



**SAMAIDEN GROUP BERHAD**  
**SUSTAINABILITY SUKUK**  
**FRAMEWORK**

4<sup>th</sup> July 2024

# Table of Contents

<b>1.0</b>	<b>Introduction</b>	<b>3</b>
<b>2.0</b>	<b>Sustainability at Samaiden</b>	<b>3</b>
<b>3.0</b>	<b>Sustainability Sukuk Framework</b>	<b>5</b>
	3.1 Use of Proceeds	6
	3.2 Process for Project Evaluation and Selection	11
	3.3 Management of Proceeds	13
	3.4 Reporting	14
<b>4.0</b>	<b>External Review</b>	<b>16</b>
<b>5.0</b>	<b>Potential Evolutions</b>	<b>16</b>

## **1.0 Introduction**

Samaiden Sdn Bhd was founded in 2013, and its holding company, Samaiden Group Berhad ("Samaiden") was listed on the ACE Market of Bursa Malaysia Securities Berhad in 2020 and subsequently transferred to the Main Market in 2023. Samaiden and its subsidiaries ("the Group") has evolved into a comprehensive clean energy services and solutions provider. Samaiden core expertise lies in the engineering, procurement, construction, and commissioning (EPCC) of various clean energy projects spanning Solar Photovoltaic (PV) systems, Biomass and Biogas systems, among others.

Beyond EPCC, Samaiden excels in delivering sustainable energy solutions through environmental consulting services, energy efficiency solutions, waste management, renewable energy certificate, battery energy storage system and comprehensive operations and maintenance support. The group's commitment extends to owning and investing in clean energy assets and renewable energy plants, reflecting the dedication to sustainable growth and contributing to a cleaner, more environmentally responsible future.

Furthermore, the Group has expanded its renewable energy development into neighboring countries, strengthening the regional presence to include Vietnam, Cambodia, and Singapore. This expansion underscores the commitment to advancing clean energy initiatives beyond borders while exerting the impact on environmental sustainability across the region.

To date, Samaiden has successfully concluded over 300 renewable energy projects and a total secured capacity exceeding 800 MWp. Upon the culmination of all secured projects, it is anticipated to result in an estimated carbon emission avoidance surpassing 700 thousand CO<sub>2</sub> equivalents.

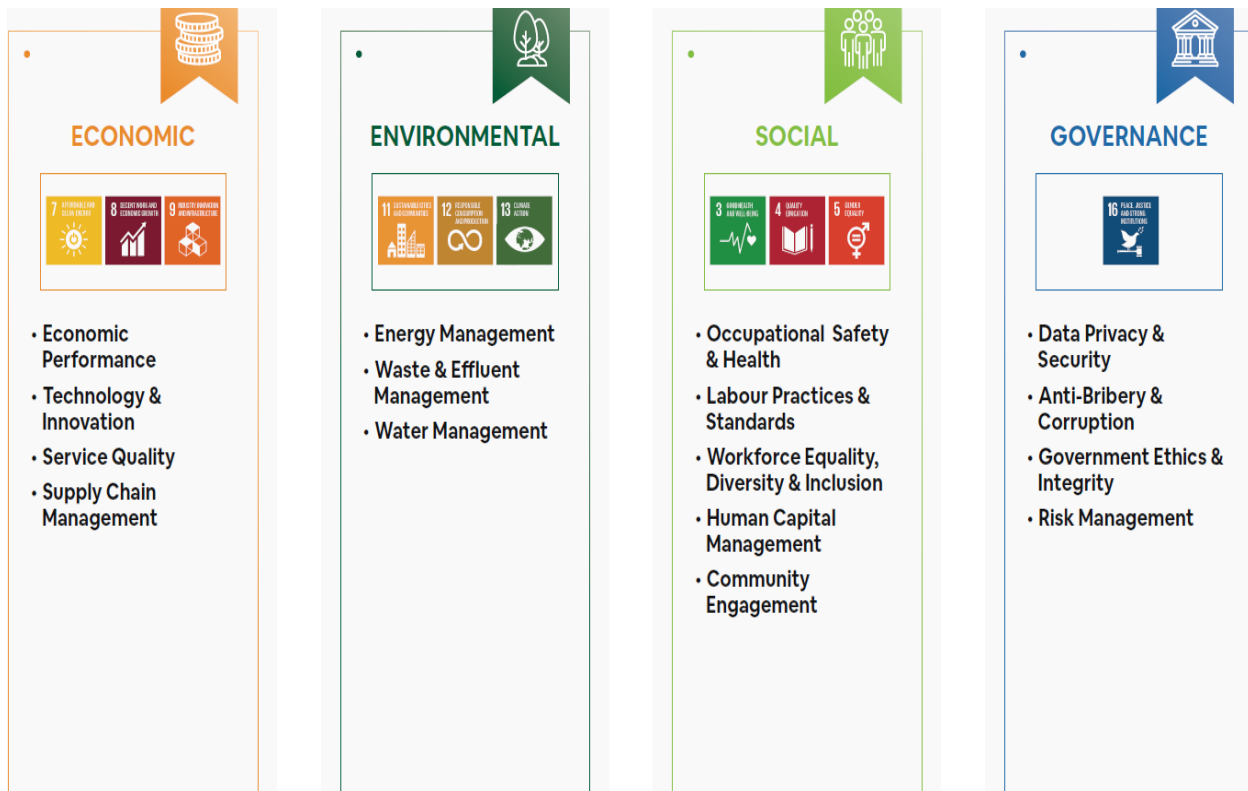
## **2.0 Sustainability at Samaiden**

Samaiden's foundation is firmly grounded in sustainable principles, serving as an integral part of the Group's core values woven into organizational culture

and belief system. As a leading provider of renewable energy services and solutions, the group is dedicated to fostering a greener and more sustainable future. The acknowledgement of sustained success not only depends on nurturing businesses while also embracing society and the environment.

The Group'S Sustainability Strategy contains the core commitments and guiding principles, ensuring the sustainable well-being of the planet, its inhabitants, and fostering prosperity for all stakeholders. It provides a roadmap for systematically creating value for our stakeholders while reinforcing the dedication to promoting sustainable and inclusive growth, alongside upholding good governance practices. This strategy enables the group to align sustainability priorities and further contributions towards the United Nations Sustainable Development Goals (SDGs).

The curation of sustainability framework of Samaiden Group is derived from a 4-pillar approach of Economic, Environmental, Social and Governance ("EESG"). Under these 4-pillar, the Group has identified 16 material sustainability matters to stakeholders and mapped it with 10 UN Sustainable Development Goals ("SDGs"). Additionally, the group has established 20 initiatives, each at varying stages of implementation and maturity, to steer the dedication on sustainability efforts.



For detailed information, please refer to Samaiden’s Annual Report sustainability statement.

The adoption of this sustainability model is also serves as an encouragement to others within the Group’s supply chain to foster wider adoption of the UN SDGs even as the Group embeds the principles of the UN SDGs into business operations, corporate practices, and day-to-day routines for a sustainable future. The establishment of Samaiden’s Sustainability Sukuk Framework symbolizes a significant advancement in delivering the commitment to generating positive impacts on society and the environment through sustainable funding.

### **3.0 Sustainability Sukuk Framework**

This Sustainability Sukuk Framework (“SSF”) is established to set out transparent and comprehensive guidelines and principles for all issuances of Sustainability Sukuk by Samaiden. The SSF is developed in alignment 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 SSF considers the core four pillars and aligns with the Sustainability Guidelines/Framework, incorporating the following key components:


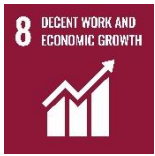


- Use of proceeds;
- Process for project evaluation and selection;
- Management of proceeds; and
- Reporting.

### **3.1 Use of Proceeds**



In accordance with Samaiden’s sustainability approach, the proceeds from the issuance of Sustainability Sukuk will be exploited for financing / refinancing, either wholly or partially, new and/or existing assets, businesses, and/or projects (collectively, “Eligible Projects”) that comply with the guiding principles of the SSF and bring clear environmental and/or social benefits. A lookback period of 5years is enforced on refinancing projects for it to be included as Eligible Assets. These Eligible Projects must align with the categories (“Eligible Categories”) and meet the criteria (“Eligibility Criteria”) specified in the table below.

**Table 1: Eligibility Criteria for Utilization of Sustainability Sukuk Proceeds**

Eligible Categories	Eligible Criteria	Alignment to UN SDGs
Renewable Energy	<p>Investment, acquisition, research, development, operation and/or maintenance of renewable energy plants or projects, which may include but not limited to:</p> <ul style="list-style-type: none"> <li>• Solar generating facilities:               <ul style="list-style-type: none"> <li>- Utility-scale solar projects</li> <li>- Commercial and Industrial projects</li> <li>- Residential Projects</li> </ul> </li> <li>• Mini-hydro power plants</li> <li>• Biomass power plants</li> <li>• Biogas power plants</li> <li>• Wind power plants</li> <li>• Green Hydrogen facilities</li> <li>• Battery energy storage system</li> </ul> <p>Manufacturing, trading and/or import of components of renewable energy technology, which may include but not limited to:</p> <ul style="list-style-type: none"> <li>• Solar panels</li> <li>• Inverters</li> <li>• Storage batteries</li> </ul>	<p>Sustainability Objectives:</p> <p>To reduce greenhouse gas emissions and promote sustainability by harnessing natural resources. These projects also aim to mitigate climate change, create economic opportunities, and meet renewable energy targets set by governments worldwide.</p> <p>These eligible categories are likely to make a direct contribution to:</p>
Energy	Investment, acquisition,	

<p>Efficiency</p>	<p>development or operation of facilities and equipment that reduce energy consumption or improve the efficiency of resources, which may include but not limited to:</p> <ul style="list-style-type: none"> <li>• Installation of energy-efficient lighting, appliances, and equipment.</li> <li>• HVAC (Heating, Ventilation, and Air Conditioning) Systems Upgrades</li> <li>• Projects for efficient delivery of bulk energy services, such as energy storage, smart grids, and demand response.</li> <li>• Monitoring and optimization of energy consumption through sensors, smart meters, load control systems, or building information systems.</li> <li>• Retrofitting / refurbishment of existing equipment in facilities and buildings</li> </ul>	<div data-bbox="1166 193 1321 346" style="text-align: center;">  <p>7 AFFORDABLE AND CLEAN ENERGY</p> </div> <p>SDG 7: Affordable and Clean Energy (Target 7.1, 7.2, 7.3, 7.A &amp; 7.B)</p> <div data-bbox="1172 688 1325 842" style="text-align: center;">  <p>8 DECENT WORK AND ECONOMIC GROWTH</p> </div> <p>SDG 8: Decent Work and Economic Growth (Target 8.4)</p> <div data-bbox="1198 1226 1351 1379" style="text-align: center;">  <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> </div> <p>SDG 9: Industry, Innovation and Infrastructure (Target 9.4)</p>
<p>Affordable basic infrastructure</p>	<p>Investment, acquisition, development, operation, renovation and/or maintenance of facilities, services, systems, or equipment to:</p>	<div data-bbox="1172 1671 1325 1824" style="text-align: center;">  <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> </div>



	<ul style="list-style-type: none"> <li>• Provide sustainable energy solutions to communities with no access to traditional energy supply.</li> <li>• Implement microgrid or off-grid systems for communities with limited access or no access to power supply.</li> <li>• Enhance accessibility to power supply in rural areas</li> </ul>	<p>SDG 11: Sustainable Cities and Communities (Target 11.3, 11.6, 11.A &amp; 11.B)</p>  <p>SDG 12: Responsible Consumption and Production (Target 12.2 &amp; 12.5)</p>
<p>Pollution Prevention and Control</p>	<p>Investment, acquisition, research, development of facilities, services or solutions in environmental mitigation, waste collection, waste treatment, recycling, reuse and waste-to-energy solutions.</p>	 <p>SDG 13: Climate Action (Target 13.1 &amp; 13.3)</p>

**Exclusion Criteria**

For the avoidance of doubt, any businesses/assets/projects which are in connection with the items listed below are excluded from utilizing Samaiden’s Sustainability Sukuk Proceeds:

1. Gambling, gaming business and any prohibited trade;
2. Weapons;
3. Alcohol and Drugs;

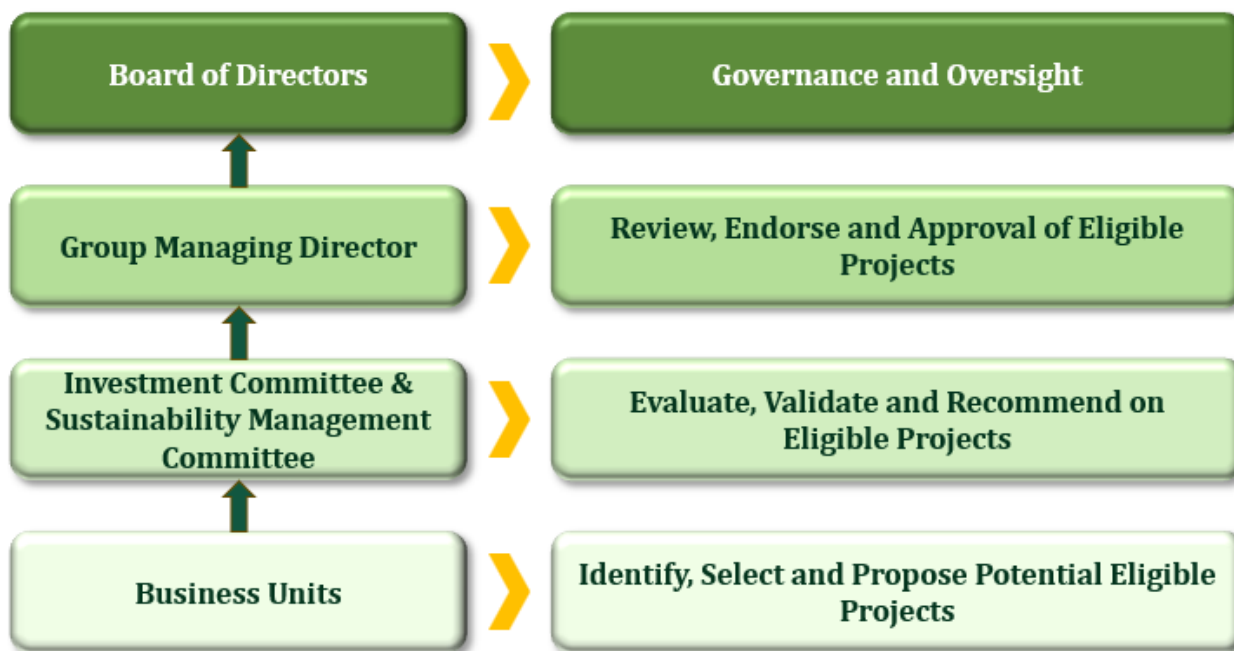
4. Fossil fuel;
5. Child Labour;
6. Tobacco
7. Nuclear energy and nuclear related assets;
8. Illegal activities such as bribery, terrorism etc;
9. Illegal logging or uncontrolled fire;

Notes:

1. The above exclusions are presently irrelevant to the business. However, they are included for clarity and compliance to the standards and guidelines associated with Samaiden's Sustainability Sukuk issuance.

2. Any businesses/assets/projects which are not Shariah-compliant are also excluded from the utilization of Sustainability Sukuk Proceeds.

### 3.2 Process for Project Evaluation and Selection



At Samaiden, the strategic sustainability direction is primarily guided by the Board of Directors ("BoDs"), which assumes ultimate responsibility for the Sustainability Sukuk Framework ("SSF"). The BoDs is tasked with reviewing, approving, and endorsing the SSF, along with the mandated annual reporting. Spearheading implementation efforts, the Group Managing Director ("GMD") holds an executive role, which includes approving Eligible Projects for funding under Samaiden's SSF. The BoDs is supported by the Investment Committee ("IC") and Sustainability Management Committee ("SMC") in evaluating and reviewing the Eligible Category and Eligibility Criteria under the SSF.

The comprehensive process for evaluation and selection of the Eligible Projects are outlined below:

#### a. Screening by business units

Relevant business units to identify, select and propose, new or existing assets based on existing project evaluation process and match with Eligible Categories listed under Section 3.1.

**b. Evaluation by IC and SMC**

IC and SMC to evaluate the proposed Eligible Projects and ensure due diligence has been conducted on the relevant assets/projects, perform preliminary verification, and confirm the projects based on the eligibility criteria outlined in the SSF. Nevertheless, IC and SMC are responsible to provide the recommendation on whether to include proposed project(s) for the use of proceeds. Ultimately, the final decision will be determined by several factors, including compliance with the SSF, Group's Sustainability Strategy and Roadmap, and Group's Investment guidelines.

**c. Review and Approval by GMD**

The GMD reviews the recommendations put forth by the IC and SMC regarding the proposed Eligible Projects. Based on this review, the GMD makes the final decision on whether to grant the approval of the projects for funding under the SSF. The GMD's approval ensures alignment with the organization's strategic objectives and sustainability goals.

**d. Governance and Oversight by BODs**

Following the GMD's approval, the proposed Eligible Projects undergo oversight and final endorsement by the Board of Directors (BoDs). This endorsement signifies the BoDs' official support and ensure that the proposed projects adhere to all relevant regulations, standards, and guidelines.

The register of Eligible Projects will be monitored closely and reviewed annually during the tenure with Sustainability Sukuk. The Group may choose to replace an Eligible Project if it no longer meets the Eligibility Criteria, following the procedure highlighted above. The environmental and social profile of the

proposed project is integral to the evaluation and selection process. Samaiden Group will conduct relevant environmental associated with social impact assessments to identify and manage potential risks and impacts on the environment and communities. Mitigation plans will be promptly established upon the identification of potential risks.

### 3.3 Management of Proceeds

The allocation and utilization of the Sustainability Sukuk Proceeds (“**Proceeds**”) will align with the guidelines outlined in paragraph 3.1 above. The portfolio of the Eligible Projects and the allocation of the Sustainability Sukuk Proceeds will be maintained and monitored by the Group Finance Division.

The Group will maintain a ledger to track the Proceeds allocation and utilization which will include (but not limited) to the following information:

a) Details of each Sustainability Sukuk issuance; and

b) List of Eligible Projects, with:

- i. Summary of project details;
- ii. Amount allocated to each project;
- iii. Expenditure of each project;
- iv. Remaining balance of unallocated proceeds.

To ensure the efficient and prompt allocation and utilization of the Proceeds, new Eligible Projects may be included in the portfolio when required. If any of the Eligible Projects cease to comply with the SSF during the tenure of the Sustainability Sukuk, the Group will identify alternative projects that adhere to the framework and allocate the proceeds to newly identified Eligible Projects as soon as feasible.

Any remaining unallocated Sustainability Sukuk Proceeds will be retained or invested in Shariah-compliant liquid instruments, including cash, cash equivalents, and/or other eligible liquid marketable investments.

Samaiden will enlist the services of an auditor or another third party to verify the management of the proceeds, whenever necessary. The resulting report from the auditor or third party will be made accessible to the public on the group's website.

### **3.4 Reporting**

To meet investor requirements on transparency in the utilization of proceeds from Sustainability Sukuk issuances, the Group will publish an annual progress report ("Sustainability Sukuk Report"); and on a timely basis in the event of material developments. This report will be publicly available on the company's website and will be updated annually until the allocation is completed, and thereafter, as necessary in case of any material developments. The Sustainability Sukuk Report will include:

#### **Allocation Reporting**

Information will be provided on the amount that is equal to the net proceeds of the Sustainability Sukuk issued under the SSF, which includes the following:

- Net Proceeds raised from each Sustainability Sukuk issuance.
- Aggregate amounts of Proceeds allocated to each of the Eligible Categories.
- Share of allocation of proceeds for new financing and refinancing (if applicable).

- Remaining balance of the unallocated Sustainability Sukuk Proceeds at the end of the reporting period, where such unutilized amount is retained or invested.
- Removal or substitution of the Eligible Projects.

### **Impact Reporting**

Where possible, Samaiden will report on the environmental and social (where relevant) impacts resulting from the Eligible Projects, subject to the nature of Eligible Projects, confidentiality, and availability of information. Samaiden may select alternative quantitative or qualitative indicators to remain relevant to the selected Eligible Projects. The impact reporting may include, but not limited to, the following impact or key performance indicators:

Eligible Categories	Indicative Impact Indicators
Renewable Energy	<ul style="list-style-type: none"> <li>• Total Renewable Energy installed capacity (MWh)</li> <li>• Annual Renewable Energy production (MWh)</li> <li>• Annual GHG emissions avoidance in tonnes of CO2 equivalent</li> </ul>
Energy Efficiency	<ul style="list-style-type: none"> <li>• Annual energy savings in MWh/GWh (electricity) and GJ/TJ (other energy savings)</li> <li>• GHG emissions reduced/avoided in tonnes of CO2e</li> <li>• Percentage of energy efficiency achieved</li> </ul>
Affordable Basic Infrastructure	<ul style="list-style-type: none"> <li>• Number of location/sites/people benefited from the development of</li> </ul>

	<p>renewable energy</p> <ul style="list-style-type: none"> <li>• Total Renewable Energy installed capacity (MWh)</li> <li>• Annual Renewable Energy production (MWh)</li> <li>• Annual GHG emissions avoidance in tonnes of CO2 equivalent</li> </ul>
Pollution Prevention and Control	<ul style="list-style-type: none"> <li>• Annual GHG emissions reduced / avoided in tonnes of CO2 equivalent</li> </ul>

#### **4.0 External Review**

Samaiden has appointed RAM Sustainability Sdn Bhd (“RAM Sustainability”) to provide a Second Party Opinion to ensure the alignment of this SSF to the applicable standards and guidelines. The Second Party Opinion will be made publicly available on Samaiden’s website.

#### **5.0 Potential Evolutions**

Given the evolving nature of the sustainability sukuk market and potential shifts in market and regulatory conditions, Samaiden will continue to enhance and improve this SSF. Any refinements thereof will be published as a supplement to the SSF on Samaiden’s website.