, Sunway REIT has provided sufficient disclosures and elaborations on the KPIs and SPTs as well as other sustainability indicators such as waste diversion from landfills, carbon emission and water usage.

2.5 Verification

Sunway REIT commits to the following engagements, in line with market practice:

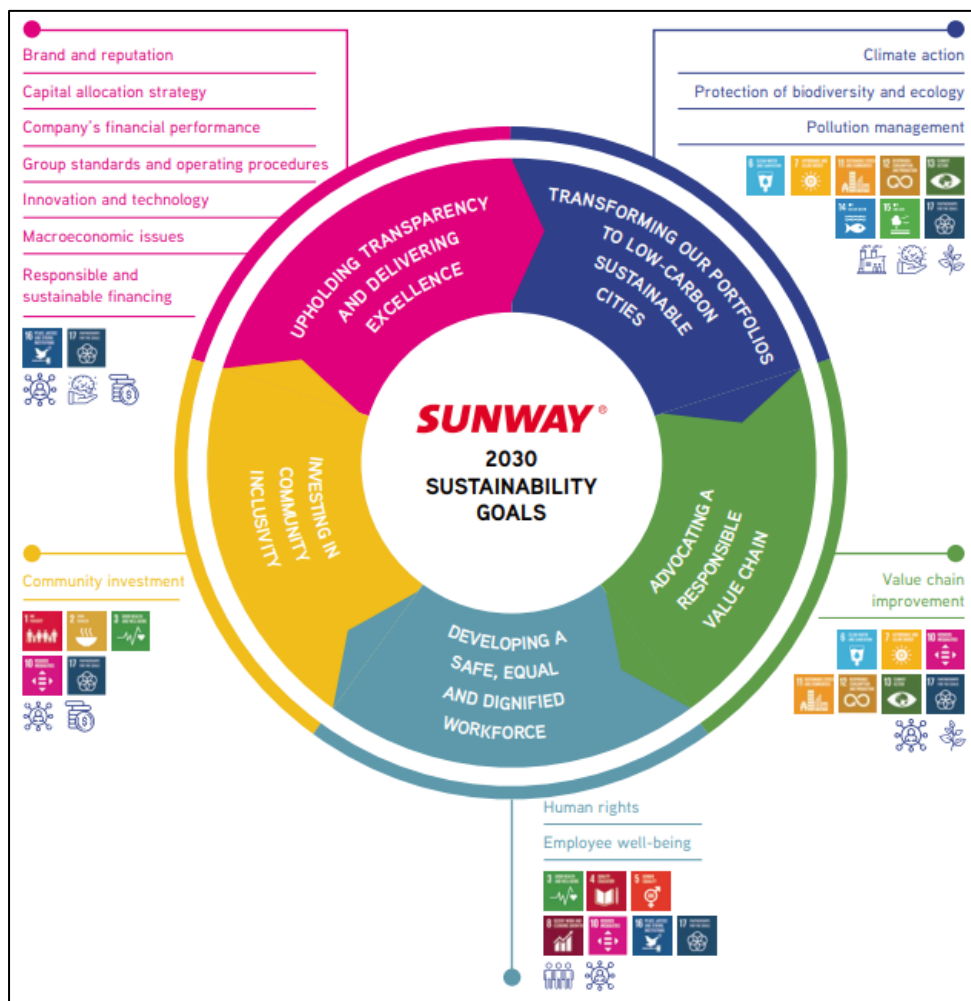
- a) Pre-issuance external review: The Framework shall be reviewed by RAM Sustainability through a Second-Party Opinion engagement.
- b) Post-issuance verification: Achievement of the KPIs shall be verified by an independent third-party auditor and/or adviser, and disclosed by Sunway REIT as part of its annual sustainability report.

For the past three years, the Issuer has engaged SIRIM to conduct the post-issuance verification. No anomalies or inconsistencies were highlighted in that time period.

3. Sustainability Assessment

3.1 Sponsor-level Assessment

Figure 4: Sunway Berhad’s Sustainability Goals



Source: Sunway Berhad’s Sustainability Report 2023

Sunway Berhad commits to generate positive impacts for the economy, environment and people across all its business division and operations. The overarching sustainability strategy of Sunway Berhad is divided into five categories (Figure 4). Under its sustainability governance structure, the Board of Directors oversees and provides the direction to Sunway Berhad and its subsidiaries (the Group). The Board of Directors are supported by a Board Sustainability Committee, playing a critical role in evaluating the Group’s sustainability agenda progress. The Jeffrey Sachs Center on Sustainable Development recommends actionable sustainability solutions to the Board Sustainability Committee through research undertaken.

The Group Sustainability Department and Management Sustainability Committee helps to drive ESG strategies and ensure adherence to relevant compliance on ESG disclosures. The Group has shown commendable results in integration of sustainability efforts across the different business division it owns. One such example is the implementation of a group policy on environment, health and safety which Sunway REIT is also aligned to.

3.2 Entity-level Assessment

Figure 6: Sunway REIT's Interconnected Path to Sustainability



Source: Sunway REIT's Sustainability Report 2023

Review of Policies and Guidelines

Sunway REIT's operations are guided by robust governance structure. The REIT has formalised several new policies in the past year and are committed to improving overall governance continuously. We observed that the policies in place are comprehensive in covering material areas of Sunway REIT.

Table 5: Sunway REIT's Policies and Guidelines

Board Policies		Corporate Policies	
Directors' Remuneration Policy		Anti-Bribery and Corruption Policy	
Non-Audit Services Policy		Anti-Money Laundering Policy	
Policy on Selection and Assessment of Board of Directors		Diversity & Inclusion Policy	
Policy on Selection of External Auditors		Whistleblowing Policy & Procedures	
Sustainability Policies			
Sustainability Policy		Human Rights Policy	
Donations, Sponsorship and Corporate Responsibility Policy		Water Management Policy	
Biodiversity Policy		Sustainable Procurement Policy	
Diversity and Inclusion Policy		Sustainable Events Management Policy	
Green Building Policy		Universal Accessibility Policy	

Source: Sunway REIT's Sustainability Report 2023

ISO Certification

A majority of the assets under the REIT's portfolio are certified with ISO 9001:2015 – Quality Management System certification as well as ISO 27001:2013 – Information Security Management System certification. This reflects commitment to adherence of internationally recognised building management standards.

Controversy Scan






Based on publicly available information up to 23 August 2024 on Sunway REIT, there were no controversies pertaining to ESG practices.

4. Sustainability Impact

4.1 National-Level Drivers and High-Level Mapping to UNSDGs

RAM Sustainability opines that Sunway REIT’s Sustainability-Linked Financing will support the following national-level objectives, plans and relevant UNSDGs³ that are related to the KPIs and SPTs:

Table 5: Impact to National Goals and High-Level Mapping

<p>Renewable Energy</p>	 	
<p><u>Increasing RE generation</u></p> <p>Under the Malaysia Renewable Energy Roadmap, the Government of Malaysia (GoM) aims to achieve a target of 31% RE proportion by 2025, 40% by 2035 and 70% by 2050. With the targets in place, carbon emission intensity from the power sector is set to decline by 45% in 2030 and a further 60% in 2035, compared to 2005 in line with Malaysia’s Nationally Determined Contributions targets under the Paris Climate Agreement. An initiative by the GoM is the introduction of a virtual aggregation model for rooftop solar under the Net Energy Metering 3.0 programme to encourage rooftop solar installations by non-domestic consumers.</p> <p>The Issuer’s KPI-1 and SPT-1 will result in investments in RE, particularly solar, aligning with the GoM’s objectives to increase RE capacity. Since the issuance of the SLMTN in 2021, Sunway REIT has installed 1,595 kWp of capacity of solar generation and generated 10,868 MWh of solar energy.</p>		
<p>Energy Efficiency</p>	  	
<p><u>Increasing energy savings</u></p> <p>Under the 12th Malaysia Plan, the GoM plans to enhance energy efficiency within the country by regulating high-intensity consumers in the industrial and commercial sector. The GoM also provides Energy Audit Conditional Grants and Energy Performance Contracting to support the National Energy Efficiency Action Plan 2016-2025 target of achieving 8% savings in electricity consumption.</p> <p>Under the National Energy Policy 2022-2040 (DTN), the GoM established the Low Carbon Nation Aspiration 2040 which includes a target to achieve EE savings in industrial and commercial facilities by 11%.</p> <p>Under the National Energy Transition Roadmap, the GoM aims to achieve 21% of energy savings by 2040 and 22% of energy savings by 2050. Some are the key initiatives identified to achieve these targets are enforcing mandatory audits for large commercial and industrial buildings, establishing mandatory green building codes that outline EE parameters for energy-intensive residential and commercial buildings to meet a minimum BEI level and launching a major EE retrofit initiatives in government buildings.</p>		

³ [Sustainability-Linked Bonds: Illustrative KPIs Registry](#) (ICMA, 2024)

The Issuer's KPI-2 and SPT-2 is in line with the GoM's initiatives to increase energy efficiency of commercial buildings. By 2030, Sunway REIT targets a 284 kWh/m²/year average BEI for its three retail malls which is 19% below the recommended maximum BEI under GBI NREB: Retail v1.0 and 38% below the performance baseline under Malaysian Standard MS 1525 for Malaysian high-intensity retail buildings.

APPENDIX 1: SRI-LINKED SUKUK FRAMEWORK CHECKLIST

Reference:

Guidelines on Unlisted Capital Market Products Under the Lodge and Launch Framework (February 2024)

Part 3: Corporate Bonds and Sukuk

Chapter 9: Sustainable and Responsible Investment Linked (SRI-Linked) Sukuk

No.	Item	Requirement	Alignment	Comment
9.05	General	Issuers must publicly disclose details of the SRI-linked Sukuk and issuer information on a designated website, both at issuance and throughout the sukuk's lifespan.	Yes	Refer Section 2.4
9.08	SRI-linked sukuk characteristics	An issuer must ensure that a SRI-linked sukuk's financial and/or structural characteristics vary based on the issuer's achievement of predefined sustainability targets throughout the sukuk's lifespan. These variations should commensurate and be meaningful.	Yes	Refer Section 2.3 Details of the sustainability adjustment of each SLF will be specified in the respective subscription agreement or relevant issuance documents for that SLF, and will be pre-determined between the Issuer and SLF provider.
9.10 & 9.11	Selection of Key Performance Indicators	<p>An issuer must select KPIs that, among others,</p> <ul style="list-style-type: none"> (a) are significant to the issuer's sustainability and business strategy; (b) address relevant environmental, social or governance (ESG) challenges in the issuer's industry; and (c) are within the issuer's control. <p>The KPIs selected should be–</p> <ul style="list-style-type: none"> (a) relevant, core and material to the issuer's overall business, and of high strategic significance to the issuer's current and/or future operations; (b) measurable or quantifiable on a consistent methodological basis (c) externally verifiable; and (d) able to be benchmarked as much as possible using an external reference or definition to facilitate the assessment of the SPT's level of ambition. <p>An issuer may select any previous or existing KPIs that the issuer has set for itself subject to the following:</p> <ul style="list-style-type: none"> (a) The KPIs must have been made available to the public in any of the issuer's publications, such as in the issuer's annual reports, sustainability reports or other non-financial disclosure reports; or (b) In the case where the KPIs were not made available to the public, the KPIs' values must be externally verified to the extent possible, for a period covering at least the three most recent years. 	Yes	Refer Section 2.1 While the KPI values are made public in Sunway REIT's Sustainability Report from 2021 to 2023, the figures are also verified by SIRIM with the verification results published in Sunway REIT's Sustainability Report

No.	Item	Requirement	Alignment	Comment
9.12	Calibration of Sustainable Performance Targets	<p>An issuer must set out the SPTs, which are measurable targets of improvement over a predefined timeline, for each KPIs.</p> <p>The SPTs selected must be–</p> <p>(a) ambitious yet realistic;</p> <p>(b) a material improvement in the respective KPIs and be beyond a “Business as Usual” trajectory;</p> <p>(c) comparable to a benchmark or an external reference, where possible;</p> <p>(d) consistent with the issuers’ overall sustainability, business and ESG strategy; and</p> <p>(e) set before, or concurrently with, the issuance of the SRI-linked sukuk.</p>	Yes	Refer Section 2.2
9.13 & 9.14	External Review (Pre-issuance)	<p>An issuer must appoint an external reviewer to assess and provide a report on the issuer’s compliance with the requirements under these Guidelines.</p> <p>The external reviewer’s report should include–</p> <p>(a) the assessment of the relevance, robustness and reliability of the selected KPIs;</p> <p>(b) the rationale and level of ambition of the proposed SPTs;</p> <p>(c) the relevance and reliability of selected benchmarks and baselines;</p> <p>(d) and the credibility of the strategy outlined to achieve the SPTs, based on scenario analyses, where relevant.</p> <p>The issuer must make available the external reviewer’s report on the designated website.</p>	Yes	<p>RAM Sustainability has been appointed as to provide a second opinion on the Framework assessing against the disclosure requirements of the relevant guidelines and the Group’s sustainability responsibilities.</p> <p>RAM Sustainability’s Second Opinion Report shall be publicly available on Sunway REIT’s corporate website and RAM Sustainability’s website.</p>
9.15 to 9.17	External Review (Post-issuance)	<p>An issuer must appoint an independent verifier to provide a verification report on the issuer’s performance level against each SPT for each KPI.</p> <p>The verification must be carried out at least annually, during the predefined timeline for assessing the SPT performance, until after the last SPT trigger event of the SRI-linked sukuk has been reached.</p> <p>The issuer must make available the verifier’s report on the designated website</p>	Yes	Sunway REIT commits to appoint an independent third-party auditor to verify the performance level of each KPI as part of its annual Sustainability Report. The report will be publicly available on Sunway REIT’s corporate website.
9.18 & 9.19	Reporting	<p>An issuer must publish the following information on the designated website:</p> <p>(a) An up-to-date information on the performance of the selected KPIs, including baselines, where relevant; and</p> <p>(b) Relevant information to enable the sukuk holders to assess and monitor the progress or relevancy of the selected KPIs and SPTs including any changes to the issuer’s sustainability, business and ESG</p>	Yes	Refer Section 2.4

No.	Item	Requirement	Alignment	Comment
		<p>strategy that may impact the KPIs and SPTs.</p> <p>For the purpose of paragraph 9.18, the issuer must publish such information at least annually to allow for a proper assessment to be undertaken by the sukuk holders of the issuer's performance in relation to the selected SPTs.</p>		
9.20	Disclosure Requirements	<p>For the purpose of disclosure of the details of the issuer and the SRI-linked Sukuk Framework under paragraph 9.05, the following information must be included:</p> <p>(a) The rationale and process according to which the KPIs have been selected and how the KPIs fit into the issuer's sustainability and business strategy;</p> <p>(b) The detailed description of the potential variation of the SRI-linked sukuk's structure or financial characteristics and the trigger event leading to such variation;</p> <p>(c) Description and the issuer's plan to achieve each of the SPTs. The issuer may outline its plan by describing its ESG strategy, supporting ESG governance and investments, and its operating strategy, for example, through highlighting the type of actions that are expected to drive the performance towards the SPTs as well as their expected respective contribution, in quantitative terms wherever possible;</p> <p>(d) Motivation for the outlined SPTs and the timelines for the achievement of the SPTs, including the target observation date or period, the trigger event and the frequency of SPTs. Motivation for the SPTs may include the ambition level, benchmarking approaches and consistency with overall strategic planning;</p> <p>(e) The baseline or reference point selected for improvement of KPIs as well as the rationale for that baseline or reference point to be used (including date or period);</p> <p>(f) The situations in which recalculations or pro-forma adjustments of baselines will take place;</p> <p>(g) Fallback mechanisms in case the SPTs cannot be calculated or observed in a satisfactory manner; and</p> <p>(h) Any other key factors beyond the issuer's direct control that may affect the achievement of the SPTs.</p>	Yes	Refer Section 2.1

APPENDIX 2: ASEAN SUSTAINABILITY BONDS STANDARDS CHECKLIST

Reference:

ASEAN Capital Markets Forum – ASEAN Sustainability-linked Bond Standards (October 2022)

Topic	Content	Requirement	Alignment	Comments
Selection of KPIs	Historical externally verified KPI values covering at least the previous three years, in situations where the KPIs have not been previously disclosed	Recommended	Yes	The KPI values are verified by SIRIM and published in Sunway REIT's Sustainability Report 2021 to 2023.
	Alignment of selected KPIs with the SDGs	Recommended	Yes	The SLF aim to meet the following SDG Goals: 7, 11, 12,13 and 17
	The rationale and process according to which the KPIs have been selected and how the KPIs fit into the Issuer's sustainability strategy	Necessary	Yes	Refer Section 2.1 - Alignment with Issuer's Sustainability Strategy
	A clear definition of the KPIs and include: a. the applicable scope or perimeter; and b. the calculation methodology	Necessary	Yes	Refer Section 2.1 - Relevance and Materiality of KPI
Calibration of SPTs	Strategic information that may decisively impact the achievement of the SPTs	Recommended	Yes	Refer Section 2.2 - Strategy to achieve SPTs
	Description and definition of SPTs	Necessary	Yes	Refer Section 2.2
	Motivation for the outlined SPTs (i.e. ambition level and consistency with Issuer's overall strategic planning)	Necessary	Yes	Refer Section 2.2 - Benchmarks and Ambitiousness of the SPTs
	Relevant benchmarking approaches	Necessary	Yes	Refer Section 2.2 - Benchmarks and Ambitiousness of the SPTs
	Timelines for the target achievement, including the target observation date(s)/ period(s), the trigger event(s) and the frequency of SPTs	Necessary	Yes	Refer Section 2.2 - Baseline Setting
	Verified baseline or reference point selected for improvement of KPIs as well as the rationale for that baseline or reference point to be used (including date/ period), where relevant	Necessary	Yes	Refer Section 2.2 - Baseline Setting
	Situations in which recalculations or pro-forma adjustments of baselines will take place, where relevant	Necessary	Yes	Refer Section 2.2 - Baseline Setting

Topic	Content	Requirement	Alignment	Comments
	Where possible and taking competition and confidentiality considerations into account, how the Issuer intends to reach such SPTs i.e. through highlighting the key levers/type of actions that are expected to drive the performance towards the SPTs as well as their expected respective contribution, in quantitative terms wherever possible	Necessary	Yes	Refer Section 2.2 - Strategy to achieve SPTs
	Any other key factors beyond the Issuer's direct control that may affect the achievement of the SPTs	Necessary	Yes	Refer Section 2.2 - Strategy to achieve SPTs
	<i>Note: To position this information within the context of the Issuer's overarching objectives, strategy, policy and/or processes relating to ESG</i>	Recommended	Yes	Refer Section 2.2
Bond characteristics	The potential variation of the ASEAN Sustainability-Linked Bond's financial and/or structural characteristics	Necessary	Yes	Refer Section 2.3
	Any fallback mechanisms in case the SPTs cannot be calculated or observed in a satisfactory manner	Necessary	Yes	Refer Section 2.3
	Language to take into consideration potential exceptional events (such as significant change in perimeters through material M&A activities) or extreme events, including drastic changes in the regulatory environment that could substantially impact the calculation of the KPI, the restatement of the SPT, and/ or pro-forma adjustments of baselines or KPI scope	Recommended	No	-
Reporting commitments	Commitment on disclosure of reporting obligations as set out in the ASEAN SLBS	Recommended	Yes	Refer Section 2.4
	Timeline in which reporting on the ASEAN Sustainability Linked Bonds will be made available	Recommended	Yes	Refer Section 2.4
Verification commitments	Commitment on verification obligations as set out in the ASEAN SLBS	Recommended	Yes	Refer Section 2.5
	Timeline in which the verification assurance report on the ASEAN Sustainability-Linked Bonds will be made available	Recommended	Yes	Refer Section 2.5
External review	Publication of a pre-issuance external review, such as a Second Party Opinion to confirm the alignment of the ASEAN Sustainability-Linked Bond with the five core components of the ASEAN SLBS	Necessary	Yes	Refer Section 2.5
	External review provider's credentials and expertise, and scope of review	Necessary	Yes	Refer Section About RAM Sustainability

APPENDIX 3: ICMA EXTERNAL REVIEW FORM



Sustainability-Linked Bonds External Review Form

This form complements the Bond Information Template that should have been filled in by the issuer. It provides additional information on the role of the External Reviewer when assessing the issuer's sustainability framework. This form may be used or adapted, where appropriate, to summarise the scope of the review.

Section 1. Basic Information

Issuer name: Sunway REIT and its subsidiaries

Bond ISIN⁴: To be updated

Independent External Review provider's name for pre-issuance review: RAM Sustainability Sdn Bhd

Completion date of this form: 23 August 2024

Section 2. Overview

SCOPE OF REVIEW

The review:

- assessed the 5 core components of the SLBP (**complete review**) and confirmed the alignment with the SLBP.
- assessed only some of them (**partial review**) and confirmed the alignment with the SLBP; please indicate which elements:
 - Selection of Key Performance Indicators (KPIs)
 - Calibration of Sustainability Performance Targets (SPTs)
 - Verification
 - Bond characteristics
 - Reporting

ROLE(S) OF INDEPENDENT REVIEW PROVIDER

- Second Party Opinion
- Verification
- Other (*please specify*):
- Certification
- Scoring/Rating

⁴ The ISIN code is mandatory for publishing the form in the Sustainable Bond Issuers Database.

Does the review include a sustainability quality score⁵?

- | | |
|--|--|
| <input type="checkbox"/> Of the issuer | <input type="checkbox"/> Of the selected KPIs/SPTs |
| <input checked="" type="checkbox"/> Of the framework | <input type="checkbox"/> Other (please specify): |
| <input type="checkbox"/> No scoring | |

ISSUER'S OVERARCHING OBJECTIVES

Does the review include:

- An assessment of the issuer's overarching sustainability objectives and strategy, and the policies and/or processes towards their delivery?
- An identification and assessment of environmental, social and governance related risks of adverse impact through the Issuer's [actions] and explanations on how they are managed and mitigated by the issuer?
- A reference to the issuer's relevant regulations, standards, or frameworks for sustainability-related disclosure and reporting?

CLIMATE TRANSITION STRATEGY⁶

Does the review assess:

- The issuer's climate transition strategy & governance?
- The alignment of both the long-term and short/medium-term targets with the relevant regional, sector, or international climate scenario?
- The credibility of the issuer's climate transition strategy to reach its targets?
- The level/type of independent governance and oversight of the issuer's climate transition strategy (e.g. by independent members of the board, dedicated board sub-committees with relevant expertise, or via the submission of an issuer's climate transition strategy to shareholders' approval).
- If appropriate, the materiality of the planned transition trajectory in the context of the issuers overall business (including the relevant historical datapoints)?
- The alignment of the issuer's proposed strategy and targets with appropriate science-based targets and transition pathways⁷ that are deemed necessary to limit climate change to targeted levels?

⁵ The external review may indicate the provider's opinion of the overall sustainability quality of a bond or bond framework and assess whether it has a meaningful impact on advancing contribution to long-term sustainable development.

⁶ For issuers seeking to utilise green bonds, sustainability bonds or sustainability-linked bonds towards the achievement of their climate transition strategy, guidance on issuer level disclosures and climate transition strategies may be sought from the [Climate Transition Finance Handbook](#).

⁷ GHG emissions reduction targets that are in line with the scale of reductions required to keep the average global temperature increase to ideally 1.5°C, or at the very least to well below 2°C above pre-industrial temperatures. Science Based Targets Initiative (SBTi) is a branded verification body for science-based targets and SBTi verification is one way for issuers to validate the alignment of their emission reduction trajectories with science-based reference trajectories. In addition, ICMA has published a [Methodologies Registry](#) which includes a list of tools to specifically help issuers, investors, or financial intermediaries validate their emission reduction trajectories..

- The comprehensiveness of the issuer's disclosure to help investors assess its performance holistically?⁸

Overall comment on this section:

Section 3. Detailed pre-issuance 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.

SELECTION OF KEY PERFORMANCE INDICATORS (KPIs)⁹

Definition, Scope, and parameters

- Clear definition of each selected KPIs Clear calculation methodology
 Other (please specify):

Relevance, robustness, and reliability of the selected KPIs

- Credentials that the selected KPIs are relevant, core and material to the issuer's sustainability and business strategy Evidence that the KPIs are externally verifiable, if that is not already the case
 Credentials that the KPIs are measurable or quantifiable on a consistent methodological basis Evidence that the KPIs can be benchmarked
 Current verification or assurance status Other (please specify):

Overall comment on this section:

In our opinion, the selected KPIs are adequately relevant and material to the Issuer's business and management of the portfolio. The definition of the KPIs is clear and the methodology to calculate the KPIs are credible, based on the GBI standard. With reference to ICMA's KPI selection registry for Sustainability-linked Bonds, the current KPIs selected in the Framework are categorised as Secondary KPIs. The past three years' KPI were externally verified by a third party.

CALIBRATION OF SUSTAINABILITY PERFORMANCE TARGETS (SPTs)¹⁰

Rationale and level of ambition

- Evidence that the SPTs represent a material improvement compared to issuer's own performance over baseline Credentials on the relevance and reliability of selected benchmarks and baselines
 Evidence that SPTs are consistent with the issuer's sustainability and business strategy Other (please specify):

⁸ Including information such as the respective contribution (e.g. %) of the different measures to the overall reduction, the total expenses associated with the plan, or the issuer's climate policy engagement.

⁹ Reviewers are encouraged to provide the information for each KPI.

¹⁰ Reviewers are encouraged to provide the information for each SPT.

Does the review assess if the specificities of the sector and/or local context have been identified and addressed?

- Yes No
 Not applicable

Relevance and reliability of selected benchmarks and baselines

- Issuer's past performance Issuer's peer performance
 Science-based trajectories (*please specify the references*): Other (*please specify*):

Does the review assess the credibility of the issuer's strategy and action plan to achieve the SPTs?

- Yes No

Does the review identify the key factors that may affect the achievement of the SPTs?

- Yes No

Does the review opine on:

- the timelines for the target achievement the target observation date(s)
 the trigger event(s) Other (*please specify*):
 potential recalculations or adjustments description

Overall comment on this section:

Over the past three years, the REIT has demonstrated efforts and commitment to achieve the SPTs despite external conditions that presented challenges like the COVID-19 movement restrictions. The strategies deployed by the REIT have demonstrated positive results in meeting the SPTs. The management has shared its commitment to continuously search and study newer technical solutions to ensure that the SPTs are achieved annually. While there are factors beyond the Issuer's control, we opine that the SPTs set by the Issuer remains to be sufficiently ambitious in the context of a local REIT player.

BOND CHARACTERISTICS

Does the review assess whether the bond's financial and/or structural characteristics are commensurate and meaningful?

- Yes No

Does the review opine on the fallback mechanisms in case the SPTs cannot be calculated or observed in a satisfactory manner?

- Yes No

Overall comment on this section:

The financial characteristics of the SLF are viewed to provide sufficient incentive for the Issuer to achieve its targets. Few of the characteristic options (such as purchase of carbon credits or RECs) in the Framework are comparable to some global sustainability-linked bonds issued. In a local market context, the Issuer aims to provide different yet innovative structures to encourage funding towards a sustainability-driven agenda.

REPORTING**Does the review assess the commitments of the issuer to report:****Content:**

- | | |
|--|--|
| <input checked="" type="checkbox"/> The performance of the selected KPIs | <input checked="" type="checkbox"/> Verification |
| <input checked="" type="checkbox"/> The level of ambition of the SPTs | <input checked="" type="checkbox"/> Assurance report |
| | <input type="checkbox"/> Other (please specify): |

Frequency:

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

Means of Disclosure

- | | |
|---|---|
| <input type="checkbox"/> Information published in financial report, or annual report and accounts | <input checked="" type="checkbox"/> Information published in sustainability report or sustainability suite of reporting |
| <input type="checkbox"/> Information published in ad hoc documents | <input type="checkbox"/> Other (please specify): |

Overall comment on this section:

In our view, the Issuer's reporting commitment is aligned with the SLBP and SLBS. Based on retrospective checking of the reported KPI data and disclosures, Sunway REIT has provided sufficient disclosures and elaborations on the KPIs and SPTs as well as other sustainability indicators beyond the Framework.

Section 4. Post-issuance**CHANGE TO PERIMETER REVIEW¹¹ (if applicable)****Material change:**

- | | |
|--|--|
| <input type="checkbox"/> Perimeter ¹² | <input type="checkbox"/> KPI methodology |
| <input checked="" type="checkbox"/> SPTs calibration | <input type="checkbox"/> Other ¹³ (please specify): |

¹¹ Post issuance, in case of any material change to perimeter/KPI methodology/SPT(s) calibration, issuers are encouraged to ask external reviewers to assess any of these changes.

¹² E.g. a material change to baselines for which SPTs are measured against for example business acquisitions/disposals.

¹³ Can cover other potential cases such as amendment to any applicable laws, regulations, rules, guidelines and policies relating to the business of the issuer.

VERIFICATION

Level of verification:

- Limited assurance Reasonable assurance
 Other (*please specify*):

Frequency:

- Annual Semi-annual
 Other (*please specify*):

Section 5. Additional Information

Useful links (*e.g. to the external review provider's methodology or credentials, to the full review, to issuer's documentation, etc.*)

The annual sustainability report of Sunway REIT (which covers disclosures of the KPI's annual performance and the independent assurance statement), along with the second opinion report, will be made available on Sunway REIT's corporate website. The second opinion report will also be available on RAM Sustainability's website.

Analysis of the contribution to the UN Sustainable Development Goals:

Additional assessment in relation with the issuer/bond framework:

ABOUT RAM SUSTAINABILITY

RAM Sustainability is a provider of sustainability services and 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 ESG ratings and second opinions and has the distinction of being the first Registered Observer of ICMA's Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines and Sustainability-Linked Bond Principles in ASEAN. It was a member of ICMA's Advisory Council to the Green Bond Principle and Social Bond Principle Executive Committee for three consecutive terms. 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 RAM Group

The RAM Group, formerly known as Rating Agency Malaysia Berhad, is a leading provider of independent credit ratings, research, training, risk analysis and bond pricing. Established in November 1990 as Malaysia's first credit rating agency, RAM Group transferred its rating operations to RAM Rating Services Berhad (RAM Ratings) on 1 July 2007. RAM Ratings is a wholly owned subsidiary of the Group.

As the largest credit rating agency in Malaysia and ASEAN, RAM Ratings has assessed over USD 480 billion in bonds from more than 750 entities. Its diverse portfolio includes corporates, sovereign nations, financial institutions, insurance companies, project finance and structured finance obligations. Renowned for rating Islamic securities (sukuk), RAM Ratings has won numerous awards in this arena, including the GIFA Power Award (Islamic Rating) at the Global Islamic Finance Awards (GIFA) in 2021, 2022, and 2023, and The Best Islamic Rating Agency (Malaysia) award at The Asset Triple A Islamic Finance Awards 2022. It recently received FocusEconomics Analyst Forecast Awards for first place in Interest Rate Forecasting and second in Inflation Rate Forecasting.

On 26 May 2016, RAM Ratings joined the United Nations-supported Principles for Responsible Investment's Statement on ESG in Credit Ratings, committing to a systematic incorporation of ESG into credit ratings. RAM Group became a member of the United Nations Global Compact on 9 April 2024, reinforcing its dedication to sustainability and corporate responsibility.

RAM Solutions Sdn Bhd, effective from 1 March 2023, integrated sustainability solutions into its credit opinion business, operating independently of external reviewers. Another subsidiary, Bond Pricing Agency Malaysia Sdn Bhd, is the sole provider of bond-pricing and valuation data on the Malaysian bond market.

Bursa Malaysia RAM Capital Sdn Bhd (BR Capital), incorporated on 27 December 2022 as a joint venture between Bursa Malaysia Berhad (51%) and RAM Holdings Berhad (49%), is a recognised market operator registered with the Securities Commission Malaysia. BR Capital operates a digital platform that allows eligible issuers to raise debt financing through the issuance of investment notes.

For further details, go to <https://www.ram.com.my>.



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