



**MALAYSIAN RESOURCES CORPORATION
BERHAD**

Sustainable Financing Framework

Contents

1. Background

2. Sustainability Framework

2.1. Sustainability Purpose and Sustainability Pillars

2.2. Sustainability Focus Areas and Key Action Plans

2.3. Integrations of Sustainability Development Goals ("UNSDGs")

2.4. Sustainability Governance

2.5. Net Zero Carbon by 2040

3. Sustainable Financing Framework

3.1. Utilisation of Proceeds

3.2. Project Evaluation and Selection

3.3. Management of Proceeds

3.4. Reporting

4. External Review

4.1. Pre-issuance External Review

4.2. Post-issuance Verification/External Review

1. Background

Malaysian Resources Corporation Berhad (“**MRCB**” or “**Company**”) is principally an investment holding company and is a leading urban property, infrastructure developer and environmental regeneration specialist in Malaysia. MRCB has set a mission to build meaningful places for the future by transforming communities into innovative and sustainable urban developments that connect and empower people.

MRCB has been listed on Bursa Malaysia since 1971 with a market capitalisation of circa RM1.34 billion as at 30 March 2023.

MRCB and its subsidiaries’ main business activities are (i) property development & investment, (ii) engineering, construction & environment, and (iii) facilities management & parking. In Malaysia, MRCB’s geographical presence is in Kuala Lumpur, Selangor, Johor, Penang and Perak. Internationally, MRCB has successfully completed two (2) property development projects in Melbourne, Australia and has further acquired prime land on the Gold Coast, Australia for the development of a 51-storey residential tower project. In 2021, MRCB was awarded its maiden project in New Zealand, namely the Aotea Central Over Station Development in Auckland CBD, which will begin development in 2024.

The Company is a pioneer in Transit Oriented Developments (“**TODs**”) which provide vibrant and sustainable city-within-a-city developments that focus on pedestrian-oriented communities living and working around high-quality mass transport systems. MRCB builds integrated developments anchored around transportation hubs and green, environmentally efficient buildings in these living communities. The core TOD projects being developed by the Company are Kuala Lumpur Sentral, PJ Sentral Garden City, Penang Sentral and Kwasa Sentral.

In addition, MRCB is the largest Bumiputera controlled public listed company in Malaysia. Under its engineering, construction and environment business segment, the Company successfully won and/or has completed key national infrastructure and construction projects. The notable projects recently completed by MRCB include the Mass Rapid Transit 2 (“**MRT2**”) – V210 Package, the Damansara-Shah Alam Elevated Expressway (“**DASH**”) – CB2 Package, the Light Rail Transit Ampang Line Extension – Package B, the refurbishment of the National Stadium and Sports Complex at Kuala Lumpur Sports City Bukit Jalil, Larkin Stadium, Tenaga Nasional Berhad’s An-Nur Balai Islam Complex. Furthermore, MRCB is constructing the Sungai Besi-Ulu Kelang Elevated Expressway (“**SUKE**”) – CA2 Package and the entire Light Rail Transit 3 (“**LRT3**”) line project.

Moreover, under its Facilities Management and Parking Division, MRCB has established its own brand as a major player in managing, maintaining and providing security services and operating car parks at integrated transportation hubs and high-profile commercial and residential complexes. MRCB manages nineteen (19) car park sites with over 17,000 carpark bays including Stesen Sentral Kuala Lumpur, the nation’s largest transit hub.

For the past two (2) years, MRCB’s commitments for its sustainability initiatives have been recognised by the external parties. MRCB remains a constituent of the FTSE4Good indices since 2014 and garnered a MSCI rating of BBB in 2021. MRCB has been awarded the following:

Governance



National Annual Corporate Report Awards (NACRA 2022): Platinum Award For Companies With Less Than RM2 Billion Market Capitalisation



The Star / FIABCI Malaysia Developer Awards (MDA) 2022: Top-of-the-Chart award for Transparency



Minority Shareholders Watch Group (MSWG) - ASEAN Corporate Governance Awards 2021: 1st place in Industry Excellence Award for Corporate Governance Disclosure (Property Sector)



Minority Shareholders Watch Group (MSWG) - ASEAN Corporate Governance Awards 2021: 2nd place out of 864 companies assessed in Excellence Award for Corporate Governance Disclosure



Australasian Reporting Awards (ARA) 2022 & 2021, 2019 & 2020: Gold Award



Minority Shareholders Watch Group (MSWG) - ASEAN Corporate Governance Awards 2020: Industry Excellence Award (Property)



Malaysian Institute of Corporate Governance (MICG) Report 2019 – Top Achiever of 2019 for Transparency in Corporate Reporting

Economic



Certificate of Engagement for the Plastic Disclosure Project (PDP)

Social



Malaysia's 100 Leading Graduate Employers Award (M100): Most popular graduate employer of the year 2022 (Property & Development)



iProperty Development Excellence Awards (iDEA) 2021: Community CSR Award (Winner)

Environment



United Nations Global Compact Network Malaysia & Brunei (UNGCMYB) - Sustainability Performance Award Winner 2021: SDG Benchmark 6 (Corporate Category)



CIDB Malaysia's Sustainable INFRASTAR Rating: LRT3 Project Awarded the 5-Star Rating



United Nations Global Compact Network Malaysia & Brunei (UNGCMYB) - Sustainability Performance Award Winner 2022: Climate Action Fellow

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2. Sustainability Framework

MRCB’s Sustainability Framework was developed in alignment with the 2030 Agenda. The framework outlines the Company’s Sustainability Purpose, that is supported by its five (5) sustainability focus areas and key action plans, accompanied with measurable performance indicators. To ensure full adoption of the Company’s sustainability strategy, a governance structure dedicated to sustainability was also developed and put in place to ensure the Board of Directors (“**Board**”) and Senior Management are committed and held responsible to meeting the Company’s sustainability goals.



2.1. Sustainability Purpose and Sustainability Pillars

Innovation and sustainability are well embedded into MRCB business, notably with the innovation of MRCB’s propriety patented modular construction technology, MRCB Building System (“**MBS**”), and as a TOD developer that integrates green certified commercial and residential developments around transportation hubs, which encourages the use of sustainable materials and public transportation that helps reduce carbon emissions from personal vehicles, in line with MRCB’s Sustainability Purpose to build liveable and resilient communities, care for environment and to drive sustainable growth.

MRCB takes a proactive approach in implementing sustainability practices into its day-to-day operations and projects. The Company founded its sustainability approach on these respective five (5) pillars: People, Peace, Prosperity, Planet and Partnership. These pillars guide and align MRCB’s sustainable growth with its business objectives, in short, medium and long term.

Sustainability Pillar	Commitment
People	MRCB is determined to effectively engage with all its stakeholders including its employees and ensuring a positive impact on society.
Peace	MRCB is committed to upholding the highest ethical standards in all areas of business, ensuring transparency and honest conduct.
Prosperity	MRCB is committed to upholding competitive financial performance that is beneficial to the Company, employees, shareholders, society and the national economy.
Planet	MRCB pledges to explore innovative approaches and adopt green practices in order to minimise the Company’s impact to the environment.
Partnership	MRCB is keen to form valuable partnerships that are beneficial and aimed at tackling global problems.

2.2. Sustainability Focus Areas and Key Action Plans

To achieve the Sustainability Purpose, MRCB has determined five (5) sustainability focus areas and key action plans focusing on generating positive impacts through its internal actions, develop sustainable products that add value to its customers, report and manage material sustainability risks, support initiatives that are aligned to the Sustainable Development Goals (“SDGs”) and strive to have meaningful engagement with key stakeholders.

Sustainability Focus Area	Key Action Plans
Internal Action	<ul style="list-style-type: none"> Focuses on how MRCB creates positive impact internally while minimising the negative impacts from business operations. These include strategies to improve eco-efficiency in energy, water and waste, and measuring and reducing carbon footprint, as well as developing policies and strategies on protecting biodiversity and human rights.
Sustainable Impact/ Business	<ul style="list-style-type: none"> Ensure product offerings generate positive impact for MRCB’s customers and communities and covers areas like sustainable construction through the development of green buildings, TODs and transportation infrastructure that can help mitigate climate change, adopting sustainable procurement by ensuring locally sourced materials are specified and meet sustainable specifications are procured.
Risk & Governance	<ul style="list-style-type: none"> Process of identifying and managing material sustainability risks within the Company and its group. Setting up sustainability governance structure to measure and report sustainability progress; and Ensuring it is reported to stakeholders in alignment with local and international requirements, indices and standards.
Corporate Social Responsibilities (“CSR”)	<ul style="list-style-type: none"> Align the Company’s CSR initiatives to the SDGs and explore methods to measure impacts.
Stakeholder Engagement	<ul style="list-style-type: none"> Focuses on both internal and external engagement with key internal and external stakeholders to help achieve SDGs and align MRCB with national priorities.

2.3. Integrations of Sustainability Development Goals (“UNSDGs”)

As a leader in the property development and construction sector in the country, MRCB has made the effort to integrate the UNSDGs into its business operations. The UNSDGs list grew from two (2) goals to fourteen (14) goals since 2017. The fourteen (14) UNSDGs adopted by the Company are as follows:



A 5-year Roadmap with comprehensive measurable performance indicators was also developed to guide the Company to achieve its sustainability goals.

2.4. Sustainability Governance

MRCB has formulated a governance structure overseeing sustainability initiatives. This structure complements the existing organisational structure and underscores the importance of embedding the SDGs into the organisation’s overall management and operations.

The Board and Senior Management of MRCB are responsible for sustainability and for overseeing the development and adoption of the overall sustainability strategy, policies and risk mitigation plans. The following shows the four key responsibilities entrusted to the key persons mentioned above:

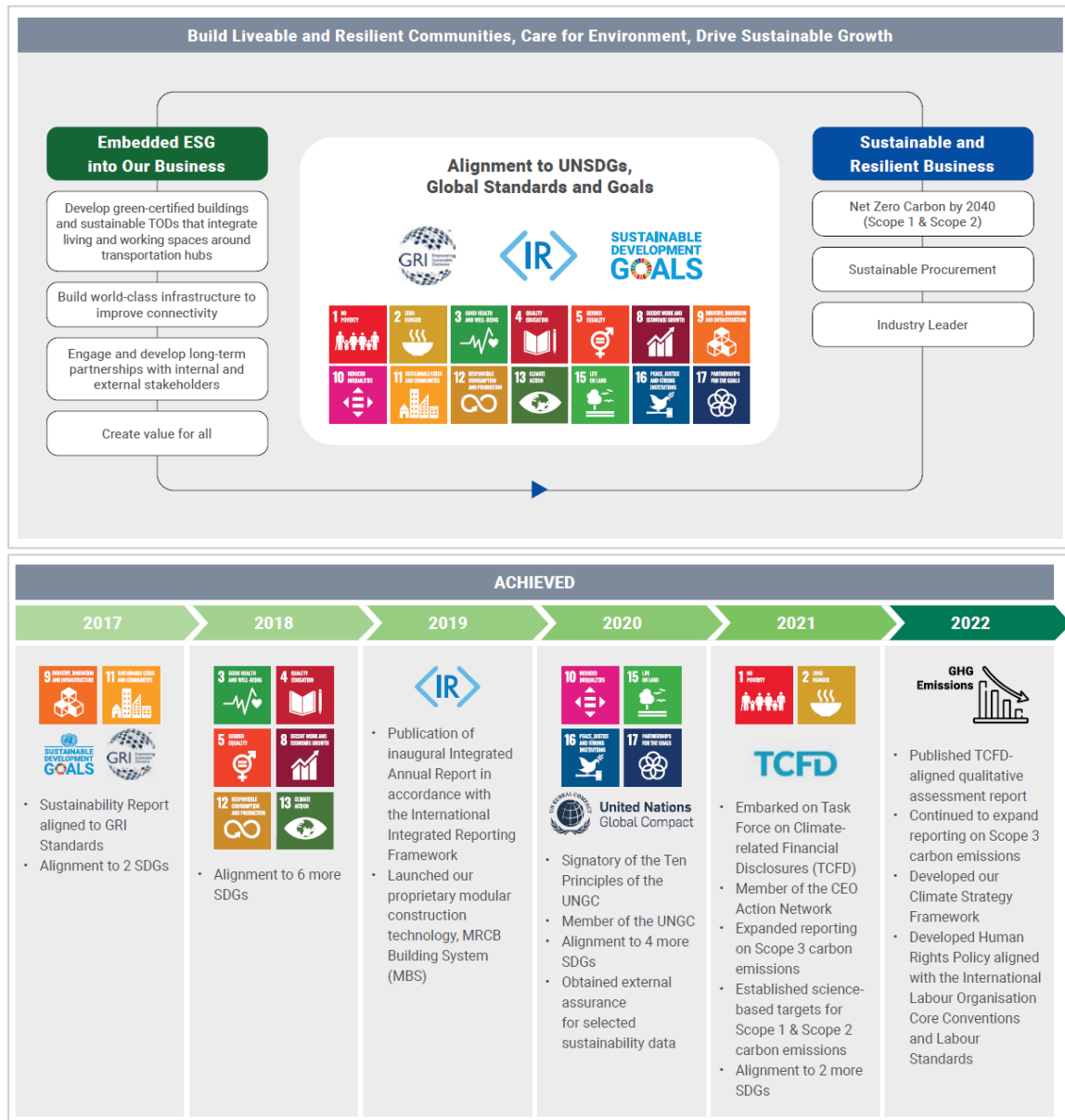
1. Establishing and overseeing the implementation of a sustainability framework in support of the Company’s vision, with clear strategies, priorities and targets;
2. Incorporating sustainability considerations when exercising its duties including among others, the development and implementation of business plans, major plans of action and risk management;
3. Reviewing and approving sustainability policies and procedures in support of the Company’s sustainability framework and strategy; and
4. Overseeing the institutionalisation of sustainability within the Company.

MRCB’s Chief Corporate Officer (“**CCO**”) has been identified by the Board to provide dedicated focus to manage sustainability strategically for MRCB. The CCO is supported by the Sustainability Management Committee (“**SMC**”). The SMC includes support functions from corporate level Heads of Departments, the Sustainability Department as SMC Secretariat and driver of sustainability initiatives, and Heads of Divisions for MRCB’s key business segments. With MRCB’s CCO designated as its Chairman, the SMC manages the material sustainability matters, and ensures the Board stays abreast with and understands the sustainability issues, including climate-related risks and opportunities. Outcomes from the SMC meetings are updated to the Board each quarter.



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2.5. Net Zero Carbon by 2040



MRCB has embedded sustainability and innovation into its business. In 2020, MRCB announced its commitment to achieving Net Zero Carbon by 2040 for Scope 1 and Scope 2 emissions, and is currently developing science-based targets for Scope 1 and Scope 2 emissions for SBTi validation. Using the latest SBTi Tool (version 2.0) and through absolute contraction approach (“**ACA**”), MRCB will be setting an absolute Scope 1 and Scope 2 emission reduction target of 4.2% annually (42% by 2030), aligned to the 1.5°C scenario.

The Company’s net zero carbon journey began by measuring its Scope 1 & Scope 2 carbon emissions in accordance with the World Business Council for Sustainable Development (“**WBCSD**”) and World Resources Institute’s (“**WRI**”) GHG Protocol.

In 2021, MRCB expanded its scope of reporting to include Scope 3 emissions on employee commuting and downstream leased assets, and conducted a Sustainability Assessment Survey with its largest suppliers. Moving forward, MRCB aims to implement more rigorous

sustainable procurement strategies, to ensure only locally sourced materials, and materials that meet sustainable specifications, are procured.

Over the long-term, MRCB's targets include 90% reduction of Scope 1 and Scope 2 emissions and 50% reduction of Scope 3 emission by 2040 thus reaching the net-zero carbon target.

3. Sustainable Financing Framework

The Sustainable Financing Framework ("**Framework**") has been developed to demonstrate MRCB's efforts in contributing towards the environment and social benefits through its eligible funded projects.

This Framework acts as a guide for any forthcoming Green / Social / Sustainable / Sustainable & Responsible Investment ("**SRI**") financing ("**Sustainable Financing**") to be raised by MRCB. MRCB's Sustainable Financing is applicable for issuances in the form of sukuk, bonds, loans, and other types of debt instruments used to finance eligible projects. The aim of the Framework is to provide transparency in its disclosure of financing to the Company's investors and stakeholders, following market practices and subject to future market developments and expectations.

The Framework adopts the following guidelines or frameworks or standards, as amended from time to time:

- Social Bond Principles¹, Green Bond Principles², and Sustainability Bond Guidelines³ of the International Capital Markets Association ("**ICMA**") or as they may be subsequently updated or amended;
- Social Bond Standards⁴, Green Bond Standards⁵ and Sustainability Bond Standards⁶ of the ASEAN Capital Markets Forum ("**ACMF**") or as they may be subsequently updated or amended;
- Social Loan Principles⁷ and Green Loan Principles⁸ 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; and
- SRI Sukuk Framework⁹ of the Securities Commission Malaysia ("**SC**") or as they may be subsequently updated or amended.

¹ https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Social-Bond-Principles_June-2022v3-020822.pdf

² https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond-Principles_June-2022-280622.pdf

³ <https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Sustainability-Bond-Guidelines-June-2021-140621.pdf>

⁴ <https://www.theacmf.org/images/downloads/pdf/ASBS2018.pdf>

⁵ <https://www.theacmf.org/images/downloads/pdf/AGBS2018.pdf>

⁶ <https://www.theacmf.org/images/downloads/pdf/ASUS2018.pdf>

⁷ <https://www.lsta.org/content/social-loan-principles-slp/>

⁸ <https://www.lsta.org/content/green-loan-principles/>

⁹ <https://www.sc.com.my/api/documentms/download.ashx?id=84491531-2b7e-4362-bafb-83bb33b07416>

The Framework is demonstrated with the following key pillars:

- (i) Use of Proceeds;
- (ii) Project Evaluation and Selection;
- (iii) Management of Proceeds;
- (iv) Reporting; and
- (v) External Review.




3.1. Use of Proceeds









The foundation of a Sustainable Financing instrument is the utilisation of proceeds, whereby proceeds from such financing will be used to finance and/or re-finance the projects that are aligned with any of the following eligible criteria set out in Table 1 (“**Eligible Projects**”), and includes expenditures towards the Eligible Projects (“**Eligible Expenditures**”).






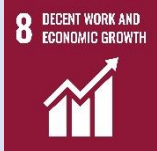

The proceeds raised in accordance with this Framework (“**Sustainable Finance Proceeds**”) will be exclusively utilised for the financing and/or the refinancing, in whole and/or in part, of Eligible Projects, new and/or existing assets, businesses, projects and/or products that comply with the eligible criteria.

For the avoidance of doubt, proceeds can be used by the Company and its subsidiaries for working capital requirements, general corporate purposes, refinancing of existing debt concerning Eligible Projects, fees and expenses in relation to each Eligible Project and/or inter-company advances to the Company and the subsidiaries within the Company in relation to Eligible Projects, so long as the proceeds are not used to fund new or existing assets, businesses, projects and/or products falling outside the Eligible Projects.

Table 1: Eligible Criteria for Use of Proceeds

Eligible Project Category	Description	Alignment to UN SDGs
Green Building	<p>Development/ Redevelopment of new/ existing buildings to be certified by a third party in accordance with one or more of the following green standards:</p> <ul style="list-style-type: none"> • GreenRE (Silver or above); • GBI (Silver or above); • LEED (Silver or above); • BCA Green Mark (Gold and above); • MyCrest (3 star and above); and • Green Star (4 star and above) <p>Activities related specifically to the operation of sustainable buildings.</p> <p>Examples of Eligible Projects:</p> <ul style="list-style-type: none"> • Development of green buildings; residential, commercial or industrial developments that meet the accepted green certification standards. • The properties should meet the energy, water and waste efficiency performance requirements of these green certification standards. 	  

Eligible Project Category	Description	Alignment to UN SDGs
Pollution Prevention and Control	<p>Expenditures relating to initiatives or investments in research, construction, development, operation, renovation and/or maintenance of facilities, systems or equipment used for:</p> <ul style="list-style-type: none"> Treatment, collection, reuse, reduction of emissions, reduction of waste and hazardous waste or treatment of contaminated soil. Diverting waste and/or hazardous waste away from landfill. <p>Research into and development of processes, infrastructure, technology and facilities that promote efficient resource use and management (e.g. circular economy, water and energy conservation).</p> <p>Examples of Eligible Projects:</p> <ul style="list-style-type: none"> Incorporation of technology or construction technique that utilises the Prefabricated Pre-finished Volumetric Construction (PPVC) System or MBS, which, amongst others, reduces wastage, noise and dust pollution at site as compared to conventional construction method. Expenditures designed to minimise emissions and waste via waste prevention, waste reduction, waste recycling, zero single-use plastic initiative. Development of recycling facility and systems, education programme and 3R (Reduce, Reuse & Recycle) initiatives for the community. River and coastal rehabilitation/ preservation/ enhancement and flood mitigation, including carrying out any construction work as well as provision of engineering and non-engineering strategic solutions. 	   
Renewable Energy	<p>Acquisition, construction, research, development, operation, renovation and/or maintenance of one or more of the following renewable energy generation sources, including waste-to-energy projects.</p> <p>Examples of Eligible Projects:</p> <ul style="list-style-type: none"> Investment and/or inclusion of renewable energy and/or improved product energy efficiency in the development of either residential, commercial or industrial developments and investment in properties with renewable energy and improved product energy efficiency. MRCB's waste-to-energy ventures to process waste in an efficient and sustainable manner, and allow it to be converted into a fuel source which is used to generate energy. 	  
Biodiversity Conservation	<p>Expenditures relating to initiatives or investments in restoration and/ or conservation of endangered, rare, threatened native species and prevention of further reduction of natural forest cover or other natural ecosystems.</p> <p>Examples of Eligible Projects:</p> <ul style="list-style-type: none"> Conducting Environmental Impact Assessments (EIA) in high biological diversity areas, such as MRCB's projects in Desaru, Johor. Actions undertaken to minimise environmental harm in areas of high biodiversity value. 	

Eligible Project Category	Description	Alignment to UN SDGs
Affordable Housing	<p>Expansion of affordable residential housing, in support of state and/or federal government initiatives to address issues surrounding housing affordability.</p> <p>Examples of Eligible Projects:</p> <ul style="list-style-type: none"> Construction of statutory housing units aligned with Malaysia's National Affordable Housing Policy (NAHP) which provides increased access to affordable housing for the target B40 and M40 (as defined by the Government of Malaysia and as amended from time to time) population. Building of affordable high-rise units specially built to assist the elderly - from safety features to proximity to healthcare and other essential amenities. 	 
Access to Basic Infrastructure	<p>Construction, development, operation, renovation and/or maintenance of facilities, services, systems or equipment used to provide communities that have limited access or no access to services, such as:</p> <ul style="list-style-type: none"> Roads, rails, ports that increase access for populations. High voltage power transmission projects. Rehabilitation of rivers and flood mitigation of coastal areas based in rural/remote areas in regions lacking infrastructure. Projects that improve workspace safety, establish affordable accommodation and improve overall living conditions for labourers. <p>Examples of Eligible Projects:</p> <ul style="list-style-type: none"> MRCB's involvement in LRT3, MRT2, DASH and SUKE construction projects. Rehabilitation of Muara Sg Pahang. Construction of Centralised Labour Quarters ("CLQ") complex to offer gated and guarded accommodation complete with modern amenities for labour safety and comfort. The CLQ will feature a clean and healthy environment to promote physical and mental well-being. Furthermore, these CLQs will include additional health facilities such as sick bays, isolation rooms, quarantine cabins to curb the spread of any diseases. 	  
Socioeconomic Advancement and Empowerment	<p>Uplifting and aiding living conditions of the community through:</p> <ul style="list-style-type: none"> Employment generation Upskilling and Training <p>Community centric micro-enterprise or social enterprise program that helps affected community segment elevate their socio-economic condition.</p> <p>Development and construction of schools, educational facilities and/or educational programs in collaboration with the government/ public and/or private education institutions/ non-profit organisations/ academic partners).</p> <p>Development of community centric programs (such as community recycling and urban farming initiatives).</p> <p>Examples of Eligible Projects:</p> <ul style="list-style-type: none"> Financial assistance and trainings to the underserved communities such orphanages, differently abled, Orang Asli, B40 category families. Upskilling & training programmes with the goal of improving employability / employment creation, such as the PEKA @ MRCB Programme, and Industrial Collaboration Programme ("ICP") and Economic Enhancement Programme ("EEP") associated with the construction of the LRT3 and MRT3 (or other national projects) which aid to catalyse income 	 

Eligible Project Category	Description	Alignment to UN SDGs
	generation for the low to middle income households in Malaysia.	

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

- (a) Luxury sectors (precious metals / precious minerals / artworks and antiques wholesale or brokerage);
- (b) Child labour or forced labour;
- (c) Gambling;
- (d) Adult entertainment;
- (e) Weapons and military contracting;
- (f) Alcohol;
- (g) Tobacco;
- (h) Fossil-fuel related activities (including extraction, exploration, production, power generation or transport of fossil fuels);
- (i) Nuclear;
- (j) Production or trade in any product or activity deemed illegal under international conventions and agreements, or subject to international bans; and
- (k) Large-scale hydro-power projects with a generating capacity of over 25 megawatts

The Use of Proceeds for the Eligible Projects may include disbursements to the projects three (3) years prior to the issuance or signing date of each tranche of the respective Sustainable Finance and for the duration of their life¹⁰.

3.2. Project Evaluation & Selection

MRCB’s Group Managing Director (“**GMD**”) shall approve the selection of Eligible Projects to be funded by the Sustainable Financing Proceeds under the Framework, with the recommendations from the Group Chief Financial Officer (“**GCFO**”), Group Chief Operating Officer (“**GCOO**”) and CCO. The Eligible Projects are to be proposed by the Heads of Divisions of MRCB’s key business segments which are aligned to MRCB’s Sustainability Framework and shall be assessed and vetted by the Sustainability Department.

The step-by-step process for evaluation and selection of Eligible Projects is as follows:

1. The project team of the relevant business segments will be tasked with the initial selection of the potential projects which are aligned to the overall sustainability goals of the Company for appraisal.
2. These projects are assessed and evaluated by the Sustainability Department to determine that the projects satisfy the Eligible Projects criteria within the MRCB Sustainable Financing Framework and in accordance with MRCB’s Group Sustainability Strategy.
3. Upon clearance from the Sustainability Department, these projects will be submitted to MRCB’s GMD for approval as Eligible Projects after endorsement from MRCB’s GCFO, GCOO and CCO.
4. The project teams of the relevant business segments will assume the responsibility for monitoring the Eligible Projects during the life of the transaction, and will report to the Sustainability Department as soon as practicable in the case where an Eligible Project no longer meets the eligibility criteria. An Eligible Project that ceases to meet

the eligibility criteria can be substituted with other Eligible Project(s) that is evaluated and selected in accordance with the aforesaid procedures.

¹⁰ For avoidance of doubt, such expenditure could be related to projects that fall within three (3) years prior to the issuance or signing date of each tranche of the respective Sustainable Financings. If the disbursement to such projects fall within the three (3) years look back period, it is deemed as Eligible Expenditure.

MRCB will be responsible for managing any future updates of the Framework, including any expansion of the Eligibility Criteria under the use of proceeds. Any changes to the Framework will be published on MRCB's website: <https://mrcb.com.my/index.html>.

3.3. Management of Proceeds

The proceeds raised in accordance with the Sustainable Financing Framework shall be allocated to the Eligible Projects selected based on the evaluation and approval process set out in 3.2 above. MRCB will track the Sustainable Finance Proceeds and monitor the allocation of the proceeds internally.

The proceeds will be deposited into MRCB's bank account which shall be managed by MRCB's Finance Department and earmarked for utilisation towards Eligible Projects. MRCB will create a register to track the allocation of the proceeds raised in reference to this framework.

The utilisation is intended to be dynamic, with new Eligible Projects being able to be added and removed, where applicable. If any Eligible Projects cease to meet the eligibility criteria, these Projects can be substituted with other Eligible Project(s) that is evaluated and selected in accordance with the same evaluation and approval process as soon as practicable.

Where the aggregate amount of the newly identified Eligible Projects is less than the total outstanding amount of MRCB's Sustainable Finance Proceeds, MRCB may hold the balance unallocated amount in cash, cash equivalents and/or invest in other liquid marketable instruments in accordance with the MRCB's liquidity policy until the amount can be allocated to new Eligible Projects.

For Sustainable Finance Proceeds allocated for the purpose of refinancing of operating projects, in which case the projects' costs were fully disbursed in the past, no separate management of proceeds is required. MRCB is committed to perform the same evaluation and approval process as set out in 3.2 above for the selection of the Eligible Projects in respect of the already invested capital.

Furthermore, MRCB will ensure that the aggregate value of the Eligible Projects portfolio matches or exceeds the balance of net proceeds of outstanding Sukuk and will undertake periodic reconciliation of the tracked proceeds to allocations made to Eligible Projects.

3.4. Reporting

The Company will issue a progress report on annual basis, which will provide information on the allocation and impacts throughout the tenure of the financing facility. The progress report will be published on <https://mrcb.com.my/index.html>.

(i) Allocation Reporting

- Summary of projects details;
- Amount of proceeds allocated to each Eligible Project;

- Aggregate amount of proceeds of Sustainable Financing allocated to Eligible Expenditures;
- Removal or substitution of Eligible Projects;
- Remaining balance of unallocated proceeds and where such unallocated proceeds are placed or invested pending allocation; and
- Other necessary information.

(ii) Impact Reporting

Where possible, MRCB will report on the environmental and social impacts associated with the Eligible Projects funded with the proceeds. Subject to the nature of Eligible Projects and availability of information, MRCB aims to include, but are not limited to, the following Impact Indicators:

- Impact or expected impact, including the key underlying methodology or assumptions used to determine the impact or expected impact.
- Key Performance Indicators Achieved in supporting seventeen (17) UNSDGs 2030 and MRCB's sustainability ambitions.

Table 2: Indicative Impact Reporting Criteria

Eligible Projects/ Categories	Indicative Reporting Criteria
Green Building	<ul style="list-style-type: none"> • Number of developments including floor space of Green Buildings meeting the minimal eligibility criteria, by certification type and level • Other relevant information
Pollution Prevention and Control	<ul style="list-style-type: none"> • Waste that is prevented, minimised, reused or recycled before and after the project in percentage (%) of total waste and/or in absolute amount in tonnes per annum • GHG emissions from waste management before and after the project in tCO₂e per annum • Annual absolute (gross) amount of waste that is separated and/or collected, and treated (including composted) or disposed of (in tonnes per annum and in percentage (%) of total waste) • Other relevant information
Renewable Energy	<ul style="list-style-type: none"> • Renewable energy savings (MWh) • Annual GHG emissions reduced/avoided (tonnes of CO₂e) • Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (other energy) • Annual Absolute (gross) GHG emissions from the project in tonnes of CO₂ equivalent • Annual energy generation from non-recyclable waste in energy/emission-efficient waste to energy facilities in MWh/GWh (electricity) and GJ/TJ (other energy) • Other relevant information
Biodiversity Conservation	<ul style="list-style-type: none"> • Number / type of facilities • Number of beneficiaries

Eligible Projects/ Categories	Indicative Reporting Criteria
Affordable Housing	<ul style="list-style-type: none"> • Number of affordable dwellings • Average housing price • Other relevant information
Access to Basic Infrastructure	<ul style="list-style-type: none"> • Kilometres of feeder roads rehabilitated/constructed • Number of people with access to sustainable transport systems • Length of road construction with equitable access • Number of facilities built and workers benefitting from improved workspace safety, comfort and overall living conditions of workers through the construction of facilities (i.e. construction of Centralised Labour Quarters (“CLQ”)) • Other relevant information
Socioeconomic Advancement and Empowerment	<ul style="list-style-type: none"> • Number of jobs created under MRCB’s PEKA programme • Number of initiatives created under the ICP and/or EEP programmes

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

4. External Review

4.1. Pre-issuance External Review

MRCB has appointed MARC Ratings Berhad (“**MARC**”) as an independent party to provide the second opinion on this Framework prior to its issuance. The Framework and the Second Party Opinion Report will be made available on MRCB’s corporate website (<https://mrcb.com.my/index.html>) at the time of issuance and throughout the tenure of the sustainable financing instruments, as the Company’s commitment to transparency and integrity.

4.2. Post-issuance Verification/ External Review

External verifiers may be engaged to verify MRCB’s use of proceeds and reporting as described in the sections above.

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