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202001041436 (1397757-W)



JOHOR PLANTATIONS GROUP BERHAD

PRE-ISSUANCE SUSTAINABLE FINANCE
FRAMEWORK ASSESSMENT

AUGUST 2024



SUSTAINABLE FINANCE
FRAMEWORK ASSESSMENT

MARC Ratings Berhad has been engaged by Johor Plantations Group Berhad (Company Registration No: 197801001260 (38290-V)) as an independent external reviewer for its Sustainable Finance Framework. This external review was conducted by applying methodology adapted from the standard methodology and analytical framework set out in MARC Ratings' Impact Bond Assessment (IBA) methodology that is published on its website.

Publication date: August 12, 2024

Contact: (+603)-2717 2963

SUMMARY

Johor Plantations Group Berhad (JPG) (Company Registration No: 197801001260 (38290-V)) has engaged MARC Ratings Berhad to review its Sustainable Finance Framework.

JPG's Sustainable Finance Framework has been established to outline how JPG and its subsidiaries plan to utilise Sustainability Finance Transactions (SFTs) to deliver environmental and social benefits, in line with JPG's aspiration to become a globally preferred producer of premium sustainable and traceable oils and fats. The framework was developed with an integrated approach, combining the Use of Proceeds (UoP) and Sustainability-linked formats which can be used independently on a case-by-case basis, retaining full flexibility in terms of specific sustainability objectives and projects that the company intends to support. In assigning the assessment, we have adapted our IBA methodology to assess both UoP and Sustainability-linked formats of the Framework, and relied on pre-issuance information provided by associated parties, as well as information gathered from the public domain.

The review consists of three parts:

1. an impact significance analysis for:
 - a. the UoP financing instruments
 - b. the Sustainability-linked financing instruments
2. an assessment of alignment with the applicable guidelines for:
 - a. the UoP financing instruments, including Green Bond Principles (GBP), Social Bond Principles (SBP), and Sustainability Bond Guidelines (SBG) of the International Capital Market Association (ICMA); Green Bond Standards (GBS), Social Bond Standards (SBS), and Sustainability Bond Standards (SUS), of the ASEAN Capital Markets Forum (ASEAN); Sustainable and Responsible Investment Sukuk Framework of the Securities Commission Malaysia (SC); Green Loan Principles (GLP) and Social Loan Principles (SLP) of the Asia Pacific Loan Market Association (APLMA), the Loan Market Association (LMA) and the Loan Syndications and Trading Association (LSTA); or as they may be subsequently updated or amended
 - b. the Sustainability-linked financing instruments, including ICMA's Sustainability-Linked Bond Principles (SLBP); ASEAN Sustainability-Linked Bond Standards (SLBS); SC's Sustainable and Responsible Investment Linked Sukuk Framework (SRILSF); APLMA/LMA/LSTA's Sustainability Linked Loan Principles (SLLP); or as they may be subsequently updated or amended
3. an evaluation of JPG's sustainability implementation capacity and performance.

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

Conversely, the framework for Sustainability-linked financing outlines JPG's adoption of Sustainability-linked instruments to align its sustainability ambitions with its business strategies and plans. The three selected key performance indicators (KPIs) are relevant, core, and material to JPG's primary business of palm oil and palm kernels production:

- KPI 1: Greenhouse gas (GHG) emission reduction
- KPI 2: Traceability to fresh fruit bunches (FFB) suppliers
- KPI 3: Water management

For the UoP financing instruments, processes and procedures involving JPG's Board Sustainability Committee (BSC) and Sustainability Subcommittee (SSC) have been established to ensure proper identification and assessment of projects. The proceeds from each SFT will be internally managed by the company's Finance Team. The Framework aligns JPG's post-issuance tracking and reporting on the UoP with the applicable guidelines and/or principles. It provides for annual reporting of the information regarding allocation of proceeds and impact associated with each category of Eligible Projects. JPG may seek a post-issuance external review on its allocation and impact reporting, as well as management of proceeds, to verify the company's internal tracking method. The external verification, if any, will be included in the allocation report. We consider the proceeds management and reporting process to be in line with market practice.

For the Sustainability-linked financing instruments, the Framework has been structured in a manner that incentivises the achievement of corresponding Sustainability Performance Targets (SPT) for selected KPIs, with its financial characteristics varying depending on whether the targets are met by the target observation date. Up-to-date information on the performance of the selected KPIs will be disclosed on an annual basis. The achievement of these selected KPIs will be verified by an external and independent party to a limited level of assurance.

Based on our review of the relevant documentation and assessment as per our IBA methodology, we have assigned a "Gold" assessment to the Framework. We also opine that the Framework is correspondingly aligned with the core components of the applicable guidelines.

Introduction

JPG is a subsidiary of Kulim (Malaysia) Berhad, wholly owned by Johor Corporation. Incorporated in 1978 as Yule Catto Plantations Sdn Bhd, it changed its name to Mahamurni Plantations Sdn Bhd on May 12, 1993, and subsequently to Johor Plantations Sdn Bhd on February 12, 2023. In order to facilitate JPG's Listing, JPG converted into a public limited company on February 20, 2023, and changed its name to Johor Plantations Group Berhad on November 27, 2023. The company was acquired by Kulim Berhad in 1994 and listed on the Main Market of Bursa Malaysia on July 9, 2024.

The company manages 23 plantation areas, with 22 located in Johor and one in Pahang. It has a total landbank of 59,819 ha, of which total oil palm planted area is 55,941 ha. JPG is involved throughout the value chain of the palm oil business, from cultivating oil palm to processing FFB into crude palm oil (CPO) and palm kernels (PK).



Committed to sustainability, the company has been a Roundtable on Sustainable Palm Oil (RSPO) member since 2004 and has certified all its mills and estates. JPG focuses on producing RSPO-certified palm oil, adopting regenerative agriculture.

To enhance efficiency and sustainability, JPG has collaborated with stakeholders across the palm oil value chain. To assist growers and smallholders¹ in increasing their yields and maintaining consistent quality, JPG has integrated digitalisation, research and development (R&D), and sustainable technology into its operations.

¹ In Malaysia, oil palm smallholders are farmers who own 100 acres (40.46ha) of land or less. Source: MSPO, "Overview of The Revised MSPO Standards (MS2530:2022)" <https://mspo.org.my/mspo-blogs/overview-of-revised-mspo-standards-ms25302022>

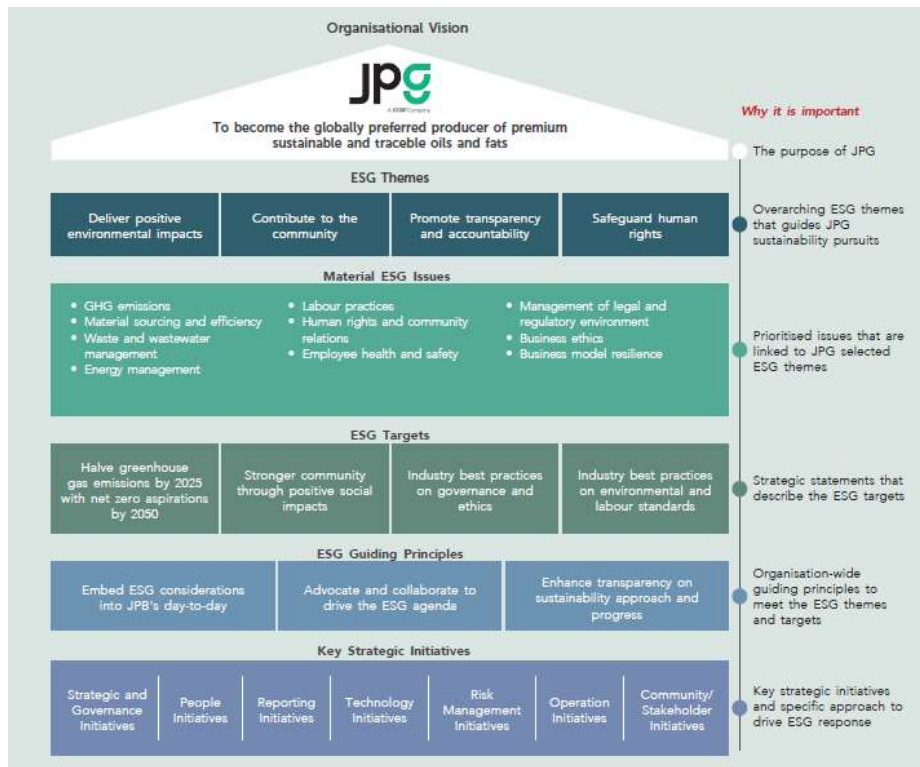
JPG's renewable energy operations are carried out at its five Palm Oil Mills (POMs) located in Sedenak, Tereh, Sindora, Pasir Panjang and Palong Cocoa. The biowaste produced at the mills is converted into biomethane and bio-compressed natural gas (Bio-CNG) which are then used as sources of energy. The company's renewable energy business is managed by JPG Greenergy Ventures Sdn Bhd (JPGGV) and JPG Greenergy Sdn Bhd (JPGG) that focus on the production of biomethane and Bio-CNG.



JPGGV has secured a 15-year gas purchase agreement with Gas Malaysia Green Ventures Sdn Bhd (GMGV, formerly known as Gas Malaysia Virtual Pipeline Sdn Bhd), for the injection of 250,000 MMBtu purified biomethane gas per year directly into the Natural Gas Distribution System, contributing to more than 90,000 MTCO₂e avoided. Another subsidiary of JPG, JPGG has signed a separate gas purchase agreement with GMGV to supply a minimum 350,000 MMBtu of Bio-CNG per year for 15 years after the completion of its Sindora and Tereh Bio-CNG plants.

In January 2024, JPG formed a partnership with Fuji Oil Asia Pte Ltd (Fuji Oil) to develop a refinery to produce high-quality sustainable palm fractions. This collaboration marks the initial stage of JPG's broader plan to create an Integrated Sustainable Palm Oil Complex (ISPOC), which is scheduled for completion in the third quarter of 2026. The ISPOC will include a palm oil mill, a palm kernel processing plant and an animal feed production facility. This collaboration would expand JPG's downstream sector, while supporting the development of a sustainable food market. All operations will be powered by renewable energy, hence promoting a circular economy and reinforcing JPG's commitment to sustainable palm oil production.

JPG's environmental, social or governance (ESG) framework is aimed at producing sustainable and traceable oils and fats. It focuses on four key areas: deliver positive environmental impacts, contribute to the community, promote transparency and accountability, and safeguard human rights. Towards this end, the company has established relevant targets and initiatives within each area within its operations, supply chains and communities.



JPG has a Sustainability Commitment Pledge that guides its ESG commitment and forms the basis for evaluation of projects funded by the SFTs. In line with its Sustainability Commitment Pledge, the company prioritises collaboration with smallholders and FFB suppliers that also apply responsible and ethical agricultural practices. Programmes have been implemented to support smallholders in meeting the company's standards and legal obligations to foster a sustainable palm oil industry.

Sustainability Commitment Pledge

Environment:

- Comply with Sustainable palm oil policy and biodiversity policy
- Zero conversion of natural ecosystem
- Zero deforestation criteria with cut-off date for defining deforestation
- Restoration of deforested areas
- To practice best management practices for soils and peatland, strictly no planting on peat of any depth
- Conduct HCV Assessments and HCS Approach by only using licensed assessors who are accredited by the HCV Resource Network's Assessor Licensing Scheme (ALS)
- Prohibit hunting or allow only sustainable hunting of species
- To minimise the use of chemicals, including pesticides and chemical fertilisers
- Zero burning

Social:

- To respect legal and customary land rights as well as comply with FPIC
- To conduct Social and Environmental Impact Assessments (SEIA) to all suppliers
- Comply with human rights policies and respect the rights of indigenous and local communities
- Comply with Fundamental ILO Conventions or Free and Fair Labour Principles by ensuring fair living wages pay for employees
- To eliminate gender discrimination with regards to employment
- To address any risks concerning occupational health and safety

Governance:

- Committed to uphold ethical standards and the prohibition of corruption

CONTENTS

SUMMARY

01	IMPACT SIGNIFICANCE ANALYSIS	7
	(A) IMPACT SIGNIFICANCE ANALYSIS FOR THE USE OF PROCEEDS FINANCING INSTRUMENTS	8
	(B) IMPACT SIGNIFICANCE ANALYSIS FOR THE SUSTAINABILITY-LINKED FINANCING INSTRUMENTS	16
02	ASSESSMENT OF ALIGNMENT WITH APPLICABLE GUIDELINES, PRINCIPLES AND FRAMEWORK	20
	(A) IMPACT SIGNIFICANCE ANALYSIS FOR THE USE OF PROCEEDS FINANCING INSTRUMENTS	20
	(B) IMPACT SIGNIFICANCE ANALYSIS FOR THE SUSTAINABILITY-LINKED FINANCING INSTRUMENTS	24
03	ANALYSIS OF SUSTAINABILITY PERFORMANCE	34
04	RATING SCALE	39
05	MARC RATINGS BERHAD	40

APPENDIX

COMPLIANCE REVIEW FORM

01 IMPACT SIGNIFICANCE ANALYSIS

Our qualitative impact significance analysis is conducted in the context of the SDGs. As a globally accepted guidepost for transition to sustainable development, the SDGs serve as a useful framework of reference for impact analysis. The 17 SDGs are at the heart of the global sustainability agenda covering three broad areas of economic, social, and environmental developments to be achieved by 2030.

The Framework has been developed to outline how JPG intends to undertake different types of SFTs and/or other financing instruments, which may be issued in any currency and for any tenor, and may include other terms and conditions (including covenants) to reflect the financing strategy and plans of the Group, as follows:

- a) UoP financing instruments, including SRI, GSS sukuk or bonds, and GSS loans or financing, to fund projects that will deliver environmental and social benefits that align with SDGs.

The net proceeds will be utilised to finance or refinance, in whole or in part, working capital requirements, existing debts, fees and expenses, and/or inter-company advances in relation to the Eligible Projects under the following Eligible Categories as defined in the Framework:

- Renewable Energy
- Environmentally Sustainable Natural Resources Use
- Terrestrial and Aquatic Biodiversity Conservation
- Sustainable Water and Wastewater Management
- Pollution Prevention and Control
- Energy Efficiency
- Clean Transportation
- Socioeconomic Advancement and Empowerment
- Food Security and Sustainable Food Systems

- b) Sustainability-linked financing instruments, including SRI-linked sukuk and Sustainability-linked bonds, loans, financing, and any other financial instrument to align its sustainability ambitions with its business strategies and plans.

The three selected KPIs are relevant, core, and material to JPG's primary business of CPO and PK production:

- KPI 1: GHG emission reduction
- KPI 2: Traceability to FFB suppliers
- KPI 3: Water management

The projects and KPIs defined in the Framework collectively support nine of the 17 UN SDGs:

1. Good Health and Well-Being
2. Quality Education
3. Gender Equality
4. Decent Work and Economic Growth
5. Industry, Innovation and Infrastructure
6. Responsible Consumption and Production
7. Climate Action
8. Life on Land
9. Partnerships for the Goals


Our assessment for impact significance analysis consists of:



- a) impact significance analysis for the UoP financing instruments
- b) impact significance analysis for the Sustainability-linked financing instruments.




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



ELIGIBLE CATEGORY FOR USE OF PROCEEDS



Eligible Green Projects

1	Renewable Energy		
	<p>Eligibility Criteria: Construction, development, acquisition, maintenance, and/or operation of renewable energy installations or renewable energy powered infrastructure, such as:</p> <ul style="list-style-type: none"> • Infrastructure (such as ISPOC) powered by renewable energy, including but not limited to sources such as solar, biomass and biogas • Development of solar power projects, solar rooftops, solar building integrated photovoltaics and solar farms • Development of concentrated solar plants with the majority of electricity (>85%) sourced from solar energy • Biomass and biomass derivative powered energy plants which are not derived from palm, peat and non-sustainably produced crops • Biogas and biogas derivative powered plants from Palm Oil Mill Effluent (POME) treatment which are not derived from palm, peat and non-sustainably produced crops 		
	Sustainability Objective	Sustainability Benefit	Corresponding to the UN SDGs
	<ul style="list-style-type: none"> • To promote the production and adoption of clean energy, reducing the reliance on fossil fuels • To advance renewable energy technologies, driving innovation for optimised energy use • To reduce emissions of GHG and other air pollutants, protecting the environment and mitigating climate change 	<ul style="list-style-type: none"> • Combating climate change by transitioning to renewable energy sources • Enhancing energy security and reliability by diversifying energy sources and improving infrastructure efficiency • Improving human health by reducing air pollution from energy production 	<div style="text-align: center;">  </div> <p>Alignment to the UN SDG:</p> <p>UN SDG 13, Target 13.2</p> <ul style="list-style-type: none"> • Integration of climate change measures in business operations by transitioning towards renewable energy sources <p>Indicative measurement:</p> <ul style="list-style-type: none"> • Annual GHG emissions reduced/avoided • Annual renewable energy generation (MWh/GWh)
2	Environmentally Sustainable Natural Resources Use		
	<p>Eligibility Criteria: Investments and expenditures relating to sustainable agriculture such as:</p> <ul style="list-style-type: none"> • Integrated Pest Management (IPM) such as: <ul style="list-style-type: none"> ○ utilising beneficial plants that provide shelter and food for predators ○ leveraging animals such as barn owls to control weeds and rodents ○ deploying eco-friendly chemical fertilisers/pesticides ○ making use of beneficial microbes such as mycorrhiza 		

<ul style="list-style-type: none"> • Regenerative agricultural practices such as: <ul style="list-style-type: none"> ○ utilising cover crops ○ rearing cattle ○ land irrigation using POME slurry ○ drip irrigation ○ incorporating empty fruit bunches (EFB) and EFB-compost into the annual manuring programme ○ planting legume crops in replanting areas to mitigate soil erosion and enrich the soil with organic matter • Procurement costs for third-party certification of products for supply chain traceability under the RSPO, ISCC and/or Malaysian Sustainable Palm Oil (MSPO) schemes • Carbon sequestration projects, such as habitat restoration and conservation, and afforestation or reforestation • Verification costs related to the sale and trading of carbon credits for carbon sequestration projects, under the following schemes: <ul style="list-style-type: none"> ○ Verified Carbon Standard ○ Gold Standard for the Global Goals ○ American Carbon Registry Standard ○ Climate Action Reserve Standard ○ Plan Vivo 		
Sustainability Objective	Sustainability Benefit	Corresponding to the UN SDGs
<ul style="list-style-type: none"> • To reduce the negative impact on the environment through lowered reliance on chemical fertilisers and pesticides • To protect and restore biodiversity and ecosystems by practicing regenerative agriculture that improves soil health • To reduce atmospheric CO₂ concentration by preserving and restoring forests that serve as carbon storage facilities • To provide transparency for buyers of carbon credits and ensure actual, measurable and additional emission reductions through third-party carbon credit verification schemes • To ensure long-term profitability via efficient use of resources and compliance with the sustainable palm oil standards 	<ul style="list-style-type: none"> • Lowering emissions through reduction of chemical fertilisers usage, improved manure management, and utilisation of cover crops • Increasing carbon sequestration by promoting soil health and growing cover crops that also act as carbon sinks • Combatting climate change and preserving biodiversity and ecosystems • Safeguarding water and air quality to promote a healthy ecosystem • Upholding the integrity of carbon markets and instil trust among stakeholders 	<div style="display: flex; justify-content: space-around; align-items: center;">   </div> <p>Alignment to the UN SDG:</p> <p>UN SDG 12, Target 12.2</p> <ul style="list-style-type: none"> • Sustainable management and efficient use of water, soil and other natural resources <p>UN SDG 13, Target 13.1</p> <ul style="list-style-type: none"> • Strengthening resilience to climate-related hazards and natural disasters <p>Indicative measurement:</p> <ul style="list-style-type: none"> • Amount of land under sustainable forest management, agroforestry, or other sustainable land use management practices (ha) • Volume or number of certified products

3 Terrestrial and Aquatic Biodiversity Conservation		
<p>Eligibility Criteria:</p> <p>Investments and expenditures relating to biodiversity conservation encompassing a range of activities aimed at the preservation of biodiversity, protection of habitats, afforestation and restoration of degraded environments, such as:</p> <ul style="list-style-type: none"> • Initiatives for habitat protection and restoration, such as safeguarding natural assets through conversion of non-productive agricultural land into other ecological reserves, reforestation and rehabilitation to enhance biodiversity and carbon sequestration • Species conservation, such as protection of endangered and threatened species, and sustaining populations of native flora and fauna, such as breeding programmes and habitat improvements • Projects to promote wildlife connectivity such as ecological corridors and landscape management • Other JPG conservation efforts and projects including but not limited to the "One Million Roots for the Future" programme, which aims to plant one million trees in 10 years, i.e. by 2033 		
Sustainability Objective	Sustainability Benefit	Corresponding to the UN SDGs
<ul style="list-style-type: none"> • To protect and restore biodiversity and prevent further habitat loss • To conserve ecosystems and maintain ecological processes that are vital for water purification, erosion and flood control, and climate regulation • To promote sustainable resource use and minimise negative impact on ecosystems 	<ul style="list-style-type: none"> • Creating resilient ecosystems that help conserve natural resources, contributing to sustainable agriculture • Mitigating climate change by restoring and growing forests acting as carbon sinks • Safeguarding human and animal health and wellbeing with healthy ecosystems providing water filtration and air purification 	 <p>Alignment to the UN SDG:</p> <p>UN SDG 15, Targets 15.2 and 15.5</p> <ul style="list-style-type: none"> • Sustainable management of forests, halting deforestation • Protecting natural habitats to halt the loss of biodiversity, and protect and prevent the extinction of threatened species <p>Indicative measurement:</p> <ul style="list-style-type: none"> • Net change in area of habitat protected or restored (ha)
4 Sustainable Water and Wastewater Management		
<p>Eligibility Criteria:</p> <p>Investments and expenditures relating to the production, construction, development, research and maintenance of sustainable infrastructure for clean and/or drinking water, and wastewater treatment, with focus on ensuring water availability, quality, and efficient use such as:</p> <ul style="list-style-type: none"> • Water recycling and reuse, such as from mill operations, or from alternative and renewable water sources, including through rainwater harvesting • Water conservation through upgrading of infrastructure to incorporate water-saving features and systems as well as potential water-saving technologies 		
Sustainability Objective	Sustainability Benefit	Corresponding to the UN SDGs
<ul style="list-style-type: none"> • To increase water efficiency and reduce water use through conservation practices 	<ul style="list-style-type: none"> • Enhancing water security and ensuring reliable access to clean water for all 	 

	<ul style="list-style-type: none"> To recover water resources to reduce reliance on freshwater sources and prevent water stress To minimise pollution of water bodies 	<ul style="list-style-type: none"> Conserving water resources to preserve the forest ecosystem Protecting aquatic ecosystems by reducing pollution from wastewater discharges Improving public health through effective wastewater treatment that minimises the spread of waterborne diseases 	<p>Alignment to the UN SDGs:</p> <p>UN SDG 12, Target 12.2</p> <ul style="list-style-type: none"> Increasing sustainable management and efficient use of water <p>UN SDG 15, Target 15.1</p> <ul style="list-style-type: none"> Conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems, forests, and wetlands <p>Indicative measurement:</p> <ul style="list-style-type: none"> Volume of reduced water usage
5	<p>Pollution Prevention and Control</p> <p>Eligibility Criteria:</p> <p>Investments, acquisitions, and expenditures relating to the prevention, reduction, or elimination of pollution, including the mitigation of GHG emissions, such as:</p> <ul style="list-style-type: none"> Recycling, repurposing and conversion of biomass waste into biocompost, biogas, biomethane and palm-fibre oil Proper management of hazardous waste Technologies for emission reduction through implementation of advanced technologies and upgrading of equipment and processes 		
	<p>Sustainability Objective</p>	<p>Sustainability Benefit</p>	<p>Corresponding to the UN SDGs</p>
	<ul style="list-style-type: none"> To divert biomass waste from landfills, thereby avoiding GHG emissions and leachate contamination To utilise biomass waste as a renewable source of energy and materials, lowering reliance on non-renewable resources To ensure safe and secure disposal of hazardous waste, preventing harm to human health and the environment To reduce emissions of GHG and other pollutants produced throughout the industrial process 	<ul style="list-style-type: none"> Saving landfill space and enhancing environmental quality Conserving resources by recycling and repurposing biomass waste Mitigating climate change by reducing emissions stemming from waste disposal and industrial processes Safeguarding human health and protecting the ecosystem through reduced pollution Improving process efficiency and productivity, leading to long-term profitability 	<div style="display: flex; justify-content: space-around; align-items: center;">   </div> <p>Alignment to the UN SDGs:</p> <p>UN SDG 12, Targets 12.4 and 12.5</p> <ul style="list-style-type: none"> Environmentally sound management of chemicals and all wastes throughout their life cycle Reducing waste generation through prevention, reduction, recycling and re-use <p>UN SDG 13, Target 13.2</p> <ul style="list-style-type: none"> Integrating climate change measures in business operations <p>Indicative measurement:</p> <ul style="list-style-type: none"> Volume of byproducts recycled Volume of hazardous waste generated and treated


6	Energy Efficiency		
	<p>Eligibility Criteria: Technologies/products or hardware systems dedicated to reducing energy consumption, including those with power-saving features, and machine learning and artificial intelligence applications for automation of plantation processes, such as:</p> <ul style="list-style-type: none"> • Replacement of fluorescent lights with light-emitting diode (LED) lights • Usage of electrical items rated at a minimum of 4 stars by the Energy Commission² • Upgrading of motors with International Efficiency (IE), rated at a minimum of IE3 (Premium Efficiency)³ • Energy Monitoring System implementation, such as through use of smart meters and Internet of Things devices to monitor energy use in real time and automated load shedding 		
	Sustainability Objective	Sustainability Benefit	Corresponding to the UN SDGs
	<ul style="list-style-type: none"> • To improve operating efficiency throughout the palm oil production cycle • To adhere to the relatively high standards applicable to energy efficiency • To reduce GHG emission through implementation of relevant, actionable and/or innovative initiatives 	<ul style="list-style-type: none"> • Enhancing resource utilisation efficiency for resource conservation and cost savings • Ensuring good relations with the community by taking a proactive approach to regulatory compliance • To mitigate climate change and its associated environmental issues 	 <p>Alignment to the UN SDG: UN SDG 9, Target 9.4</p> <ul style="list-style-type: none"> • Increasing resource-use efficiency and utilising clean or environmentally sound technologies <p>Indicative measurement:</p> <ul style="list-style-type: none"> • Annual energy savings (MWh) • Annual GHG emissions reduced/avoided (tCO2e)
7	Clean Transportation		
	<p>Eligibility Criteria: Development, procurement, acquisition, maintenance, and/or retrofitting of vehicles for clean transportation throughout the plantation supply chain, such as:</p> <ul style="list-style-type: none"> • Electric vehicles (EV) • Hybrid vehicles • Infrastructure including EV charging facilities 		
	Sustainability Objective	Sustainability Benefit	Corresponding to the UN SDGs
	<ul style="list-style-type: none"> • To reduce emissions of GHG and other harmful pollutants from vehicles • To maintain better the air quality for workers, communi- 	<ul style="list-style-type: none"> • Mitigating climate change and improving air quality • Safeguarding the health and wellbeing of workers, communities, and wildlife through reduction of pollution 	 <p>Alignment to the UN SDG:</p>


² Energy Commission Malaysia has determined an efficiency rating label, with 5-star being the most energy efficient. Source: "Guideline for Energy Efficiency Label", Energy Commission, <https://www.st.gov.my/eng/web/consumer/details/7/2>

³ The International Electrotechnical Commission (IEC) has established IE as a standardised system for classifying the energy efficiency of electric motors through the IEC 60034-30-1 classification scheme comprising four levels of motor efficiency: (i) IE1 - Standard Efficiency, (ii) IE2 - High Efficiency, (iii) IE3 - Premium Efficiency, and (iv) IE4 - Super Premium Efficiency. Source: "Electric Motors", IEC, <https://www.iec.ch/gov-ernment-regulators/electric-motors>

	<p>ties, and wildlife surrounding the plantations</p> <ul style="list-style-type: none"> To conserve natural resources by reducing fossil fuel consumption 	<ul style="list-style-type: none"> Promoting sustainable resource management through adoption of available technology 	<p>UN SDG 12, Target 12.2</p> <ul style="list-style-type: none"> Sustainable management and efficient use of natural resources <p>Indicative measurement:</p> <ul style="list-style-type: none"> Annual reduction in transport-related GHG emissions (tCO₂e) Annual reduction in fuel consumption (litres or other relevant units)
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Eligible Social Projects

1	Socioeconomic Advancement and Empowerment		
	<p>Eligibility Criteria:</p> <ul style="list-style-type: none"> Support programmes and projects that improve livelihoods and provide income-generating opportunities for marginalised or underprivileged communities (such as smallholders, and local outgrowers) and indigenous people, such as: <ul style="list-style-type: none"> Smallholder Inclusion Programmes Outreach programmes The “Women OnWards” programme Collaborations with the Earthworm Foundation Support programmes and projects that improve holistic development and well-being of marginalised/ underprivileged communities, indigenous people, and smallholder employees, such as: <ul style="list-style-type: none"> Education-related initiatives (including provision of school uniforms, education necessities for children of smallholders, and corporate sponsorships) Affordable housing and living facilities 		
	Sustainability Objective	Sustainability Benefit	Corresponding to the UN SDGs
	<ul style="list-style-type: none"> To lift marginalised or underprivileged communities out of poverty through inclusive programmes To empower smallholders and outgrowers to increase their productivity, adopt sustainable practices, and better contribute to the overall economy To enhance female employees’ skills, knowledge and income through the Women OnWards programme To provide fundamental needs to marginalised or under- 	<ul style="list-style-type: none"> Reducing socioeconomic inequality and poverty among smallholders, outgrowers, indigenous people and their families Helping smallholders to become RSPO-certified through the Smallholder Inclusion Programmes, who would then benefit from premium pricing and improved yields Empowering women at the workplace and promoting gender equality Enhancing community wellbeing while 	 <p>Alignment to the UN SDGs:</p> <p>UN SDG 3, Target 3.8</p> <ul style="list-style-type: none"> Increasing access to safe, quality and affordable healthcare <p>UN SDG 4, Target 4.5</p> <ul style="list-style-type: none"> Increasing access to all levels of education and vocational training <p>UN SDG 5, Target 5.5</p> <ul style="list-style-type: none"> Encouraging women’s full and effective participation, and equal opportunities for workplace leadership

	privileged communities and ensure overall stability and economic opportunities	fostering a good relationship with the community	<p>UN SDG 8, Target 8.3</p> <ul style="list-style-type: none"> Supporting productive activities, decent job creation, and entrepreneurship for the smallholders and outgrowers <p>Indicative measurement:</p> <ul style="list-style-type: none"> Number of beneficiaries
2	Food Security and Sustainable Food Systems		
	<p>Eligibility Criteria:</p> <p>Financing of food security projects, such as but not limited to JPG's Smallholder Inclusion Programmes, for small-scale farming operations in regions needing to tackle food security or food loss, in particular:</p> <ul style="list-style-type: none"> Investment in infrastructure and facilities such as warehouses to provide adequate storage, and improve food conservation Projects or programmes for smallholder farmers that enhance agricultural productivity and value in countries and regions with food security issues 		
	Sustainability Objective	Sustainability Benefit	Corresponding to the UN SDGs
	<ul style="list-style-type: none"> To support small-scale farmers in improving their production and storage processes To minimise food loss and ensure adequate food supply reaches consumers by establishing warehouses that will help prevent food spoilage To increase crop yields and enhance nutritional value of food supply to ensure public health To increased income and productivity for small-scale farmers and smallholders, contributing to poverty reduction 	<ul style="list-style-type: none"> Improving smallholders' access to resources that will help them increase yields and prevent losses Reducing food waste and ensuring the availability of good quality food Improving dietary diversity and combat malnutrition especially in countries and regions with food security issues Enhancing small-scale farmers and smallholders' livelihoods for a more sustainable economy 	 <p>Alignment to the UN SDG:</p> <p>UN SDG 12, Target 12.3</p> <ul style="list-style-type: none"> Reducing food losses along production and supply chains, including post-harvest losses <p>Indicative measurement:</p> <ul style="list-style-type: none"> Number of people benefitting from agricultural projects and using improved farming technology Farmers provided with access to agricultural inputs

Overall Impact Significance for Use of Proceeds

The Framework sets forth principles under which JPG intends to issue financing instruments. The nine eligible green and social categories identified in the Framework align with the project categories recognised by ICMA’s GBP/SBP/SBG, ASEAN GBS/SBS/SUS, SC’s SRI Sukuk Framework, and APLMA/LMA/LSTA’s GLP and SLP.

It is worth noting that the Framework also exhibits JPG’s commitment in supporting sustainable palm oil production and advancing regenerative agriculture in alignment with RSPO principles. In addition to the company’s commitment to implementing the industry’s best practices in accordance with environmental and labour standards, JPG can also ensure access to sustainability-conscious markets through proactive measures that mitigate relevant ESG risks. Overall, the anticipated impact of the UoP is assessed to be “Significant”, considering its potential to contribute to an advanced and transformative sustainable development. The expected sustainability benefits of the UoP align with JPG’s sustainability approach, the UN SDGs, and national and international sustainable development priorities.

Exclusion Criteria


The Sustainable Finance Proceeds are excluded from financing projects or activities related to the following industries (Exclusion List):


1. Luxury sectors (precious metals/ precious minerals/ artworks and antiques, wholesale or brokerage)
2. Child labour or forced labour
3. Gambling
4. Adult entertainment
5. Weapons and military contracting
6. Alcohol
7. Tobacco
8. Fossil fuel generation–related activities
9. Production or trade in any product or activity deemed illegal under international conventions and agreements, or subject to international bans

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

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



KPIs AND SPTs

1	KPI 1: GHG Emission Reduction SPT 1a: 50% carbon intensity reduction for Scope 1 and 2 by 2025 against 2012 baseline SPT 1b: Achieving net zero carbon emissions by 2050																		
Baseline, Targets and Observation Date																			
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Metrics/ Observation Date</th> <th style="text-align: center;">2012 (Baseline)</th> <th style="text-align: center;">2024</th> <th style="text-align: center;">2025</th> <th style="text-align: center;">2050</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">MT CO₂e per MT CPO and PK</td> <td style="text-align: center;">1.76</td> <td style="text-align: center;">0.9</td> <td style="text-align: center;">0.88</td> <td style="text-align: center;">0</td> </tr> <tr> <td style="text-align: center;">Reduction from baseline (%)</td> <td style="text-align: center;">N/A</td> <td style="text-align: center;">49</td> <td style="text-align: center;">50</td> <td style="text-align: center;">100</td> </tr> </tbody> </table>					Metrics/ Observation Date	2012 (Baseline)	2024	2025	2050	MT CO₂e per MT CPO and PK	1.76	0.9	0.88	0	Reduction from baseline (%)	N/A	49	50	100
Metrics/ Observation Date	2012 (Baseline)	2024	2025	2050															
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Historical Performance																			
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Year</th> <th style="text-align: center;">2021</th> <th style="text-align: center;">2022</th> <th style="text-align: center;">2023</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Carbon intensity (MT CO₂e per MT CPO and PK)</td> <td style="text-align: center;">1.13</td> <td style="text-align: center;">0.93</td> <td style="text-align: center;">0.9</td> </tr> </tbody> </table>					Year	2021	2022	2023	Carbon intensity (MT CO₂e per MT CPO and PK)	1.13	0.93	0.9							
Year	2021	2022	2023																
Carbon intensity (MT CO₂e per MT CPO and PK)	1.13	0.93	0.9																
Strategies to achieve SPTs																			
<ul style="list-style-type: none"> • Establishment and utilisation of renewable energy infrastructure, technologies or processes, including: <ul style="list-style-type: none"> ○ Biogas plants at JPG’s five palm oil mills that convert methane from POME into energy ○ A biomethane plant that has commenced commercial operation on August 1, 2023 ○ Bio-CNG facilities installation at Terah and Sindora that have achieved 70% completion ○ Utilising water, palm kernel shells, and fibre for power generation and biogas production • Enhancement of biodiversity conservation within the High Conservation Value (HCV) or High Carbon Stock (HCS) Management framework • Adherence to “No Deforestation, No New Development on Peat and No Exploitation (of human rights)” (NDPE) • Implementation of best management practices and integration of pest management • Commissioning of Palm-Fibre Oil Extraction (PFOE) Plant in September 2023 																			
Sustainability Objective	Sustainability Benefit	Corresponding to the UN SDGs																	
<ul style="list-style-type: none"> • To reduce emissions of GHG and other air pollutants throughout the agricultural and industrial processes • To promote the production and utilisation of clean energy and fuel through advancement of technologies, reducing reliance on high-emission energy sources • To protect and preserve forests for their biodiversity and ecological value, as they 	<ul style="list-style-type: none"> • Combating climate change by transitioning to renewable energy sources while enhancing energy security • Safeguarding human health and protecting the ecosystem through reduced pollution stemming from energy production, waste disposal, and deforestation • Improving process and resource efficiencies, which are critical to ensure sustainable 	Alignment to the UN SDG: <div style="text-align: center; margin: 10px 0;">  </div> UN SDG 13, Target 13.2 <ul style="list-style-type: none"> • Integrating climate change measures in business planning 																	

	also serve as carbon stock	agricultural and industrial practices	
2	KPI 2: Traceability to FFB Suppliers⁴ SPT 2: Achieve 100% Traceability to FFB Suppliers by 2025		
Baseline, Targets and Observation Date			
Metrics/ Observation Date		2023 (Baseline)	2025
Traceability to Smallholder FFB Suppliers (%)		98.85	100
Increment from baseline (%)		N/A	1.15
Historical Performance			
Year		2021	2022
Traceability to Smallholder FFB Suppliers (%)		58.43	98.49
Strategies to achieve SPT			
<ul style="list-style-type: none"> Fair procurement practices that align suppliers and contractors to JPG's standards and regulatory requirements Revision of vendor and supplier pre-requisites in line with JPG's sustainability commitments Deforestation monitoring of supplier plantations through open-source platforms Supplier screening processes based on environmental and social criteria, whereby the ESG questionnaire used includes a comprehensive sustainability evaluation and encourages integration of ESG principles into the suppliers' operations 			
Sustainability Objective	Sustainability Benefit	Corresponding to the UN SDGs	
<ul style="list-style-type: none"> To enhance transparency and accountability throughout the palm oil supply chain To incentivise suppliers to adopt sustainable practices in their operations to be in line with JPG's requirements To reduce deforestation and habitat loss through enhanced traceability, helping to protect valuable rainforests and preserve biodiversity To identify and address social concerns in the supply chain, such as unfair labour 	<ul style="list-style-type: none"> Strengthening JPG's credibility by enhancing consumers and businesses' confidence in its FFB sources Improving JPG's risk management by mitigating their direct and indirect exposure to deforestation and labour exploitation Allowing consumers to make informed choices on the palm oil products they purchase To increase engagement with smallholders, ensuring their in- 	<p>Alignment to the UN SDGs:</p>  <p>UN SDG 8, Target 8.7</p> <ul style="list-style-type: none"> Preventing forced labour, ending modern slavery, and prohibiting child labour in the palm oil industry <p>UN SDG 9, Target 9.3</p> <ul style="list-style-type: none"> Increased integration of small-scale farmers into value chains and markets <p>UN SDG 12, Target 12.2</p> <ul style="list-style-type: none"> Promoting sustainable management and efficient use of natural resources 	

⁴ Traceability of CPO and PK to plantations is established through collecting the Small Holding Malaysian Palm Oil Board (MPOB) License or RSPO Small Holding Certification data from the suppliers through the Traceability Tool-Kit Survey (TTS) form annually. This applies to CPO and PK purchased from external traders or suppliers whose sources encompass multiple smallholders, and exclude JPG's own estates which have achieved full traceability. In FY2023, 24.06% of JPG's CPO and PK originated from external sources.

⁵ For year 2026 onwards, for maintenance of traceability at 100%, traceability will be measured based on a rolling average basis. The scope of FFB traceable for JPG's external smallholder FFB suppliers will be limited to suppliers who have been onboarded for at least 3 consecutive years, allowing a grace period for new external suppliers to be onboarded and commit to traceability.

	practices or land rights violations	clusion in the sustainable palm oil supply chain	UN SDG 17, Target 17.16 <ul style="list-style-type: none"> Enhancing partnerships that promote sharing of knowledge and create awareness to support the achievement of a sustainable palm oil industry 		
3	KPI 3: Water Management SPT 3: Maintain mill water consumption of 1.2 m³/MT FFB and below				
Baseline, Targets and Observation Date					
Metrics/ Observation Date		2013 (Baseline)	2025	2028	2030
Mill Water Consumption (m³ /MT FFB)		1.2	1.2	1.2	1.2
Historical Performance					
Year		2021	2022	2023	
Mill Water Consumption (m³ /MT FFB)		1.11	1.13	1.19	
Strategies to achieve SPT					
<ul style="list-style-type: none"> Designated buffer zone areas within JPG's fields where activities such as chemical spraying and manuring are strictly prohibited to safeguard water resources Regular inlet and outlet water analyses following monthly manuring activities to monitor water quality Implementation of periodic desilting of drains, and Guatemala grass and soft grasses planting to mitigate sedimentation and erosion risks near water bodies, helping to maintain the integrity of the surrounding ecosystems and ensuring the sustainable management of water resources across JPG's operating units Installation of rainwater harvesting systems with the goal of implementation across all operational units by 2025, in addition to ongoing sourcing of water supply from surface water and third-party providers 					
Sustainability Objective	Sustainability Benefit		Corresponding to the UN SDGs		
<ul style="list-style-type: none"> To increase water efficiency and reduce water loss through preventive measures To reduce negative impact on the environment by preventing release of pollutants into water bodies To recover water resources and prevent water stress 	<ul style="list-style-type: none"> Enhancing water security and ensuring reliable access to clean water for all Safeguarding water quality to promote a healthy ecosystem Conserving water to prevent erosion and combat drought stress 		<p>Alignment to the UN SDGs:</p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div> <p>UN SDG 12, Target 12.2</p> <ul style="list-style-type: none"> Practicing sustainable management and efficient use of natural resources <p>UN SDG 15, Target 15.1</p> <ul style="list-style-type: none"> Ensuring sustainable use of terrestrial and inland freshwater ecosystems 		

Overall Impact Significance for KPIs and SPTs

This impact analysis is conducted based on our assessment of the significance of JPG’s selected KPIs and the ambition level of the corresponding SPTs, and their relevance to the company’s ongoing and future initiatives. The KPIs selected by JPG, that focus on GHG emissions, supply chain traceability and water management, represent key environmental and social challenges material to JPG’s operations associated with palm oil production. In alignment with Malaysia’s Nationally Determined Contribution of a 45% carbon intensity reduction by 2030, JPG is also setting near-term targets to curb emissions. Additionally, the company’s initiatives in building a more resilient and sustainable supply chain and managing water consumption are also in line with RSPO and MSPO’s objective of promoting sustainable palm oil.

Based on historical performance and initiatives implemented, we anticipate that there is high likelihood that JPG will be able to achieve the KPIs, despite the challenges in maintaining or surpassing its historical performance. The company has methodically prioritised efforts to anchor its strategies towards significant carbon emission reduction, enhancement of supply chain sustainability and maintenance of water consumption. Overall, the anticipated impact of the chosen KPIs and SPTs is assessed to be “Significant”, considering its potential to contribute to sustainable palm oil production.

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

02 ASSESSMENT OF ALIGNMENT WITH APPLICABLE GUIDELINES, PRINCIPLES AND FRAMEWORK

For assessment of alignment, our analysis constitutes:

- a) assessment of alignment with ICMA's GBP/SBP/SBG, ASEAN GBS/SBS/SUS, SC'S SRI Sukuk Framework, and APLMA/LMA/LSTA's GLP/SLP
- b) assessment of alignment with ICMA'S SLBP, ASEAN SLBS, SC'S SRILSF and APLMA/LMA/LSTA's SLLP

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

(A) ASSESSMENT OF ALIGNMENT WITH ICMA'S GBP/SBP/SBG, ASEAN GBS/SBS/SUS, SC'S SRI SUKUK FRAMEWORK, AND APLMA/LMA/LSTA'S GLP/SLP



Principle One: Utilisation of Proceeds

The proceeds shall be utilised exclusively to finance or re-finance, in part or in full, new and/or existing Eligible Projects as defined in the framework, in alignment with the eligibility criteria of ICMA's GBP/SBP/SBG, ASEAN GBS/SBS/SUS, SC's SRI Sukuk Framework, and APLMA/LMA/LSTA's GLP/SLP.

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

For the avoidance of doubt, the proceeds can be used for the following purposes in relation to the Eligible Projects identified:

- working capital requirements
- refinancing of existing debt
- fees and expenses
- inter-company advances to JPG and its subsidiaries

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

- Marginalised/underprivileged communities, such as smallholders and local outgrowers
- Indigenous people
- Small-scale farmers and smallholders

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



JPG aims to ensure that projects are properly identified and assessed in compliance with this Framework through processes and procedures involving its BSC and SSC.

The BSC oversees the implementation of the Framework, including allocation processes, projects, and framework updates. This ensures they align with JPG's sustainability strategy and fall under pre-defined Eligible

Principle Two:
Process for Project
Evaluation and Selection

Project Categories and criteria. The BSC also reviews any proposed updates to the framework, including expansion of the list of Eligible Categories to reflect JPG's evolving sustainability strategies, and removal of projects that no longer meet the eligibility criteria. Additionally, BSC is also responsible for ensuring that the company's strategic plan supports long-term value creation and considers sustainability, human rights, and climate-related risks and opportunities.

Meanwhile, the SSC, comprising representatives from JPG's related business functions, supports the BSC. They are responsible for reviewing, selecting, validating, and monitoring the pool of Eligible GSS Projects based on the categories and criteria specified in the Framework. They monitor the evolving landscape of sustainable finance markets, especially in relation to disclosure and reporting best practices, such as the appointment of an independent auditor to provide an annual assurance report, where feasible. The relevant reports, including the Allocation and Impact Reports, will also be reviewed and validated by the SSC. They also monitor potential ESG issues associated with the projects, such as data privacy and security, product governance, and business ethics.

To address the environmental and social risks associated with the Eligible Categories, the issuer has established relevant policies to identify and manage these risks. JPG also commits to uphold applicable ESG standards or best practices. As guided by its Sustainability Commitment Pledge, the company will appoint consultants or engineers to conduct relevant environmental or technical assessment where applicable.

The process for evaluation and selection of eligible project is as follows:

- 1) The SSC will assess and identify projects that satisfy the Eligible Categories defined in the framework and align with JPG's sustainability objectives and strategies, including undertaking the assessment of the project's environmental and social risks.
- 2) The BSC will review the assets or projects and confirm that these meet the criteria on a semi-annual basis, and before any new finance is raised.
- 3) In the event of divestment or a project no longer meeting the eligibility criteria, the proceeds will be allocated to other Eligible Projects as soon as practicable.

Based on the framework, the proceeds raised may be used to finance the development of ISPOC. ISPOC operates on renewable energy sources and aims to promote sustainable and efficient palm oil production. To ensure a comprehensive development process, a multidisciplinary consulting team will be employed to address technical, environmental, social, and urban planning matters. This will include conducting an Environmental Impact Assessment (EIA) and Social Impact Assessment (SIA).

Additionally, the framework has defined exclusion criteria.



Principle Three:
Management of
Proceeds

Proceeds raised from each SFT will be deposited in JPG's general funding account and earmarked for Eligible Projects. JPG's Finance Team will maintain a register of all Eligible Projects to ensure proper monitoring and allocation of net proceeds. This register will include relevant information regarding the proceeds such as key information about the funding transaction and the allocation of proceeds, including:

- Eligible Projects and their descriptions to which the proceeds of the SFTs have been allocated in accordance with the framework
- Amount of SFT proceeds allocated to each project
- The remaining balance of unallocated proceeds
- Other relevant information including details of temporary investment for unallocated proceeds

JPG will maintain internal records about the allocation of the net proceeds to the Eligible Projects so long as a SFT remains outstanding. Any unallocated proceeds will be managed according to JPG's Group Financial Policy. Payments of principal and interest on the SFTs may be made using JPG's general funds and will not be directly linked to the performance of any Eligible Project.

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



Principle Four: Reporting

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

Allocation Reporting

The allocation report will include:

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

Impact Reporting

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

JPG may seek a post-issuance external review on its allocation and impact reporting, as well as management of proceeds, to verify the company’s internal tracking method. The external verification, if any, will be included in the allocation report.

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

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

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

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

Assessment Grade	High	Good	Satisfactory	Low
	3	2	1	0

(B) ASSESSMENT OF ALIGNMENT WITH ICMA’S SLBP, ASEAN SLBS, SC’S SRILSF AND APLMA/LMA/LSTA’S SLLP

**Core Component 1:
Selection of Key Performance Indicators (KPIs)**



JPG has selected the KPIs that provide a trajectory towards improving the sustainability performance of its primary business of palm oil plantation and processing.

The three selected KPIs will measure JPG’s ESG performance, specifically regarding its achievement in mitigation of climate change impacts, raw material traceability and water management.

- KPI 1: GHG Emission Reduction
- KPI 2: Traceability to FFB Suppliers
- KPI 3: Water Management

**KPI 1:
GHG Emission Reduction**

Agriculture, particularly palm oil production, contributes to a significant portion of GHG emissions. At the same time, the impact of climate change on crop production is detrimental, leading to disruptions in operations and loss of livelihood, and affecting food security. There is a pressing need for JPG to address climate change issues and its potential effects on the company’s operations and supply chain.

JPG has set a target of Net Zero emissions by 2050 in support of Malaysia’s national climate goals and commitment to the Paris Agreement, through integration of climate considerations into its risk management. The company is in the process of conducting its first climate-scenario analysis to refine its climate-related disclosures in alignment with Task Force on Climate-Related Financial Disclosures (TCFD) guidelines and recommendations.

JPG measures and reports its GHG emissions performance data following the GHG Protocol Corporate Accounting and Reporting Standard and the GHG Protocol Agricultural Guidance. The company has identified its sources of GHG emissions as shown in the following figure.



JPG has reported its emissions data in its sustainability disclosure, and its emission data for 2023 will also be reviewed and verified during the next RSPO assessment. Moving forward, it aims to include all indirect Scope 3 emissions covering both upstream and downstream emissions in its value chain, consistent with the GHG Protocol. The company has also completed

data collection on employee commuting and business travel for 2023. The data is currently undergoing analysis. JPG also targets to align its GHG emission reduction targets with Science Based Targets initiative (SBTi) requirements by 2025.

KPI 2:
Traceability to FFB
Suppliers

The European Union Deforestation Regulation (EUDR), published in June 2023, will be applicable for exports of CPO and PK to European Union Countries starting from December 30, 2024. The EUDR will require palm oil operators or traders that import to or export from the EU market to be able to prove that their products do not originate from recently deforested land or have contributed to forest degradation. This new regulation makes traceability of FFB critical for JPG.

Fundamental to supply chain transparency are responsible sourcing and traceability, which ensure accountability that upholds ethical standards and protects the environment. JPG's fully transparent supply chain allows the company to track the origins of its products. This is crucial to mitigate ESG risks including labour violations and environmental degradation, while enhancing operational efficiency for long-term viability and positive societal impact.

The scope of this KPI is limited to external FFB from smallholders and exclude JPG's own estates, which have achieved full traceability. Traceability to FFB suppliers is determined by the number of Small Holding MPOB License or RSPO Small Holding Certification data collected via the Traceability Tool-Kit Survey (TTS) form submitted by suppliers annually. In FY2023, 24.06% of JPG's FFB originated from external sources.

Likewise, the company also commits to monitoring, assessing and verifying its suppliers for deforestation-free practices. Achieving 100% traceability is an important milestone to ensure a resilient and responsible supply chain that is free from deforestation, forced labour and other sustainability issues.

KPI 3:
Water Management

Fresh water is critical for agricultural productivity and the very foundation of life on land. However, excessive water consumption by agricultural companies can disrupt ecosystems, harm communities' well-being, and ultimately threaten the long-term viability of their crops. Hence, responsible water management is vital for oil palm cultivation, ensuring conservation of resources while balancing economic needs with environmental preservation.

JPG has set a water conservation target of maintaining mill water consumption below 1.2 m³ /MT FFB. The company prioritises water management practices in its operations by conducting environmental and impact assessments which serve as a basis to develop water management plans focusing on key improvement areas.

KPI Materiality and Relevance

Based on our assessment, JPG has selected KPIs that are core, material and relevant to its overall business, and are of strategic significance to the Com-

pany. The KPIs, focusing on mitigation of climate change, raw material traceability and water management, are material to JPG's palm oil production. This is reflected in JPG's materiality assessment, whereby the company's stakeholders had deemed climate change and GHG emissions to be of critical importance. Resource management is also among the company's most prioritised material sustainability matters in 2023.

Based on our information collected, in the process of selecting the KPIs, JPG has also referred to external standards or guidance, including ICMA's Illustrative KPI Registry 2023, Morgan Stanley Capital International's (MSCI) ESG Industry Materiality Map, Sustainability Accounting Standards Board's (SASB) Materiality Finder, and RSPO Theory of Change - Roadmap for Sustainable Palm Oil.

KPI Measurability and Verifiability

Overall, we opine that JPG's selected KPIs are measurable, externally verifiable, and benchmarkable. All calculation methodology associated with the KPIs has been clearly defined in the framework.

KPIs 1 and 3 have also been included in JPG's sustainability report, with three years of performance value provided. JPG's historical performance is consistent with data reported in its sustainability disclosures for FY2023, which has been assured by Control Union (Malaysia) Sdn Bhd that it complies to AA1000 Assurance Standard (AA1000AS)⁶.

For all KPIs, the baseline and historical performance were clearly established, except for SPT 1b, and the framework has outlined relevant rationale for the KPI selection and the alignment with JPG's overall sustainability strategy. We note that KPIs 1 and 3 are consistent with JPG's sustainability ambitions as disclosed in its Sustainability Report. KPI 2 is a newly selected KPI supported by three years of historical performance that has been separately provided by the issuer.

Core Component 2: Calibration of SPTs



For each KPI established, JPG had calibrated the respective SPTs as follows:

KPI 1: GHG Emission Reduction

- SPT 1a: 50% carbon intensity reduction for Scope 1 and Scope 2 by 2025 against 2012 baseline
- SPT 1b: Achieve net zero carbon emissions by 2050

KPI 2: Traceability to FFB Suppliers

- SPT 2: Achieve 100% Traceability to FFB Suppliers by 2025

KPI 3: Water Management

- SPT 3: Maintain mill water consumption of 1.2 m³/MT FFB and below

⁶ The AA1000AS is the global benchmark for evaluating an organisation's sustainability performance against the AccountAbility Principles. Source: AccountAbility, "AA1000 Assurance Standard" <https://www.accountability.org/standards/aa1000-assurance-standard/>

SPT 1a: 50% carbon intensity reduction for Scope 1 and 2 by 2025 against 2012 baseline

JPG targets to reduce 50% of the GHG emissions intensity covering Scope 1 and 2 of its operations in Malaysia by 2025, with 2012 as a baseline, whereby the emissions intensity was recorded at 1.76 MT CO₂e per MT CPO and PK.

The Company's projected target and observation date for Scope 1 and Scope 2 emissions intensity reduction is as follows:

Metrics/ Observation Date	2012 (Baseline)	2024	2025	2050
MT CO ₂ e per MT CPO and PK	1.76	0.9	0.88	0
Reduction from baseline (%)	N/A	49	50	100

The following calculation methodology will be employed:

$$\text{Emission Intensity (MT CO}_2\text{e per MT CPO and PK)} = \frac{\text{Total Emission (MTCO}_2\text{e)}}{\text{Volume (MT CPO+ PK)}}$$

This SPT is consistent with JPG's corporate sustainability target in relation to carbon emissions reduction, and the company is likely to meet its 2025 target based on its ongoing efforts. It is worth noting that the company has disclosed its target to align its Scope 1 and 2 emissions assessments to the GHG protocol and SBTi requirements in the Sustainability Report 2023.

The base year selected (2012) may appear to be less relevant as environmental regulations, technologies, and best practices have evolved significantly over the past decade. However, the target was initially established in 2014 and revised in 2018 due to delayed completion of its biogas projects and changes in the calculation methodology⁷. The revision in 2018 also includes amendments to its base year data based on PalmGHG V3 to ensure consistency and accuracy. Since then, the company has demonstrated a consistent effort to improve its carbon emissions intensity over an extended period. Therefore, we believe that the base year is justified, as maintaining the company's proven track record requires prudent measures.

JPG has undertaken initiatives related to renewable energy towards the achievement of this SPT. This includes capturing methane from POME and converting it into energy through biogas plants established at JPG's five palm oil mills. The biogas captured may be converted to biomethane via the company's biomethane plant which had commenced commercial operation on August 1, 2023. The biomethane produced will be then supplied to Gas Malaysia Berhad.

Biomethane can be further compressed to produce Bio-CNG, which can be used for heating and power. Bio-CNG facilities installation at Terah and Sindora has currently achieved 70% completion. Upon commencement of operations, the Bio-CNG will be injected into Gas Malaysia's Natural Gas Distribution System network.

⁷ In 2014, JPG's parent company, Kulim, targeted to reduce carbon emissions by 58% by 2020. This target was based on the expectation that their biogas programme would be fully operational by 2020. However, due to delays in biogas projects and changes in RSPO PalmGHG Calculator methodology and default values, Kulim revised the target to a 50% reduction by 2025. This new target aligned with the timeline for biogas initiatives, which is an important factor to its overall carbon reduction. Source: Carbon Footprint Report 2018, Kulim, <https://kulim.com.my/storage/2022/07/KULIM-CR-2018.pdf>

SPT 1b: Achieving net zero carbon emissions by 2050

JPG has set a target to achieve net zero carbon emissions by 2050 for all its operations in Malaysia.

Currently, the company is building its Scope 3 carbon inventory, and thus, has yet to disclose historical performance associated with the SPT, baseline, and timelines for achieving the target, including the target observation dates, the trigger events, and the frequency of the SPT.

Towards achieving its net zero ambition, a series of initiatives and plans has been developed. To reduce GHG emissions throughout its palm oil value chain, JPG utilises water, PK shells and fibre for power generation and biogas production, following the commissioning of a PFOE plant at Sedenak POM on September 1, 2023.

Recognising the importance of protecting and preserving forests and peatlands, which function as carbon stock, JPG has implemented the HCV and HCS management framework to enhance its biodiversity conservation. The company has also declared its commitment to the NDPE and integrated pest management in its operations to promote sustainable agriculture, in alignment with RSPO standards.

SPT 2: Achieve 100% Traceability to FFB Suppliers by 2025

JPG's target for KPI 2 is to achieve 100% traceability of CPO and PK to plantations, for all its FFB sourced from smallholders, by 2025. The company uses their performance in 2023 as a baseline, where 98.85% traceability was recorded.

Metrics/ Observation Date	2023 (Baseline)	2025	2030
Traceability to FFB Suppliers (%)	98.85	100	100
Increment from baseline (%)	N/A	1.15	1.15

The following calculation methodology will be employed:

$$\text{Traceability (\%)} = \frac{\text{Total Number of MPOB Licenses or RSPO Certification Data Obtained*}}{\text{Total Number of Smallholders Suppliers*}} \times 100$$

*Note: Based on TTS Form submitted by suppliers

The traceability to FFB suppliers is derived from the data below, which has been separately provided by the issuer:

Year	No. of Suppliers	Total TTS Form Submitted by Suppliers	No. of Smallholders Suppliers*	No. of MPOB Licenses/RSPO Certification Data*	Traceability (%)
2023	22	19	2089	2065	98.85
2022	21	19	2052	2021	98.49
2021	19	13	1121	655	58.43

*Note: Based on TTS Form submitted by suppliers

Post-2025, to ensure maintenance of traceability at 100%, it will be calculated based on maintenance of the rolling average from 2025 using the methodology above. The scope will be limited to suppliers who have been onboarded for at least three consecutive years, allowing a grace period for new external suppliers to be onboarded and commit to traceability.

JPG’s target of achieving 100% traceability would require significant effort, as it would involve challenges that include complexity of supply chain, integration of smallholders, and data collection and management.

To achieve traceability across its entire value chain, JPG has implemented a range of initiatives, including improving supplier assessment processes, streamlining registration and evaluation processes, and digitising its procurement procedures. JPG also practises fair procurement and ensures suppliers’ alignment to sustainability commitments through revised vendor and supplier pre-requisites, deforestation monitoring, and environmental and social screening, to ensure supply chain integrity.

As of 2023, 100% of JPG’s suppliers had been assessed for compliance with the company’s FFB purchasing agreement. It is also compulsory for all smallholders and traders to provide their traceability information as part of the company’s FFB purchase agreements.

SPT 3: Maintain mill water consumption of 1.2 m³/MT FFB and below

JPG targets to maintain mill water consumption of 1.2 m³ /MT FFB and below for all its mills. The water supply for JPG is sourced from surface water and third-party providers.

Metrics/ Observation Date	2013 (Baseline)	2025	2028	2030
Mill Water Consumption (m ³ /MT FFB)	1.2	1.2	1.2	1.2

The following calculation methodology will be employed:

$$\text{Mill water consumption (m}^3\text{/MT FFB)} = \frac{\text{Total Mill Water (m}^3\text{)}}{\text{Volume of Fresh Fruit Bunches produced (MTF FB)}}$$

The historical performance provided of this SPT has shown a consistent mill water consumption intensity below 1.2 m³ /MT FFB each year. We opine that the SPT may not represent a material improvement from the baseline, but it is beyond the industry’s business-as-usual trajectory. Maintaining a low water consumption intensity requires consistent and effective efforts, especially as the company’s operations expand.

JPG’s strategies aimed at achieving the SPT encompasses several key strategies.

The company has set up designated buffer zones where activities such as chemical spraying and manuring are prohibited to minimise the risk of pollu-

tants entering the water source. Regular inlet and outlet water analyses following manuring activities are also conducted, allowing corrective measures to be taken to prevent water quality degradation.

The company also conducts periodic desilting of drains to prevent the build-up of sediment that may clog waterways and obstruct water flow. Guatemala grass and soft grasses were also planted along water bodies to help to stabilise the soil and reduce erosion. Additionally, JPG plans to install rainwater harvesting systems throughout its operations by 2025, which will allow the utilisation of captured rainwater, a free and natural resource.

Level of Ambition

Overall, the SPTs selected are moderately ambitious, supported by relevant strategies, while being coherent with JPG's overall sustainability targets. Based on historical performance, we anticipate that there is high likelihood that JPG will be able to achieve the selected KPIs as they are already implementing relevant initiatives that would facilitate their progress towards significant carbon emission reduction, enhancement of supply chain sustainability and maintenance of water consumption.

Most of the SPTs are supported by clear timelines and baselines, except SPT 1b. For SPT 1a, 2 and 3, the availability of historical performance data has provided a basis to project the achievement of the target by each observation date. SPT 1b falls short in this aspect as JPG is currently in the process of establishing its Scope 3 carbon inventory and does not have relevant data to support its target setting. However, the inclusion of SPT1b despite current data gaps reflects the company's ambition to align with the Paris Agreement in the future.

Recalculation Policy

JPG recognises that significant change to the calculation methodology of the SPTs or significant change in data due to the following situations may result in a recalculation of the relevant baselines and/or SPT:

- Better data accessibility
- Discovery of data errors
- Significant structural change such as acquisitions, divestitures, or mergers

The company considers significant changes as changes that cause an increase or decrease in the value of a KPI by at least 5% or more. JPG reserves the right to amend, adjust, and/or recalculate the relevant SPT, baseline, and/or intermediate target should a non-significant change (a change that causes an increase or decrease in the value of a KPI by less than 5%) occurs, especially when structural changes occur.

Any such amendment, adjustment and/or recalculation will be subject to JPG's SPO provider's independent confirmation that the proposed revision:

- is consistent with JPG's sustainable strategy

- is in line with, or more ambitious than, the initial level of ambition of the SPTs.

The company will disclose any adjustments made to baselines and/or SPTs in its Annual and/or Sustainability Report.

**Core Component 3:
Financial
Characteristics**



A detailed description of the potential variation of the financial characteristics of the sustainability-linked bonds and loans will be specified in the legal documentation including changes to the financial and/or structural characteristics which may follow the occurrence of a trigger event.

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

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

The target observation date denotes the date on which KPI performance is to be observed and measured against a relevant SPT. For avoidance of doubt, details in relation to the specific trigger events and target observation dates will be specified in the applicable transaction documentation.

To provide economic incentive for JPG's KPI performance against the selected SPTs, the Sustainability-Linked Financial Instruments may be adjusted following an achievement or non-achievement of the selected KPIs and applicable SPTs at the target observation dates. These adjustments can be one-way or two-way, and may take various forms including:

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

The specific adjustments will vary depending on the nature of the instrument. Additionally, the instrument's documentation may include provisions for specific events, beyond JPG's direct control, that could result in the step-up not being triggered, subject to lenders' and investors' agreement.

**Core Component 4:
Reporting**



Relevant reporting on the progress made with respect to JPG's KPIs and the achievement or non-achievement of the SPTs will be set out in the relevant documentation. The disclosure will be reported annually in a Progress Report, which will be made publicly available either in the company's Annual Report or Sustainability Report, or as a standalone report disclosing progress for the previous calendar year, which will be published on JPG's website no later than the reporting end date as specified within the transaction documents.

The progress report will contain relevant information including, but not limited to:

- Up-to-date information on the performance of the selected KPIs, including the baseline where relevant
- Up-to-date information outlining JPG's performance against the SPTs and the related impact, and timing of such impact on the respective Sustainability-Linked Financial Instrument's performance
- Relevant information enabling investors to monitor the progress of the SPTs
- Verification assurance relative to the reporting including the above points.

Where feasible and available, the following information may also be included:

- Qualitative or quantitative explanation of the contribution of the main factors, including mergers and acquisitions (M&A) activities, behind the evolution of the performance/KPI on an annual basis
- Illustration of the positive sustainability impacts of the performance improvement
- Any re-assessments of KPIs and/or restatement of the SPT and/or proforma adjustments of baselines or KPI scope, if relevant

Core Component 5: Verification



Pre-issuance

JPG has appointed MARC Ratings to provide a Second-Party Opinion on the alignment of the Framework with the ICMA's SLBP, ASEAN SLBS, SC's SRILSF, and APLMA/LMA/LSTA's SLLP. The Second-Party Opinion report will be made available on the Company's website at <https://johorplantations.com/>.

Post-issuance

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

The verification of KPI performance will be conducted annually and reported in the Progress Report using a "Limited Assurance" standard, which will be published on JPG's website no later than the reporting end date.

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

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

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

Assessment Grade	High	Good	Satisfactory	Low
	3	2	1	0

03 ANALYSIS OF SUSTAINABILITY PERFORMANCE

JPG’s materiality assessment was conducted in 2023 following its significant business transformation. The latest materiality assessment observed some significant shifts as awareness on data privacy and cybersecurity, and economical impact have gained traction among stakeholders. “Climate Change and GHG Emissions” and “Resource Management” had been identified as important matters to the company and its stakeholders and were taken into consideration for the selection of KPIs for JPG’s framework for Sustainability-linked financing.



The company’s sustainability governance structure takes a top-down approach, with the Board overseeing the development and implementation of ESG strategies, policies and initiatives. The Board is facilitated by the BSC that reviews the company’s sustainability performance and its alignment with the company’s overall strategy. This encompasses economic, environmental, and social considerations, including human rights and climate-related risks and challenges.

The SSC, chaired by the Group Managing Director, manages and monitors ongoing sustainability-related operations. They work with a dedicated Sustainability Department, led by the Head of the Commercial & Sustainability Division, to monitor progress of sustainability initiatives and consolidate information for the Board’s attention and consideration.



Mitigating Climate Change and Environmental Impact

Recognising the importance of addressing climate change and its potential impact on the Company's business, JPG aspires to achieve net zero emissions by 2050. In line with the Paris Agreement's goal to limit global warming to 1.5°C, the company is in the process of refining its climate-related disclosures in tandem with conducting its first climate-scenario analysis according to TCFD guidelines and recommendations. The Company's goal is to develop strategies that safeguard their assets and operations, and reduce their environmental footprint, by integrating climate considerations into its risk management and decision-making procedures. The Board, BSC, and TCFD Committee are responsible for ensuring ethical management.

Climate-related Roles and Responsibilities	
Board of Directors ("the Board")	<ul style="list-style-type: none"> ▪ The Board provides strategic oversight of JPG's systems of internal control and risk management, ensuring their effectiveness. ▪ The Board oversees corporate governance policies and initiatives, including the Group Sustainability Policy. ▪ The Board provides strategic oversight of specific risks and internal control procedures as reported by the Audit Committee.
BSC Committee	<ul style="list-style-type: none"> ▪ The BSC Committee meets quarterly and advises the Managing Director on sustainability matters, including climate-related matters. ▪ The BSC ensures the Group's strategic plan supports long-term value creation and includes strategies on sustainability and climate-related risks and opportunities.
TCFD Committee	<ul style="list-style-type: none"> ▪ The TCFD Committee is tasked with identifying and assessing sustainability risks and opportunities, including climate risks. ▪ The TCFD Committee implements, reviews, and formulates sustainability-related initiatives, ensuring compliance with environmental and social management systems.

JPG has declared its NDPE commitment, with 1,131 ha within its estates designated as high conservation value (HCV) areas and 276 ha as conservation areas. The company's biodiversity policy sets its commitment for the creation of wildlife corridors to ensure the sustainability of indigenous species. It has also identified several rare, threatened, and endangered wildlife species within its conservation areas.

A mix of energy sources is used to power JPG's operations, including steam turbines, grid electricity, diesel generators, and biogas plants. Since 2016, the company has been harnessing renewable energy by converting waste from its POMs to biogas and biomass. In 2023, steam turbines powered by renewable sources such as biogas and biomass were the main source, generating 84% of its mills' total energy needs. Biomethane produced from the company's biomethane plants will be injected into the national gas grid. Notably, the company has achieved 100% capture of methane from its POMs, demonstrating its focus on emission reduction.

To conserve water resources, JPG actively monitors and treats wastewater from its POMs. To minimise water pollution, the company has implemented a POME Treatment System which uses a combination of natural anaerobic and aerobic processes, eliminating the need for harmful chemicals. The implementation is supervised by certified Environmental Professionals in The Treatment of Palm Oil Effluent. Additionally, JPG has upgraded its treatment ponds and improved its water management practices. These efforts have resulted in zero discharge of wastewater into waterways.

Responsible and Inclusive Stakeholder Management

To ensure the wellbeing of its employees, including sub-contract workers, JPG offers living wage that meets or exceeds minimum wage requirements, and provides additional benefits. The company adheres to all legal requirements concerning overtime pay, health insurance, and leave entitlements. It also offers recreational facilities and housing that meet the standards outlined in Act 446 of the Employees' Minimum Standards of Housing Accommodations and Amenities Act 1990. Additionally, JPG adheres to Malaysia's Code of Conduct for Industrial Harmony and international regulations set by the International Labour Organization (ILO), respecting workers' rights to join unions and engage in collective bargaining.

Moreover, JPG has implemented several initiatives to integrate sustainability throughout its supply chain, such as enhanced supplier assessment processes, capacity-building programmes, streamlined registration and evaluation processes, and digitised procurement procedures. These efforts have resulted in improved traceability, transparency, and ultimately, enhanced supply chain integrity. The company also prioritises collaboration by fostering meaningful relationships with its suppliers through regular dialogue sessions, trainings and workshops.

Current and future vendors, along with their workers, agents, and subcontractors, are expected to uphold social and environmental standards in all dealings with JPG. This is reinforced by mandating all vendors to comply with JPG's Vendor Code of Business Ethics (VCOBE), which sets the standards for labour and human rights, environment, safety and health, ethics and best management practices. Non-compliance to the VCOBE may lead to termination of business relationship and/or rejection of the vendors' registration process. In 2023, 100% of the company's registered vendors completed and signed the Vendor Declaration Form.







Recognising the role of smallholders in helping to achieve the company's goal of 100% RSPO certified FFB sourcing, the Smallholders Inclusion Programme was launched in 2012. This programme offers technical and management support to assist smallholders in obtaining RSPO certification and adopt sustainable practices, with the aim to improve their participation in the global sustainable palm oil value chain.

Fair and transparent land management is also practised by JPG. The company upholds its commitment to ethical operations through established Standard Operating Procedures (SOPs) aligned with Free, Prior, and Informed Consent (FPIC) principles. FPIC is a recognised international principle requiring free and informed consent from indigenous peoples and local communities before any decisions are made affecting their lands and resources. JPG complies with FPIC by having extensive dialogue and consultation with affected landowners and users to uphold communities' rights in its operational areas.

Furthermore, the company prioritises responsible project development. Prior to initiating new projects, comprehensive social impact assessments are conducted. These assessments involve analysis and consultations with relevant stakeholders to identify potential risks and challenges that may impact the community. Stakeholder feedback is then integrated into the planning process.

Memberships and Associations

To ensure sustainable practices within the industry and promote awareness of these issues throughout its value chain, JPG engages its stakeholders through participation in industry and business associations, including those shown in the following table:




	<ul style="list-style-type: none"> Roundtable on Sustainable Palm Oil ("RSPO") 	<ul style="list-style-type: none"> JPG became a member of RSPO in 2004 under its parent company, Johor Corporation. Adhere to RSPO Principles and Criteria for Sustainable Palm Oil Production.
	<ul style="list-style-type: none"> Malaysian Sustainable Palm Oil ("MSPO") 	<ul style="list-style-type: none"> Produce sustainable palm oil production through MSPO certification. Dedicated to environmental and social responsibility within the palm oil industry.
	<ul style="list-style-type: none"> United Nations Global Compact ("UNGC") 	<ul style="list-style-type: none"> Align operations and strategies with ten universally accepted principles encompassing human rights, labour, environment, and anti-corruption.
	<ul style="list-style-type: none"> Singapore Alliance for Sustainable Palm Oil ("SASPO") 	<ul style="list-style-type: none"> Ensure that all the palm oil used is free from deforestation and the conversion of natural ecosystems. Procuring 100% RSPO-certified sustainable palm oil.
	<ul style="list-style-type: none"> Global Reporting Initiative ("GRI") 	<ul style="list-style-type: none"> Being at the forefront of developments in the GRI Standards, knowledge, tools, and inspiration to enhance internal alignment on corporate transparency. Gain direct insight into the best practices in sustainability reporting. Promote global innovation through collaboration and improving the quality of disclosure.
	<ul style="list-style-type: none"> Malaysia Nature Society ("MNS") 	<p>As a member of MNS, JPG is committed to:</p> <ul style="list-style-type: none"> Engage in activities, events, and workshops organized by MNS. Network with fellow members and experts in the field. Support and participate in MNS conservation initiatives and campaigns.

Sustainability Performance Assessment

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

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

04 RATING SCALE

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

05 MARC RATINGS BERHAD

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

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

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

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

Appendix

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

Issuer: Johor Plantation Group Berhad (JPG)

Key additional features to comply with for sukuk issuance:

- The proceeds allocated for the Project must not be used for ineligible projects specified by the ASEAN GBS (i.e. fossil fuel power generation projects) as well as the ASEAN SBS (i.e. projects which involve activities that pose a negative social impact related to alcohol, gambling, tobacco, and weaponry).
- Continuous accessibility of information on Use of Proceeds, process for project evaluation and selection, and management of proceeds, to investors throughout the tenure of the sukuk.
- Periodic reporting on the allocation of the sukuk proceeds.
- The external reviewer’s credentials and scope of review conducted to be made publicly accessible from a website designated by the Issuer throughout the tenure of the sukuk.

Criteria	Compliance with criteria	Remarks/Scope of Work Undertaken
<p>Issuer <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></p> <p><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></p> <p>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></p> <p>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></p> <p>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></p>	<p><i>JPG is an ASEAN issuer.</i></p> <p><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></p> <p><i>The issuer intends to issue SRI sukuk that complies with the Guidelines.</i></p> <p><i>The issuer commits to establish policies and processes as needed to ensure compliance with the SRI Sukuk Framework.</i></p> <p><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></p>	

Criteria	Compliance with criteria	Remarks/Scope of Work Undertaken
<p>Eligible Projects</p> <p><u>SRI Sukuk Framework</u></p> <p>7.07 An eligible SRI project refers to a project that seeks to achieve any one or a combination of the following objectives:</p> <ul style="list-style-type: none"> a) Preserving and protecting the environment and natural resources; b) Conserving the use of energy; c) Promoting the use of renewable energy; d) Reducing greenhouse gas emission; e) Addressing or mitigating a specific social issue or seeking to achieve positive social outcomes especially but not exclusively for a target population; or f) Improving the quality of life of society. <p>7.08 The Eligible SRI projects may include but not limited to the following:</p> <ul style="list-style-type: none"> 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. 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. c) Projects which are the combination of Green and Social projects as described in (a) and (b) above; and d) Waqf projects that relate to the development of waqf properties or assets. <p><u>ASEAN GBS/ SBS/ SUS</u></p> <p>4.1.1 The utilisation of issue proceeds must be described in the documentation for issuance.</p> <p>4.1.2 The Issuer must disclose the following information: The categories of eligible Green and/or Social Projects to which the issue proceeds will be allocated; and/or the infor-</p>	<p>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.</p> <p>The eligible categories outlined in the framework are aligned to the following Green and Social project categories specified in paragraph 7.08 (a) and (b) of the SRI Sukuk Framework: renewable energy; energy efficiency; pollution prevention and control; environmentally sustainable management of living natural resources and land use; terrestrial and aquatic biodiversity conservation; clean transportation; sustainable water and wastewater management; food security; and socioeconomic advancement and empowerment.</p> <p>The utilisation of proceeds is clearly described in the framework.</p> <p>The proceeds from the issuance of the Sustainability Sukuk will fund a single eligible category that delivers both environmental and socioeconomic benefits.</p>	<p>In relation to the objective set out in paragraph 7.07 (e) of the SRI Sukuk Framework, the eligible projects aim to achieve positive social outcomes including for marginalised/underprivileged communities such as smallholders and local outgrowers, indigenous people, and small-scale farmers and smallholders.</p>

Criteria	Compliance with criteria	Remarks/Scope of Work Undertaken
<p>information on specific Green and/or Social Projects in the case where the issuer has identified the specific Green and/or Social Projects to which the issue proceeds will be allocated.</p> <p>4.1.3 All designated Green and/or Social Projects must provide clear environmental/social benefits, which will be assessed and, where feasible, quantified by the Issuer.</p> <p>4.1.4 In the event that all or a proportion of the proceeds are or may be used for refinancing, it is recommended that Issuers provide an estimate of the share of financing and refinancing, and where appropriate, also clarify which investments or project portfolios may be refinanced and, to the extent relevant, the expected look-back period for refinanced projects.</p>	<p>The eligible project categories set out in the framework provide clear environmental/social benefits.</p> <p>The issuer has disclosed that the proceeds may be used for working capital requirements, refinancing of existing debt, fees and expenses, and inter-company advances to JPG and its subsidiaries. Refinancing of operational expenditures in relation the Eligible Projects is subject to a maximum look-back period of up to 36 months prior to the time of issuance.</p>	<p>We have reviewed the Social and Green Eligible Categories and conclude that the eligible projects/financing fulfil the applicable criteria to be considered green and/or social for the purposes of the GBP/SBP, ASEAN GBS/SBS and SC's SRI Sukuk Framework.</p>
<p>Process for Project Evaluation and Selection</p> <p><u>SRI Sukuk Framework</u> 7.12 An issuer must establish internal processes for evaluation and selection of the Eligible SRI projects as identified in paragraph 7.08 above.</p> <p><u>ASEAN GBS/ SBS/ SUS</u> 4.2.1 The issuer must clearly communicate to investors: (i) The environmental/ social sustainability objectives; (ii) The process by which the Issuer determines how the projects fit within the identified eligible project categories; and (iii) The related eligibility criteria, including, if applicable, exclusion criteria or any other process applied to identify and manage potentially material environmental and social (E&S) risks associated with the selected projects.</p> <p>4.2.2 The Issuer must establish the process for project evaluation and selection prior to the issuance of the Bonds and disclose the same to investors in the documentation for the issuance of the Bonds.</p>	<p>The issuer has established internal processes for project evaluation and selection which involve the BSC and SSC.</p> <p>The eligible categories in the framework are framed in the context of SDGs with specific E&S objectives.</p> <p>The framework outlines an internal process by which eligible projects are assessed and selected to ensure fulfilment of criteria.</p> <p>The exclusion criteria and process applied to identify and manage potentially material E&S risks associated with the selected projects have been detailed in the framework.</p> <p>The framework details the process for project evaluation and selection, and these details will be available to investors prior to the issuance of the bonds.</p>	<p>The framework has outlined a step-by-step process for evaluation and selection of eligible projects.</p> <p>The eligibility criteria are clearly communicated in the framework.</p>

Criteria	Compliance with criteria	Remarks/Scope of Work Undertaken
<p>4.2.3 Issuers are encouraged to position this information within the context of the Issuer's overarching objectives, strategy, policy and/or processes relating to environmental and social sustainability. Issuers are also encouraged to disclose any green and social standards or certifications referenced in project selection.</p> <p>4.2.4 It is recommended that the Issuer's process for project evaluation and selection be supported by an external review.</p> <p>4.2.5 The Issuer must make the following publicly available on a website designated by the Issuer at the time of the issuance and throughout the tenure of the Bonds: (i) The process for project evaluation; (ii) The Use of Proceeds; and (iii) External review report on the process (if any)</p>	<p>The issuer has positioned this information within the context of the issuer's overarching sustainability strategies. The Issuer has also provided information on standards and certifications referenced in project selection.</p> <p>The issuer has appointed MARC Ratings as the external reviewer for its framework.</p> <p>The issuer has committed to make the required information available on its corporate website.</p>	<p>The issuer has referenced RSPO, ISCC, MSPO and relevant standards in relation to the sale and trading of carbon credits for carbon sequestration projects, under the "Environmentally Sustainable Natural Resources Use" category.</p> <p>The framework will provide information on the process for project evaluation, and the issuer will provide allocation and impact reports on an annual basis throughout the tenure of the bond/sukuk. The external review assessment will also be made available on its corporate website indicated in the framework.</p>
<p>Management of Proceeds</p> <p><u>SRI Sukuk Framework</u> 7.13 An issuer must ensure that the proceeds allocated for the Eligible SRI projects are credited into a designated account or otherwise tracked in an appropriate manner.</p> <p><u>ASEAN GBS/ SBS/ SUS</u> 4.3.1 Prior to the issuance of the Bonds, the Issuer must disclose to investors in the documentation for the issuance of the Bonds the process for managing the net proceeds from the Bonds.</p> <p>4.3.2 The net proceeds of the Bonds, or an amount equal to these net proceeds, must be credited into a sub-account, moved to a sub-portfolio or otherwise tracked by the Issuer in an appropriate manner and attested to by a formal internal process. The total amount deployed from the net proceeds for the eligible projects need not occur simultaneously.</p> <p>4.3.3 If the Bonds are outstanding, the balance of the tracked net proceeds must be periodically adjusted to match allocations to eligible projects made during that period.</p>	<p>The issuer will monitor the allocation of the sukuk proceeds and the eligible projects portfolio internally.</p> <p>Prior to issuance, the issuer will make the framework available to investors. The framework describes the process for managing the net proceeds from the financing.</p> <p>The net proceeds from the issuance will be internally tracked. Any unallocated proceeds will be managed according to the issuer's Group Financial Policy.</p> <p>The issuer will disclose the amounts issued and outstanding.</p>	<p>Proceeds raised will be deposited in the issuer's general funding account and earmarked for Eligible Projects. The issuer's Finance Team will maintain a register of all Eligible Projects to ensure proper monitoring and allocation of net proceeds.</p> <p>In the event of asset divestment or cancellation of a project, the proceeds will be reallocated to finance other Eligible Projects which meet the eligible criteria set out in the framework. The issuer commits to fully allocate the proceeds within 36 months.</p> <p>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.</p>

Criteria	Compliance with criteria	Remarks/Scope of Work Undertaken
<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>4.3.5 <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>4.3.6 <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><i>The framework discloses that any unallocated proceeds will be managed according to the issuer's Group Financial Policy.</i></p> <p><i>The issuer may seek a post-issuance external review on its management of proceeds, to verify its internal tracking method.</i></p> <p><i>The external review, if any, will be included in the issuer’s allocation report.</i></p>	
<p>Reporting</p> <p><u>ASEAN GBS/ SBS/ SUS</u></p> <p>4.4.1 <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>4.4.2 <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 <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>4.4.4 <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 has committed to publish allocation and impact reporting annually on its corporate sustainability website.</i></p> <p>(a) Allocation Reporting</p> <p><i>The allocation report will include:</i></p> <ul style="list-style-type: none"> • <i>Amounts issued and outstanding for the bonds/sukuk</i> • <i>Total value of Eligible Projects</i> • <i>Description of the portfolio of Eligible Projects, including a breakdown of the allocated amounts based on ICMA’s eligible categories where appropriate</i> • <i>The amount and/or percentage of new and existing projects, i.e. share of financing and refinancing</i> • <i>Details in relation to management of unallocated proceeds.</i> <p>(b) Impact Reporting</p> <p><i>The impact report will include qualitative and quantitative performance measures and examples associated with each category of Eligible Projects, and the example of impact metrics have been disclosed in the framework. The relevant methodology corresponding to the impact indicators will also be disclosed where feasible.</i></p>	

Criteria	Compliance with criteria	Remarks/Scope of Work Undertaken
<p>4.4.5 The Issuer must provide to investors the annual reporting and the external review on the annual reporting, if any, through a website designated by the Issuer and/or annual reports throughout the tenure of the Bonds.</p> <p>Disclosure Requirements</p> <p><u>SRI Sukuk Framework</u></p> <p>7.16 The following information must be included:</p> <ul style="list-style-type: none"> a) The overall SRI objectives that the issuer intends to achieve; 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; c) The Eligible SRI projects in which the proceeds will be allocated; d) The details of the Eligible SRI projects and to the extent possible, impact objectives from the Eligible SRI projects; e) The processes used by the issuer to evaluate and select the Eligible SRI projects; f) The criteria used by the issuer to identify and manage material environmental or social risks associated with the Eligible SRI projects; g) The processes used by the issuer to manage the proceeds from the issuance of the SRI sukuk; and h) A statement that the issuer has complied with the relevant environmental, social and governance standards or recognised best practices relating to the Eligible SRI projects. <p>External Review</p> <p><u>SRI Sukuk Framework</u></p> <p>7.17 If an external reviewer is appointed to assess and provide report on the Eligible SRI projects or the issuer's compliance with the requirements under these Guidelines, such external reviewer's report must be made available on the designated website.</p> <p><u>ASEAN GBS/ SBS/ SUS</u></p> <p>5.1 Issuers are recommended to appoint external review providers for the bond issuances or programmes.</p>	<p>The issuer may seek a post-issuance external review on its allocation and impact reporting, as well as management of proceeds, to verify the company's internal tracking method. The external verification will be included in the allocation report.</p> <p>The issuer has committed to providing information including items (a) through (h) within its framework.</p> <p>MARC Ratings has been engaged as the independent external reviewer for the framework. The external reviewer's report will be made available on the issuer's corporate website.</p>	<p>MARC Ratings has established a transparent score-based framework for its green, social and sustainability bond assessments that is published on its website. The differentiated approach taken recognises that some projects offer more environmental and/or social benefits than others.</p>

Criteria	Compliance with criteria	Remarks/Scope of Work Undertaken
<p>5.2 <i>The external review may be partial, covering only certain aspects of the bonds framework or full, assessing alignment with all four core components as stated in the relevant standards.</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 review conducted by MARC Ratings is a full review and addresses alignment with all four components of the relevant standards.</i></p> <p><i>MARC Ratings is registered with the Securities Commission Malaysia as a credit rating agency. The scope of MARC Ratings' external review is set out in MARC Ratings' IBA methodology that is publicly accessible from its corporate website.</i></p>	

Review of Compliance with Green/Social Loan Principles (GLP/SLP)

<p>Borrower: Johor Plantation Group Berhad (JPG)</p> <p>Note: The LMA, APLMA, and LSTA view that it is important to provide market practitioners with clarity on their application of financing guidelines and promote a harmonised approach. Hence, APLMA, LMA and LSTA have produced guidelines to harmonise with GLP/SLP.</p>		
Criteria	Compliance with criteria	Remarks/Scope of Work Undertaken
<p>Use of Proceeds</p> <p><u>GLP/SLP</u></p> <p><i>The fundamental determinant of a green/social loan is the utilisation of the loan proceeds for Green/Social Projects (including other related and supporting expenditures, including R&D), which should be appropriately described in the finance documents, and if applicable, marketing materials for the financing and/or a green loan framework. All designated Green/Social Projects should provide clear environmental/social benefits, which will be assessed and, where feasible, quantified by the borrower.</i></p> <p><i>Where funds are to be used, in whole or part, for refinancing, it is recommended that borrowers provide an estimate of the share of financing versus refinancing. Where appropriate, they should also clarify which investments or project portfolios may be refinanced, and, to the extent relevant, the expected look-back period for refinanced eligible Green/Social Projects.</i></p> <p><i>A green/social loan may take the form of one or more tranches of a loan facility and may be made by way of a term loan, revolving credit facility and/or contingent facilities.</i></p> <p><u>GLP</u></p> <p><i>The GLP explicitly recognise broad, non-exhaustive categories of eligibility for Green Projects, which contribute to environmental objectives such as: climate change mitigation, climate change adaptation, natural resource conservation, biodiversity conservation, and pollution prevention and control.</i></p>	<p><i>The utilisation of the loan proceeds for Green and Social Projects has been appropriately described in the framework. The framework has also defined clear environmental and social benefits for all designated Green and Social Projects, which will be assessed and, where feasible, quantified by the borrower.</i></p> <p><i>Where appropriate, the company will provide an estimate of the share of financing versus refinancing and clarify which investments or project portfolios may be refinanced. Refinancing of operational expenditures in relation the Eligible Projects is subject to a maximum look-back period of up to 36 months prior to the time of issuance.</i></p> <p><i>The framework has outlined that the green and social loan may be issued in any currency and for any tenor, and may include other terms and conditions (including covenants) to reflect the financing strategy and plans of the Group.</i></p> <p><i>The Green Projects aim to contribute to environmental objectives such as: climate change mitigation, climate change adaptation, natural resource conservation, biodiversity conservation, and pollution prevention and control.</i></p>	<p><i>At the point of issuance, the issuer will specify the amount of proceeds being allocated for refinancing and for which Eligible Projects are to be refinanced within the corresponding transaction documentations where relevant. The share/amount of proceeds to be allocated to the categories above will also only be determined at the point of issuance.</i></p>

Criteria	Compliance with criteria	Remarks/Scope of Work Undertaken
<p><u>SLP</u> Social Projects directly aim to address or mitigate a specific social issue and/or seek to achieve positive social outcomes including for, but not limited to, a target population(s). A social issue may threaten, hinder or damage the well-being of society or of a specific target population. For the avoidance of doubt, it is acknowledged that the definition of target population can vary depending on local contexts and that, in some cases, such target population(s) may also be served by addressing the general public.</p> <p>Process for Project Evaluation and Selection</p> <p><u>GLP/SLP</u> The borrower of a green/social loan should clearly communicate to its lenders:</p> <ul style="list-style-type: none"> the environmental/social sustainability objective(s) of the Green/Social Projects and the target population of the Social Projects; the process by which the borrower determines how the project(s) to be funded fits within the eligible Green/Social Projects categories; and complementary information on the processes by which the borrower identifies and manages perceived, actual or potential environmental and social risks associated with the relevant project(s). <p>Borrowers are encouraged to:</p> <ul style="list-style-type: none"> position the information communicated above within the context of their overarching objectives, strategy, policy and/or processes relating to environmental/social sustainability; provide information on the related eligibility criteria, including if applicable, exclusion criteria and also disclose any green/social standards or certifications referenced in project selection; and have a process in place to identify mitigants to known or potential material risks of negative social and/or environmental impacts from the relevant project(s). Such mitigants may include clear and relevant trade-off analysis undertaken and monitoring required where the borrower assesses the potential risks to be meaningful. 	<p>The Social Projects aim to achieve positive social outcomes including for marginalised/underprivileged communities such as smallholders and local outgrowers, indigenous people, and small-scale farmers.</p> <p>The borrower has clearly communicated the required information to its lenders in the framework.</p> <p>The borrowers have positioned the information communicated above within the context of their overarching environmental/social sustainability objectives, strategy, policy and/or processes; provided information on the related eligibility criteria and also disclosed any green/social standards or certifications referenced in project selection; and have a process in place to identify mitigants to known or potential material risks of negative social and/or environmental impacts from the relevant projects.</p>	<p>The borrower has referenced RSPO, ISCC, MSPO and relevant standards in relation to the sale and trading of carbon credits for carbon sequestration projects, under the “Environmentally Sustainable Natural Resources Use” category.</p>

Criteria	Compliance with criteria	Remarks/Scope of Work Undertaken
<p>Management of Proceeds <u>GLP/SLP</u> The proceeds of a green/social loan should be credited to a dedicated account or otherwise tracked by the borrower in an appropriate manner, so as to maintain transparency and promote the integrity of the product.</p> <p>Management of proceeds should be attested to by the borrower in a formal internal process linked to the borrower's lending and investment operations for Green/Social Projects. The borrower should make known to the lenders any intended types of temporary placement for the balance of unallocated proceeds.</p> <p>Where a green/social loan takes the form of one or more tranches of a loan facility, each tranche(s) must be clearly designated, with proceeds of the green tranche(s) credited to a separate account or tracked by the borrower in an appropriate manner.</p> <p>The proceeds of green/social loans can be managed per loan (loan-by-loan approach) or on an aggregated basis for multiple green/social loans (portfolio approach).</p> <p>Reporting <u>GLP/SLP</u> Borrowers should make, and keep, readily available up to date information on the use of proceeds, such information to be renewed annually until the green/social loan is fully drawn (or until the loan maturity in the case of a revolving credit facility), and on a timely basis in the event of material developments. This annual report should include a list of the Green/Social Projects to which the green/social loan proceeds have been allocated and a brief description of the projects, the target population, the amounts allocated and their expected and, where possible, achieved impact.</p> <p>Where confidentiality agreements, competitive considerations, or a large number of underlying projects limit the amount of detail that can be made available, the GLP/SLP recommend that information is presented in generic terms or on an aggregated portfolio basis (e.g. percentage allocated to certain project categories). Information need only be provided to those institutions participating in the loan.</p>	<p>The net proceeds of the green/social loan will be internally tracked.</p> <p>The borrower has disclosed that any unallocated proceeds will be managed according to the borrower's Group Financial Policy.</p> <p>Proceeds raised will be deposited in the borrower's general funding account and earmarked for Eligible Projects. The borrower's Finance Team will maintain a register of all Eligible Projects to ensure proper monitoring and allocation of net proceeds.</p> <p>The borrower has committed to make, and keep, readily available up-to-date information on the use of proceeds annually until the green/social loan is fully drawn, and on a timely basis in the event of material developments. This annual report will include the information required.</p>	<p>In the event of asset divestment or cancellation of a project, the proceeds will be reallocated to finance other Eligible Projects which meet the eligible criteria set out in the framework. The issuer commits to fully allocate the proceeds within 36 months.</p> <p>The borrower has committed to publish allocation and impact reporting annually on its corporate sustainability website.</p> <p>(a) Allocation Reporting The allocation report will include:</p> <ul style="list-style-type: none"> • Amounts issued and outstanding for the loans • Total value of Eligible Projects • Description of the portfolio of Eligible Projects, including a breakdown of the allocated amounts based on LMA's eligible categories where appropriate • The amount and/or percentage of new and existing projects i.e. share of financing and refinancing • Details in relation to management of unallocated proceeds. <p>(b) Impact Reporting The impact report will include qualitative and quantitative performance measures and examples associated with each category of Eligible Projects, and the examples of impact metrics have been disclosed in the framework. The relevant methodology corresponding to the impact indicators will also be disclosed where feasible.</p>

Criteria	Compliance with criteria	Remarks/Scope of Work Undertaken
<p>The GLP/SLP recommend the use of qualitative performance indicators and, where feasible, quantitative performance measures and disclosure of the key underlying methodology and/or assumptions used in the quantitative determination. Borrowers with the ability to monitor achieved impacts are encouraged to include those in regular reports to those institutions participating in the loan.</p> <p>Review <u>GLP/SLP</u> Where appropriate, it is recommended that borrowers appoint (an) external review provider(s) to assess the alignment of their green loan or green loan programme with the four core components of the GLP/SLP.</p> <p>The GLP/SLP encourage external review providers to disclose their credentials and relevant expertise and communicate clearly the scope of the review(s) conducted. Where applicable, any external review should be communicated and made available in a timely manner to all the financial institutions party to the loan in accordance with the relevant loan documentation provisions. Where appropriate, and taking into account confidentiality and competitive considerations, borrowers should make the external review publicly available, or an appropriate summary, via their website or otherwise.</p>	<p>Qualitative and quantitative performance measures will be used. The key underlying methodology used in the quantitative determination will also be disclosed where feasible.</p> <p>MARC Ratings has been engaged as the independent external reviewer for the framework. The review conducted by MARC Ratings is a full review and addresses alignment with all four components of the relevant standards.</p> <p>MARC Ratings is registered with the Securities Commission Malaysia as a credit rating agency. The scope of MARC Ratings' external review is set out in MARC Ratings' IBA methodology that is publicly accessible from its corporate website.</p> <p>The external reviewer's report will be made available on the issuer's corporate website.</p>	<p>MARC Ratings has established a transparent score-based framework for its green, social and sustainability loan assessments analysis that is published on its website. The differentiated approach taken recognises that some projects offer more environmental and/or social benefits than others.</p>

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

Issuer: Johor Plantation Group Berhad (JPG)		
Criteria	Compliance with Criteria	Remarks/Scope of Work Undertaken
<p>Framework</p> <p><u>ICMA’s SLBP & ASEAN SLBS</u> The SLBP and ASEAN SLBS have five core components:</p> <ol style="list-style-type: none"> 1. Selection of Key Performance Indicators (KPIs) 2. Calibration of Sustainability Performance Targets (SPTs) 3. Bond characteristics 4. Reporting 5. Verification <p><u>SC’s SRILSF</u> 9.07 The core components of the SRI-linked Sukuk Framework are as follows:</p> <ol style="list-style-type: none"> (a) SRI-linked sukuk characteristics; (b) Selection of Key Performance Indicators (KPIs); (c) Calibration of Sustainability Performance Targets (SPTs); (d) External review; and (e) Reporting. <p><u>ASEAN SLBS</u> 3.1 Issuer</p> <ol style="list-style-type: none"> (i) Must be an ASEAN Issuer; or (ii) In the case of a Non-ASEAN Issuer, the KPIs selected by the Issuer should be linked to any of the ASEAN member countries. <p>3.2 Issuance ASEAN Sustainability-Linked Bond issuances must be originated from any of the ASEAN member countries.</p> <p>Selection of KPIs</p> <p><u>SRILSF</u> 9.09 An issuer must select KPIs that the issuer intends to use as its sustainability targets.</p> <p>9.10 An issuer must select KPIs that, among others–</p> <ol 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 issuer’s Framework is aligned with the core components of SLBP, SLBS and SRILSF.</p> <p>JPG is an ASEAN issuer.</p> <p>The issuer has selected the following three KPIs as its sustainability targets:</p> <ul style="list-style-type: none"> • KPI 1: GHG Emission Reduction • KPI 2: Traceability to FFB Suppliers • KPI 3: Water Management <p>The three selected KPIs are significant to the issuer’s sustainability and business strategy; address relevant ESG challenges in the issuer’s industry; and are within the issuer’s control.</p>	<p>For MARC Ratings’ review of compliance with SLBP, SLBS and SRILF, the issuer’s Framework will be reviewed in the following sequence under this section:</p> <ul style="list-style-type: none"> • Selection of KPIs • Calibration of SPTs • Bond/SRI-linked sukuk characteristics • Reporting • Verification/ External review <p>The KPIs focus on mitigation of climate change, raw material traceability and water management, which are material to the issuer’s industry of palm oil production. The scope of the KPIs encompass the relevant aspects of the issuer’s operations.</p>

Criteria	Compliance with criteria	Remarks/Scope of Work Undertaken
<p><u>SLBP</u> The KPIs should be:</p> <ul style="list-style-type: none"> • relevant, core and material to the corporate issuer's overall business, and of high strategic significance to the issuer's current and/or future operations; • consistent with the overall issuer's sustainability strategy or policies but also reflecting the most material strategic dimensions for the issuer; for example, the KPI may be included in or supported by a strategy/policy disclosure, or notably for hard-to-abate sectors, by a transition plan; • measurable or quantifiable on a consistent methodological basis; • externally verifiable; and • able to be benchmarked, i.e. as much as possible using an external reference or definitions to facilitate the assessment <p>Issuers are encouraged to refer to the KPI Registry as sector guidance for the selection of KPI(s) and to the Note to users within the KPI registry for detailed guidance on the key notion of core vs. secondary KPIs supporting KPI selection.</p> <p><u>SRILSF</u> 9.11 An issuer may select any previous or existing KPIs that the issuer has set for itself subject to the following:</p> <p>(a) The KPIs must have been made available to the public in any of the issuer's publications, such as in the issuer's annual reports, sustainability reports or other non-financial disclosure reports; or</p> <p>(b) In the case where the KPIs were not made available to the public, the KPIs' values must be externally verified to the extent possible, for a period covering at least the three most recent years.</p> <p><u>ASEAN SLBS</u> 4.1.5 Issuers are encouraged to align the selected KPIs with the SDGs and highlight this in the documentation of the ASEAN Sustainability-Linked Bonds.</p> <p>4.1.6 The Issuer must disclose the following to investors in the documentation for issuance of the ASEAN Sustainability-Linked Bonds, through a publicly available website designated by the Issuer throughout the tenure of the ASEAN Sustainability-Linked Bonds:</p>	<p>The KPIs are significant, relevant, core and material to the issuer's overall business strategies and operations; consistent with the issuer's overall sustainability strategy or policies but also reflecting the material strategic dimensions for the issuer; measurable on a consistent methodological basis; externally verifiable; and able to be benchmarked to external references.</p> <p>The issuer has referred to the KPI Registry for the selection of KPI(s).</p> <p>KPIs 1 and 3 have been made available to the public in the issuer's sustainability reports, with the three most recent years of performance value provided. KPI 2 is newly selected, and we have separately received the supporting data that demonstrates the issuer's three years of performance value.</p> <p>The selected KPIs are aligned with the SDGs and this has been highlighted in the issuer's framework.</p> <p>The issuer has disclosed the required information in the framework.</p>	<p>All calculation methodology associated with the KPIs has been clearly defined in the framework. KPIs 1 and 3 have also been included in the issuer's sustainability report, with three years of performance value provided. KPI 2 is newly selected, and we have separately received the supporting data that demonstrates the issuer's three years of performance value. For all KPIs, the baseline and historical performance were clearly established, except for SPT 1b, and the framework has outlined relevant rationale for the KPI selection and the alignment with JPG's overall sustainability strategy.</p> <p>The issuer's historical performance is consistent with data reported in its sustainability disclosures for FY2023, which has been assured by Control Union (Malaysia) Sdn Bhd that it complies with AA1000AS.</p>

Criteria	Compliance with criteria	Remarks/Scope of Work Undertaken
<p>(i) <i>The rationale and process according to which the KPIs have been selected and how the KPIs fit into the Issuer’s sustainability strategy.</i></p> <p>(ii) <i>A clear definition of the KPIs and include:</i></p> <ul style="list-style-type: none"> <i>a. the applicable scope or perimeter (e.g. the percentage of the Issuer’s total emissions to which the target is applicable); and</i> <i>b. the calculation methodology (e.g. clear definition of the denominator of intensity-based KPIs, definition of a baseline, and where feasible, science-based or benchmarked against an industry standard (e.g. consider SMART philosophy: specific, measurable, attainable, relevant and time-bound)).</i> <p>Calibration of SPTs</p> <p><u>SRILSF</u> 9.12 <i>An issuer must set out the SPTs, which are measurable targets of improvement over a predefined timeline, for each KPIs.</i></p> <p><i>Guidance to paragraph 9.12</i> <i>The SPTs selected must be–</i></p> <ul style="list-style-type: none"> <i>a. ambitious yet realistic;</i> <i>b. a material improvement in the respective KPIs and be beyond a “Business as Usual” trajectory;</i> <i>c. comparable to a benchmark or an external reference, where possible;</i> <i>d. consistent with the issuers’ overall sustainability, business and ESG strategy; and</i> <i>e. set before, or concurrently with, the issuance of the SRI-linked sukuk.</i> <p><u>SLBP</u> <i>The target setting exercise should be based on a combination of benchmarking approaches:</i></p> <ul style="list-style-type: none"> <i>a. the issuer’s own performance over time for which a minimum of 3 years, where feasible, of measurement track record on the selected KPI(s) is recommended and when possible forward-looking guidance on the KPI;</i> 	<p><i>The issuer has set out the SPTs for each KPI, with target observation dates stated in the Framework.</i></p> <p><i>The SPTs selected are moderately ambitious yet realistic; comparable to a benchmark or an external reference, where possible; consistent with the issuer’s overall sustainability, business and ESG strategy; and set before the issuance of the bonds.</i></p> <p><i>The target setting exercise was based on the issuer’s own performance over 3 years, benchmarked against the issuers’ peers, and official country/regional/international targets.</i></p>	<p><i>We opine that the SPTs may not represent a material improvement from the baseline, but it is beyond its the industry’s business-as-usual trajectory, and maintaining the issuer’s track record will still require consistent efforts and prudent measures, especially as its operations expand.</i></p> <p><i>We have been separately informed that the issuer has conducted peer benchmarking against its domestic and regional peers for its target setting exercise. SPTs for KPI 1 were also selected with reference to the Paris Agreement’s target.</i></p>

Criteria	Compliance with criteria	Remarks/Scope of Work Undertaken
<p>b. the issuers' peers, i.e. the SPT's relative positioning versus its peers' where available (average performance, best-in-class performance) and comparable, or versus current industry or sector standards (or, for sovereign issuers, comparable countries); and/or</p> <p>c. reference to the science, i.e. systematic reference to science-based scenarios, or absolute levels (e.g. carbon budgets), or to official country/regional/international targets (Paris Agreement on Climate Change and net zero goals, Sustainable Development Goals (SDGs), Kunming-Montreal Global biodiversity framework, etc.) or to recognised Best-Available-Technologies or other proxies to determine relevant targets across environmental and social themes.</p> <p><u>SLBS</u> 4.2.5 The Issuer must disclose the following in the documentation for issuance of the ASEAN Sustainability-Linked Bond, through a publicly available website designated by the Issuer throughout the tenure of the ASEAN Sustainability-Linked Bonds:</p> <ul style="list-style-type: none"> (i) Description and definition of SPTs; (ii) Motivation for the outlined SPTs (i.e. ambition level and consistency with Issuer's overall strategic planning); (iii) Relevant benchmarking approaches set out in paragraph 4.2.4; (iv) Timelines for the target achievement, including the target observation date(s)/period(s), the trigger event(s) and the frequency of SPTs; (v) 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; (vi) Situations in which recalculations or pro-forma adjustments of baselines will take place, where relevant; (vii) where possible and taking competition and confidentiality considerations into account, how the Issuer intends to reach such SPTs, (e.g. by describing its ESG strategy, supporting ESG governance and investments, and its operating strategy) i.e. through highlighting the key levers/type of actions that are expected to drive the performance towards the SPTs, as well as their expected respective contribution, in quantitative terms wherever possible; and (viii) any other key factors beyond the Issuer's direct control that may affect the achievement of the SPTs. 	<p>In the issuer's framework, it has disclosed the description and definition of SPTs; motivation for the outlined; relevant benchmarking approaches; timelines for the target achievement; verified baseline; situations in which recalculations or pro forma adjustments of baselines will take place, where relevant; how it intends to reach such SPTs; and other key factors beyond the Issuer's direct control that may affect the achievement of the SPTs. The framework will be publicly available on the issuer's website throughout the tenure of the bonds.</p>	<p>The rationale for the baselines is not referenced in the issuer's disclosure on target setting. We have been separately informed that the baseline setting was based on the availability of data and the issuer's existing sustainability commitments.</p> <p>We note that the issuer is in the process of building its Scope 3 carbon inventory, and thus, have yet to disclose historical performance, baseline, and timelines for the target achievement associated with SPT 1b.</p>

Criteria	Compliance with criteria	Remarks/Scope of Work Undertaken
<p>Bond/SRI-Linked Sukuk Characteristics</p> <p><u>SLBP</u> The cornerstone of an SLB is that the bond's financial and/or structural characteristics can vary depending on whether the selected KPI(s) reach (or not) the predefined SPT(s), i.e. the SLB will need to include a financial and/or structural impact involving trigger event(s).</p> <p>The potential variation of the coupon is the most common example, but it is also possible to consider the variation of other SLB's financial and/or structural characteristics.</p> <p>It is recommended that the variation of the bond financial and/or structural characteristics be commensurate and meaningful relative to the issuer's original bond financial characteristics.</p> <p>Any fallback mechanisms in the case that the SPTs cannot be calculated or observed in a satisfactory manner should be explained.</p> <p>Issuers may also consider including, where needed, language in the bond documentation to take into consideration potential exceptional events (such as significant change in perimeters through material M&A activities for corporate issuers) or extreme events, including drastic changes in the regulatory or technical environment that could substantially impact the calculation of the KPI, the restatement of the SPT, and/or proforma adjustments of baselines or KPI scope.</p> <p><u>SLBS</u> 4.3.5 Post-issuance, in case of any material change to perimeter/KPI methodology/SPTs calibration prior to maturity of the ASEAN Sustainability-Linked Bond, the Issuer must:</p> <p>(i) Clearly communicate the rationale and/or restatement optionality, or set out a restatement policy as part of the Issuer's documentation of the ASEAN Sustainability-Linked Bond, through a publicly available website designated by the Issuer; and</p> <p>(ii) Appoint an external review provider to assess any of these changes and publish the external review report, through a publicly available website designated by the Issuer throughout the tenure of the ASEAN Sustainability-Linked Bonds.</p>	<p>A detailed description of the potential variation of the financial characteristics of the SLB will be specified in the legal documentation including changes to the financial and/or structural characteristics which may follow the occurrence of a trigger event.</p> <p>These adjustments can be one-way or two-way, and may take various forms including step-up and/or step-down coupon, premium payable on the redemption price, margin adjustments, and other financial impacts, such as donations towards environmental/social projects.</p> <p>The instrument's documentation may include provisions for specific events, beyond JPG's direct control, that could result in the step-up not being triggered, subject to investors' agreement.</p> <p>The issuer recognises significant change to the calculation methodology of the SPTs or significant change in data due to the following situations may result in a recalculation of the relevant baselines and/or SPT:</p> <ul style="list-style-type: none"> • Better data accessibility • Discovery of data errors • Significant structural change such as acquisitions, divestitures, or mergers <p>Significant changes consist of changes that cause an increase or decrease in the value of a KPI by at least 5% or more. The issuer reserves the right to amend, adjust, and/or recalculate the relevant SPT, baseline, and/or intermediate target should a non-significant change (a change that causes an increase or decrease in the value of a KPI by less than 5%) occurs, especially when structural changes occur.</p>	<p>We have been separately informed that in the event where any SPT cannot be calculated or observed in a satisfactory manner taking into consideration potential exceptional events or extreme events, and is determined to be no longer an appropriate sustainability performance target, the issuer may make amendments to the relevant SPT and the methodology for the SPT's assessment or any other necessary amendment, and subsequently, procure an updated SPO by a relevant SPO provider confirming such amendments. In making such determination and amendments, the Issuer will have to provide evidence to stakeholders that the relevant SPT or KPI is considered no longer an appropriate sustainability performance target.</p> <p>Such amendments shall not take effect until the updated SPO has been published and thereafter, the issuer shall, as soon as practicable, inform the investors in writing of the same and deliver copies of the amendments and the updated SPO to the investors.</p> <p>If no amendment is effective and reflected in the relevant documentation to be delivered to the investors within the relevant submission period, it shall be deemed that such relevant SPT is not achieved, and the interest rate shall be increased in accordance with relevant terms and conditions.</p>

Criteria	Compliance with criteria	Remarks/Scope of Work Undertaken
<p>In case of any material change to perimeter/KPI methodology/ SPTs calibration, an external review provider should confirm, among others, the following:</p> <ul style="list-style-type: none"> Any changes would result in the SPTs being no less ambitious than those originally set; The ASEAN Sustainability-Linked Bond continues to align with the ASEAN SLBS; There continues to be consistency with the Issuer's sustainability strategy; There is no material impact on the original external review; There is no material adverse effect on the interests of the bondholders; and Changes to calculation policies are aligned with the Science Based Targets initiative (SBTi) methodology (or another relevant recognised body), where applicable. <p>Reporting <u>SLBP</u> Issuers of SLBs should publish, and keep readily available and easily accessible:</p> <ul style="list-style-type: none"> up-to-date information on the performance of the selected KPI(s), including baselines where relevant; a verification assurance report relative to the SPT outlining the performance against the SPTs and the related impact, and timing of such impact, on the bond's financial and/or structural characteristics; and any information enabling investors to monitor the level of ambition of the SPTs (e.g. any update in the issuers sustainability strategy or on the related KPI/ESG governance or any update in the sovereign issuer's strategic development plans and/or policies, and more generally any information relevant to the analysis of the KPIs and SPTs). <p>This reporting should be published regularly, at least annually, and in any case for any date/period relevant for assessing the SPT performance leading to a potential adjustment of the SLB's financial and/or structural characteristics.</p> <p><u>SLBS</u> 4.4.2 Issuers are also encouraged to publish, and keep readily available and easily accessible, where feasible, the following information through a publicly available website designated by the Issuer throughout the tenure of the ASEAN Sustainability-Linked Bonds:</p>	<p>In case of any material change to a perimeter/KPI methodology/ SPT calibration, the proposed revision will be subject to JPG's SPO provider's independent confirmation that it is:</p> <ul style="list-style-type: none"> consistent with JPG's sustainable strategy in line with, or more ambitious than, the initial level of ambition of the SPTs <p>The issuer will publish and keep readily available and easily accessible up-to-date information on the performance of the selected KPIs, including the baseline where relevant; a verification assurance report relative to the SPT outlining the performance against the SPTs and the related impact, and timing of such impact, on the bond's financial and/or structural characteristics; and any information enabling investors to monitor the level of ambition of the SPTs.</p> <p>Relevant reporting will be published annually in a Progress Report, which will be made publicly available either in the company's Annual Report or Sustainability Report, or as a standalone report.</p> <p>Where feasible and available, the issuer will also publish the qualitative or quantitative explanation of the contribution of the main factors, including M&A activities, behind the evolution of the performance/KPI; and an illustration of the positive sustainability impacts of the performance improvement, on an annual basis.</p>	<p>The issuer will also include any re-assessments of KPIs and/or restatement of the SPTs and/or pro forma adjustments of baselines or KPI scope, if relevant.</p>

Criteria	Compliance with criteria	Remarks/Scope of Work Undertaken
<p>(i) A qualitative or quantitative explanation of the contribution of the main factors, including M&A activities, behind the evolution of the performance/KPI; and</p> <p>(ii) An illustration of the positive sustainability impacts of the performance improvement.</p> <p>4.4.4 Issuers are also encouraged to provide more frequent periodic reporting which would increase transparency and investor confidence in the ASEAN Sustainability-Linked Bonds.</p> <p>4.4.5 Issuers are encouraged to indicate the timeline in which the reporting on the ASEAN Sustainability-Linked Bonds will be made available.</p> <p>Verification/ External Review <u>Pre-Issuance</u> <u>SRILSF</u> 9.13 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>Guidance to paragraph 9.13 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; and</p> <p>(d) the credibility of the strategy outlined to achieve the SPTs, based on scenario analyses, where relevant.</p> <p>9.14 The issuer must make available the external reviewer's report on the designated website.</p> <p><u>SLBS</u> 5.3 The external review provider must have the relevant expertise and experience in the components of the ASEAN Sustainability-Linked Bonds which they are reviewing.</p>	<p>The issuer will provide the relevant reporting annually.</p> <p>The Progress Report will be made available either in concurrence with the issuer's Annual Report or Sustainability Report, or as a standalone report, no later than the reporting end date as specified within the transaction documents.</p> <p>The issuer has appointed MARC Ratings to provide an SPO on the Framework, which will be made available on its corporate website.</p> <p>Our report includes item (a) to (c) outlined in the SRILSF Guidance to paragraph 9.13.</p> <p>MARC Ratings is registered with the Securities Commission Malaysia as a credit rating agency. The scope of MARC Ratings' external review is set out in MARC Ratings' Impact Bond Assessment (IBA) methodology that is publicly accessible from its corporate website.</p>	<p>The provision of more frequent periodic reporting is encouraged by the ASEAN SLBS but is strictly voluntary.</p>

Criteria	Compliance with criteria	Remarks/Scope of Work Undertaken
<p>5.4 <i>The external review provider must also disclose their relevant credentials and expertise, and scope of the review conducted in the external review report.</i></p> <p><u>Post-Issuance</u></p> <p>9.15 <i>An issuer must appoint an independent verifier to provide a verification report on the issuer's performance level against each SPT for each KPI.</i></p> <p>9.16 <i>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.</i></p> <p>9.17 <i>The issuer must make available the verifier's report on the designated website.</i></p> <p><u>SLBS</u></p> <p>4.5.3 <i>The external review provider must also disclose their relevant credentials and expertise, and scope of the verification conducted in the verification assurance report.</i></p> <p>4.5.4 <i>The verification assurance report must be made publicly available, through a website designated by the Issuer throughout the tenure of the ASEAN Sustainability-Linked Bonds.</i></p> <p>4.5.5 <i>Issuers are encouraged to indicate the timeline in which the verification assurance report on the ASEAN Sustainability-Linked Bonds will be made available.</i></p>	<p><i>MARC Ratings is registered with the Securities Commission Malaysia as a credit rating agency. The scope of MARC Ratings' external review is set out in MARC Ratings' IBA methodology that is publicly accessible from its corporate website.</i></p> <p><i>The issuer will appoint an independent verifier to provide a verification report on the issuer's performance level against each SPT for each KPI.</i></p> <p><i>The verification will be conducted annually using a "Limited Assurance" standard, which will be published on the issuer's website no later than the reporting end date.</i></p>	

Review of Compliance with SLLP

Borrower: Johor Plantation Group Berhad (JPG)		
Criteria	Compliance with criteria	Remarks/Scope of Work Undertaken
<p><u>SLLP</u></p> <p>Selection of KPIs</p> <p>The KPIs must be:</p> <ul style="list-style-type: none"> relevant, core and material to the borrower's overall business, and of high strategic significance to the borrower's current and/or future operations; measurable or quantifiable on a consistent methodological basis; and able to be benchmarked (i.e. as much as possible using an external reference or definitions to facilitate the assessment of the SPT's level of ambition). <p>A clear definition of the KPI(s) should be provided by the borrower and should include the applicable scope or parameters, as well as the calculation methodology, a definition of a baseline and be benchmarked against an industry standard and/or industry peers where feasible.</p> <p>Calibration of SPTs</p> <p>The SPTs must be set in good faith and remain relevant (so long as they apply) and ambitious throughout the life of the loan. It is therefore recommended that an annual SPT should be set per KPI for each year of the loan term. In instances where strong rationale is provided as to why this is not appropriate, exceptions to the annual frequency of SPTs can be agreed between the borrowers and lenders. The borrower should, where possible and taking competition and confidentiality considerations into account, also highlight any strategic information that may decisively impact the achievement of the SPTs.</p> <p>The SPTs should be ambitious, and take into consideration the following factors:</p> <ul style="list-style-type: none"> represent a material improvement in the respective KPIs and be beyond both a "business as usual" trajectory and regulatory required targets; where possible be compared to a benchmark or an external reference; be consistent with the borrower's overall sustainability strategy; and be determined on a predefined timeline, set before or concurrently with origination of the loan. 	<p>The KPIs are relevant, core and material to the borrower's overall business, and of high strategic significance to the borrower's current and/or future operations; measurable or quantifiable on a consistent methodological basis; and able to be benchmarked.</p> <p>The borrower has provided a clear definition of the KPIs including the applicable scope or perimeter, as well as the calculation methodology, and a definition of a baseline.</p> <p>An annual SPT has been set per KPI for each year of the loan term, except for SPT 1b, as the issuer is currently in the process of establishing its Scope 3 carbon inventory and does not have relevant data to support its target setting. The SPTs are supported by relevant strategies, which have been highlighted by the borrower.</p> <p>The SPTs selected are moderately ambitious; comparable to a benchmark or an external reference, where possible; consistent with the borrower's overall sustainability, business and ESG strategy; and set before the issuance of the bonds.</p>	<p>We have been separately informed that the issuer has conducted peer benchmarking against its domestic and regional peers for its target setting exercise. SPTs for KPI 1 were also selected with reference to the Paris Agreement's target.</p> <p>We opine that the SPT may not represent a material improvement from the baseline, but it is beyond the industry's business-as-usual trajectory, and maintaining the issuer's track record will still require consistent efforts and prudent measures, especially as its operations expand.</p>

Criteria	Compliance with criteria	Remarks/Scope of Work Undertaken
<p>Market participants recognise that any SPTs should be based on recent performance levels and be based on a combination of benchmarking approaches:</p> <ul style="list-style-type: none"> • the borrower’s own performance over time, for which a minimum of 3 years, where feasible, of measurement track record on the selected KPI(s) is recommended; • the borrower’s peers, i.e. the SPT’s relative positioning versus its peers’ where available (average performance, best in class performance) and comparable, or versus current industry or sector standards; and/or • reference to the science, i.e. systematic reference to science-based scenarios, or absolute levels (e.g. carbon budgets), or to official country/regional/international targets (Paris Agreement on Climate Change, net zero goals, Sustainable Development Goals, etc.) or to recognised best-available-technologies or other proxies to determine relevant targets across ESG themes. <p>Information provided to lenders with respect to target setting should make clear reference to:</p> <ul style="list-style-type: none"> • the timelines for the target achievement, including the target observation date(s)/period(s), the trigger event(s) and the frequency of review of the SPTs; • where relevant, the verified baseline or science-based reference point selected for improvement of KPIs as well as the rationale for that baseline or reference point to be used (including date/period); • where relevant, in what situations pro-forma adjustments or recalculations of baselines and/or recalculation of KPIs and subsequent SPTs will take place; • where possible and taking competition and confidentiality considerations into account, how the borrower intends to reach such SPTs, e.g. by describing its ESG strategy, supporting ESG governance and investments, and its operating strategy, i.e. through highlighting the key levers/ type of actions that are expected to drive the performance towards the SPTs as well as their expected respective contribution, in quantitative terms wherever possible; and • any other key factors beyond the borrower’s direct control that may affect the achievement of the SPTs. 	<p>The SPTs are based on the borrower’s own performance of the selected KPIs for three years; the borrower’s peers; and official country/regional/international targets.</p> <p>The borrower’s framework has made clear reference to the timelines for the target achievement; verified baseline; situations in which recalculations or pro forma adjustments of baselines will take place, where relevant; how it intends to reach such SPTs; and other key factors beyond the Issuer’s direct control that may affect the achievement of the SPTs.</p>	<p>We have been separately informed that the issuer has conducted peer benchmarking against its domestic and regional peers for its target setting exercise, and SPTs for KPI 1 were selected with reference to the Paris Agreement’s target.</p> <p>The rationale for the baselines is not referenced in the issuer’s disclosure on target setting. We have been separately informed that the baseline setting was based on the availability of data and the issuer’s existing sustainability commitments.</p>

Criteria	Compliance with criteria	Remarks/Scope of Work Undertaken
<p><i>It is recommended, where appropriate, that borrowers seek input from an external party, via e.g. a pre-signing Second Party Opinion (SPO) or KPI/SPT assessment. In their pre-signing SPO, external reviewers should assess the relevance, robustness and reliability of selected KPIs, the rationale and level of ambition of the proposed SPTs, the relevance and reliability of selected benchmarks and baselines, and the credibility of the strategy outlined to achieve them, based on scenario analyses, where relevant. Post-signing, in case of any material change to parameters/ KPI methodology/ SPT(s) calibration, borrowers are encouraged to ask external reviewers to assess these changes.</i></p> <p>Loan Characteristics <i>A key characteristic of an SLL is that an economic outcome is linked to whether the selected predefined SPT(s) are met. For example, the margin under the relevant loan agreement will often be reduced where the borrower satisfies a pre-determined SPT as measured by the pre-determined KPIs and vice versa, and, in some cases, where a strong rationale is provided, the ratchet may include a neutral bracket in which no margin adjustment applies.</i></p> <p>Reporting <i>Borrowers should, at least once per annum, provide the lenders participating in the loan with:</i></p> <ul style="list-style-type: none"> • <i>up-to-date information sufficient to allow them to monitor the performance of the SPTs and to determine that the SPTs remain ambitious and relevant to the borrower's business; and</i> • <i>a sustainability confirmation statement with verification report attached, outlining the performance against the SPTs for the relevant year and the related impact, and timing of such impact, on the loan's economic characteristics.</i> <p><i>As transparency is of particular value in this market, borrowers are encouraged to publicly report information relating to their SPTs, including details of any underlying methodology of SPT calculations and/or assumptions.</i></p> <p><i>This information will often be included in a borrower's integrated annual report or sustainability report. However, this will not always be the case and, where appropriate, a borrower may choose to share this information privately with the lenders rather than making this publicly available.</i></p>	<p><i>MARC Ratings has been engaged as the independent external reviewer for the framework. The external reviewer's report will be made available on the borrower's corporate website.</i></p> <p><i>In our pre-signing SPO, we had assessed the relevance, robustness and reliability of selected KPIs, the rationale and level of ambition of the proposed SPTs, and the relevance and reliability of selected benchmarks and baselines. Post-signing, in case of any material change to parameters/ KPI methodology/ SPT(s) calibration, the borrower will ask external reviewers to assess these changes.</i></p> <p><i>A detailed description of the potential variation of the financial characteristics of the Sustainability-linked loan SLL will be specified in the legal documentation including changes to the financial and/or structural characteristics which may follow the occurrence of a trigger event.</i></p> <p><i>The borrower will, at least once per annum, provide up-to-date information sufficient to allow the lenders to monitor the performance of the SPTs and to determine that the SPTs remain ambitious and relevant to the borrower's business; and a sustainability confirmation statement with verification report attached, outlining the performance against the SPTs for the relevant year and the related impact, and timing of such impact, on the loan's economic characteristics.</i></p> <p><i>Where feasible and available, the borrower will also publicly report information relating to their SPTs, including details of any underlying methodology of SPT calculations and/or assumptions.</i></p> <p><i>Relevant reporting will be published annually in a Progress Report, which will be made publicly available either in the company's Annual Report or Sustainability Report, or as a standalone report.</i></p>	<p><i>MARC Ratings is registered with the Securities Commission Malaysia as a credit rating agency. The scope of MARC Ratings' external review is set out in MARC Ratings' IBA methodology that is publicly accessible from its corporate website.</i></p> <p><i>These adjustments can be one-way or two-way, and may take various forms including step-up and/or step-down coupon, premium payable on the redemption price, margin adjustments, and other financial impacts, such as donations towards environmental/social projects.</i></p>

Criteria	Compliance with criteria	Remarks/Scope of Work Undertaken
<p>Verification Borrowers must obtain independent and external verification of the borrower's performance level against each SPT for each KPI for any date/period relevant for assessing the SPT performance leading to a potential adjustment of the SLL economic characteristics, until after the last SPT trigger event of the loan has been reached.</p> <p>This is a necessary element of the SLLP and should be conducted by a qualified external reviewer with relevant expertise, such as an auditor (by way of limited or reasonable assurance), environmental consultant and/or independent ratings agency.</p> <p>The verification of the performance against the SPTs must be shared with the lenders in a timely manner and, where appropriate, be made publicly available.</p> <p>As opposed to pre-signing external review, which is recommended, post-signing verification is a necessary element of the SLLP.</p> <p>Once reporting has been completed and verification has taken place, the lenders will evaluate the borrower's performance against the SPTs and KPIs based on the information available.</p>	<p>The borrower will appoint an independent and external verifier to provide a verification report on the issuer's performance level against each SPT for each KPI.</p> <p>The verification will be conducted annually using a "Limited Assurance" standard.</p> <p>The verification report will be published on the issuer's website no later than the reporting end date.</p> <p>The verification and the relevant reporting will form the basis for evaluation of whether a trigger event has occurred with respect to any SLB issued under this framework.</p>	

THE UN SUSTAINABLE DEVELOPMENT GOALS

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

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Published by:

MARC RATINGS BERHAD 202001041436 (1397757-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: ratings@marc.com.my Website: www.marc.com.my