



SOLARVEST HOLDINGS BERHAD
SUSTAINABILITY SUKUK FRAMEWORK

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1.0 Introduction

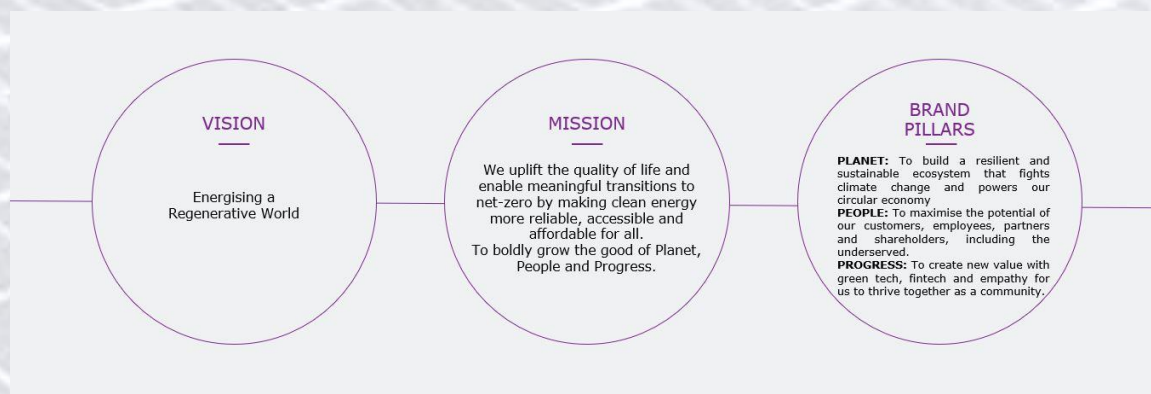
Solarvest Holdings Berhad (“**Solarvest**” or the “**Company**”) was founded in 2012 with the vision of a world generated by renewable energy. Since then, Solarvest has been advocating for solar energy adoption and has now grown to be one of the leading clean energy companies in Malaysia.

With established track record of building about 400 Megawatt-peak (“**MWp**”) of solar assets, Solarvest is a specialist in turnkey engineering, procurement, construction and commissioning (“**EPCC**”) solutions for projects covering domestic houses, commercial and industrial properties as well as large scale solar (“**LSS**”) photovoltaic (“**PV**”) plant. The Company also provides operations and maintenance (“**O&M**”) services of solar PV systems.

To date, the Company owns several small-scale solar PV plants in Peninsular Malaysia and is also developing LSS PV plants with a cumulative capacity of 50 Megawatt (“**MW**”) awarded by the Energy Commission of Malaysia in 2021. Meanwhile, the Company has also ventured into neighbouring countries for its renewable energy development and ownership, with a regional footprint encompassing the Philippines, Taiwan, Vietnam and Indonesia.

1.1 Sustainability Commitment

Serving as a pure-play solar PV specialist, Solarvest is dedicated to bringing a clean, green and sustainable world for all. The Company is delighted to ride on the opportunities from the rising global awareness on solar renewable energy towards sustainability development. The Company’s passion in solar renewable energy and its sustainability commitment are embodied in the Company’s vision and mission, and deep-rooted in its corporate culture.



To be in line with the company’s vision and mission, Solarvest will continue to contribute to the global agenda in line with the United Nations’ Sustainable Development Goals (“**SDGs**”). Hence, Solarvest’s Sustainability Sukuk Framework (“**Sustainability Sukuk Framework**”) is a step forward to demonstrate its commitment to creating positive impacts on society and the environment, which is aligned with the SDGs via sustainable funding.

1.2 Sustainability Strategies and Material Matters Assessment

Under the pillars of Economic, Environmental, Social and Governance (“EESG”), Solarvest has identified, assessed, prioritised and ranked fourteen (14) key areas which matter the most to the Company and its stakeholders (“Material Matters”).

In support of the SDGs, Solarvest has mapped the Company’s Material Matters and its sustainability strategies to nine (9) SDGs which are illustrated and further elaborated in the table below:

	Material Matters	Sustainability Strategies	SDGs
Economic	<ul style="list-style-type: none"> Business Growth and Expansion Technological Innovation and Development Products and Services Quality Assurance Customer Satisfaction Supply Chain Management 	<ul style="list-style-type: none"> Business blueprint to expand and sustain the Group’s business and maximise economic value. Continuous engagement with and assessment on reliable suppliers to deliver quality products and services to customers. 	
Environmental	<ul style="list-style-type: none"> Environmental Impact from Business Operations Internal Sustainability Efforts 	<ul style="list-style-type: none"> Proactive promotion of the usage of solar PV and green actions both externally and internally to protect and preserve the environment. 	
Social	<ul style="list-style-type: none"> Workforce Diversity and Equal Opportunity Occupational Safety and Health Management Human Resources Development Employee Engagement Community Outreach 	<ul style="list-style-type: none"> Development of an inclusive workplace with on-going training programmes and company activities. Contribution to local communities through donations and CSR programmes. 	
Governance	<ul style="list-style-type: none"> Ethical Business Conducts Regulatory Compliance 	<ul style="list-style-type: none"> Strict adherence to all applicable laws and regulations. 	

1.3 Business Growth and Expansion

Solarvest's strategic plan is driven by its 5-year strategic roadmap to transform from a pure-play solar PV company into a clean energy specialist with holistic offerings of renewable energy and low-carbon solutions. The 5-year roadmap encompasses three (3) pillars of business growth, namely:

1. Maintaining the market leader position in solar PV projects in Malaysia;
2. Expanding assets development and ownership in Malaysia, Indonesia, the Philippines, Taiwan and Vietnam with the target to generate a total of 1,000 MW of renewable energy capacity including other renewable energy sources such as biogas and mini-hydro; and
3. Vertical expansion across the clean energy ecosystems, looking to venture into energy storage systems, energy efficiency solutions, low-carbon mobility, an international trading platform for renewable energy certificates, green hydrogen and green data centres.

2.0 Solarvest Sustainability Sukuk Framework

For the purpose of issuing Sustainability Sukuk, this Sustainability Sukuk Framework is developed to serve as a guideline for all issuances of Sustainability Sukuk by Solarvest. The proceeds from the issuance of Sustainability Sukuk under this Sustainability Sukuk Framework ("**Proceeds**") are intended to finance projects and activities that contribute to emission reduction and have direct positive environmental impact. Such projects shall contribute towards the following SDGs:

- SDG 7: Affordable and Clean Energy;
- SDG 8: Decent Work and Economic Growth;
- SDG 11: Sustainable Cities and Communities; and/or
- SDG 12: Responsible Consumption and Production.

This Sustainability Sukuk Framework is aligned with the following guidelines and standards:

1. Sustainable and Responsible Investment (SRI) Sukuk framework, issued by the Securities Commission Malaysia ("**SC**");
2. ASEAN Green Bond Standards, ASEAN Social Bond Standards and ASEAN Sustainability Bond Standards, issued by the ASEAN Capital Markets Forum ("**ACMF**"); and
3. Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines, issued by the International Capital Market Association ("**ICMA**").


This Sustainability Sukuk Framework comprises the following core components:

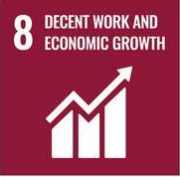

1. Use of proceeds;
2. Process for project evaluation and selection;
3. Management of proceeds; and
4. Reporting.

3.0 Core Components of the Sustainability Sukuk Framework

3.1 Use of proceeds

The Proceeds will be used to finance and/or refinance, in part or in whole, new or existing assets, businesses and/or projects providing distinct environmental benefits (collectively, “**Eligible Projects**”) that promote the categories (“**Eligible Categories**”) and meet the criteria (“**Eligibility Criteria**”) outlined in the table below:

Eligible Categories	Eligibility Criteria	Alignment to SDGs
Renewable Energy	<p><u>SOLAR</u> Acquisition or development or operation or maintenance of solar projects, which may include but not limited to:</p> <ul style="list-style-type: none"> • Utility-scale solar projects • Commercial and Industrial projects • Residential Projects • Battery energy storage system <p><u>OTHER RENEWABLE ENERGY</u> Acquisition or development or operation or maintenance of other renewable energy projects which contribute towards carbon emission reduction, which may include but not limited to:</p> <ul style="list-style-type: none"> • Mini-hydro power plants • Biomass power plants • Wind turbines • Geothermal power plants • Tidal power plants 	 <p><u>The Eligible Categories are likely to make a direct contribution to the following SDG Targets:</u></p> <p>7.1: By 2030, ensure universal access to affordable, reliable and modern energy services</p> <p>7.2: By 2030, increase substantially the share of renewable energy in the global energy mix</p> <p>7.3: By 2030, double the global rate of improvement in energy efficiency</p>
Energy Efficiency	<p>Acquisition or development or operation or maintenance of energy efficiency projects that reduce electricity consumption including cogeneration / combined heat and power systems, and waste-heat recovery systems, which may include but not limited to:</p> <ul style="list-style-type: none"> • Retro-fitting / refurbishment of existing equipment in facilities and buildings • Installation of energy efficiency lighting, equipment and appliances • Installation of Retrofitting and optimising the heating, ventilation, and air conditioning systems • Installation of energy storage systems and smart meters • Cogeneration systems 	<p>7.a: By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficient and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology</p> <p>7.b: By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries, small island developing States, and land-locked developing countries, in accordance with their respective programmes of support</p>
Climate Change Adaptation	<p>Acquisition, research, development, operation and/or maintenance of new sustainable solutions, which may include but not limited to:</p> <ul style="list-style-type: none"> • Green data centres 	

	<ul style="list-style-type: none"> • Renewable energy certificates • Electric mobility and associated facilities (including electric vehicle charging and alternative fuel infrastructure) • Energy fintech platform • Green Hydrogen facilities • Agritech and urban farming solutions 	 <p>The Eligible Categories are likely to make a direct contribution to the following SDG Target:</p>
<p>Affordable Infrastructure</p> <p>Basic</p>	<p>Construction, development, operation, renovation and/or maintenance of facilities, services, systems or equipment to:</p> <ul style="list-style-type: none"> • provide communities with direct access to clean energy • provide microgrid or off-grid systems for the community with limited access to power supply • improve the quality of life for the society, including rural development, residential and community projects • achieve positive social outcomes for the communities and society 	<p>8.4: Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead</p>  <p>The Eligible Categories are likely to make a direct contribution to the following SDG Targets:</p> <p>11.3: By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries</p> <p>11.6: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management</p> <p>11.a: Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning</p>

		 <p><u>The Eligible Categories are likely to make a direct contribution to the following SDG Target:</u></p> <p>12.a: Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production</p>
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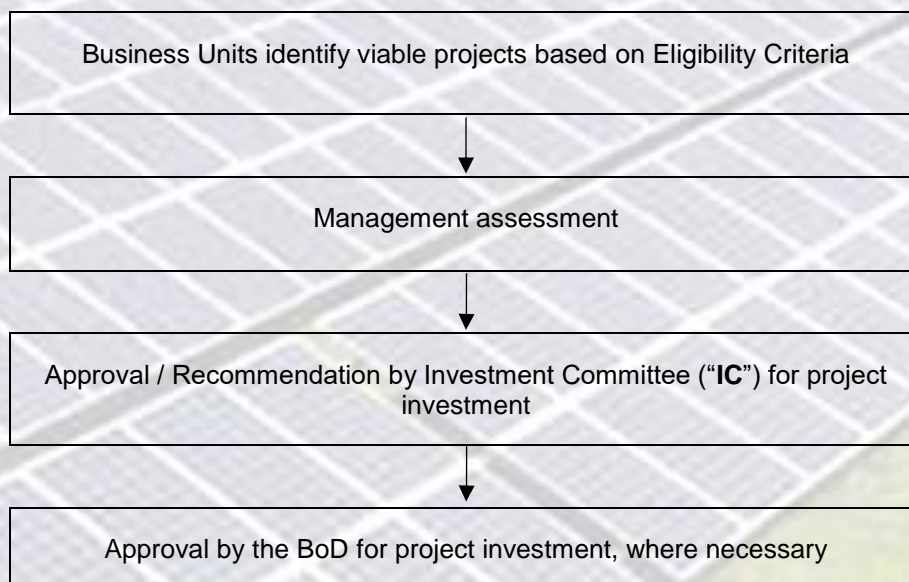
3.1.1 Exclusions

For the avoidance of doubt, Solarvest will not utilise the Proceeds to finance any projects relating to fossil fuel power generation or outside the Eligible Projects.

3.2 Process for project evaluation and selection

The Company’s board of directors (“**BoD**”) act as the main decision-making body and assumes the overall responsibility for the stewardship and oversight of the Company’s sustainability strategies. The BoD will hold the ultimate responsibility for this Sustainability Framework.

The process to identify, evaluate and approve Eligible Projects that fulfill the Eligibility Criteria as described in section 3.1 above, are as follows:



3.2 Process for project evaluation and selection (Cont'd)

The IC supports the BoD in providing oversight, advice and direction to the management of Solarvest on the investment policy, approves certain matters on behalf of the BoD (within its limits of authority) and reviews major investment proposals prior to escalation to the BoD for approval, where necessary.

Projects selected will have to fulfil the Eligibility Criteria as described in section 3.1 above, as well as meeting the minimum hurdle rates for the internal rate of return of equity identified by Solarvest's investment policy.

In evaluating the Eligible Projects, it must be shown that the risks of the Eligible Projects (including any material environment or social risks) are identified and managed appropriately, and the evaluation may include the following aspects:

- Assessment for critical inputs such as solar irradiance, grid capacity, feedstock and hydrological data;
- Assessment of the effects on the physical environment (e.g., air and water quality, potential spills / leaks or contamination, noise pollution and land-use);
- Assessment of the socio-economic impact to the community; and
- Performance guarantees or back-to-back agreements for the performance of any specialist technology

Solarvest has complied and will continue to comply with the relevant environmental, social and governance standards or recognised best practices relating to the Eligible Projects.

Solarvest will maintain a register of the Eligible Projects and review it periodically to verify that all the Eligible Projects continue to meet the Eligibility Criteria set out in the Sustainability Sukuk Framework. If an Eligible Project no longer meets the Eligibility Criteria set forth in the Sustainability Sukuk Framework, the respective Business Units and Management will recommend to the IC and BoD where necessary, that such Eligible Project be removed from the register of the Eligible Projects, and be replaced as soon as one (1) or more Eligible Projects have been identified.

3.3 Management of proceeds

The Proceeds will be allocated to the Eligible Projects as selected per the Eligibility Criteria and the process set out in section 3.2. Solarvest will maintain a proper ledger to track the allocation and utilisation/deployment of the Proceeds, which will include (but not limited to) the following information:

- a) Details of each Sustainability Sukuk issuance; and
- b) List of Eligible Projects, with:
 - Summary of project details;
 - Amount allocated to each project;
 - Remaining balance of unallocated Proceeds.

Any unallocated amount of the Proceeds may be held in cash or cash equivalents of the Company, including temporary investment in money markets and other liquid marketable instruments, all of which shall be Shariah-compliant.

Solarvest will engage an appropriate external assurance provider or auditor to independently verify the management of the Proceeds, as and when required.

3.4 Reporting

Solarvest will prepare and publish a sustainability sukuk report on its website annually, and on a timely basis in case of material developments (“**Annual Sustainability Sukuk Report**”). The Solarvest’s Annual Sustainability Sukuk Report will be updated every year until allocation is completed, and thereafter, as necessary in case of any new developments.

Allocation Reporting

Information on the amount that is equal to the Proceeds will be provided, which includes the following

- Net Proceeds raised from each Sustainability Sukuk issuance
- Aggregate amounts of Proceeds allocated to each of the Eligible Categories
- The outstanding amount of Proceeds yet to be allocated to the Eligible Projects at the end of the reporting period and where these have been invested
- Removal or substitution of the Eligible Projects

Impact Reporting

Solarvest intends to provide, where possible, the list of the Eligible Projects financed or refinanced by the Sustainability Sukuk issued under this Sustainability Sukuk Framework, as well as impact metrics for each of the Eligible Categories, which may include:

Eligible Categories	Impact Indicators
Renewable Energy	<ul style="list-style-type: none"> • Renewable Energy installed capacity (MW) • Renewable Energy production (MWh) • GHG emissions avoidance in tonnes of CO2 equivalent
Energy Efficiency	<ul style="list-style-type: none"> • Annual energy savings (MWh) • GHG emissions avoidance in tonnes of CO2 equivalent
Climate Change Adaptation	<ul style="list-style-type: none"> • GHG emissions avoidance in tonnes of CO2 equivalent • Number of renewable energy certificates generated • Estimated reduction in vehicle usage for electric mobility projects
Affordable Basic Infrastructure	<ul style="list-style-type: none"> • Number of location/sites/people benefited from the development of renewable energy • Renewable Energy installed capacity (MW) • Renewable Energy production (MWh) • GHG emissions avoidance in tonnes of CO2 equivalent

The indicators above are purely indicative and non-exhaustive and that there may be other forms of indicators used for the categories stated above.

4.0 External Review

Solarvest has appointed MARC Ratings Berhad to issue a second party opinion on the alignment of this Sustainability Framework with the standards and guidelines listed in section 2.0. The second party opinion will be published on Solarvest's website at www.solarvest.my.

5.0 Potential Evolutions

As the Sustainability Sukuk market will likely be subject to evolving economic environment and regulations, Solarvest shall continuously enhance and improve this Sustainability Sukuk Framework and publish any supplementary content to this Sustainability Sukuk Framework on Solarvest's website at www.solarvest.my.

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