

# reNIKOLA SOLAR II SDN BHD

## PRE-ISSUANCE VERIFICATION REPORT

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Our report is not a recommendation to buy or sell securities. It is also not a credit assessment on the proposed Green Financing.

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



## ABOUT RAM SUSTAINABILITY

RAM Sustainability Sdn Bhd (RAM Sustainability) is a provider of sustainability services and environment, social and governance (ESG) analytics. Incorporated on 31 May 2000, RAM Sustainability is a wholly owned subsidiary of RAM Holdings Berhad (RAM Group). RAM Sustainability is the first ASEAN-based provider of sustainability ratings and second opinions, and has the distinction of being the first Registered Observer of the International Capital Market Associations' (ICMA) Green Bond Principles (GBP), Social Bond Principles (SBP) and Sustainability Bond Guidelines in ASEAN. On 12 August 2020, RAM Sustainability became an Approved Verifier for the certification of climate bonds under the Climate Bonds Standard and Certification Scheme after having been awarded the status by the Climate Bonds Standards Board. For further details, please refer to <https://www.ram.com.my/sustainability>.

### About the RAM Group

The RAM Group is a leading provider of independent credit ratings, research, training, risk analysis and bond pricing. Formerly known as Rating Agency Malaysia Berhad, the RAM Group was established in November 1990 as a catalyst for the domestic debt capital market and as the nation's first credit rating agency. On 1 July 2007, its rating operations were novated to RAM Rating Services Berhad (RAM Ratings). RAM Ratings is a wholly owned subsidiary of the RAM Group.

RAM Ratings is the leading and largest credit rating agency in both Malaysia and ASEAN. Established in 1990 by the central bank of Malaysia as part of the "institutional infrastructure" to support the development of Malaysia's bond market, RAM Ratings has rated over USD450 billion of bonds issued by over 750 entities. Its rating portfolio encompasses corporates, sovereign nations, financial institutions, insurance companies, project finance and structured finance obligations.

RAM Ratings is also the world's leading rating agency for securities issued under Islamic principles, or sukuk. RAM Ratings' experience in and contributions to the fast-growing sukuk market has won numerous awards, including Best Rating Agency (South-East Asia 2017) from CPI Financial and Best Islamic Rating Agency in 2016 from Islamic Finance News. On 26 May 2016, RAM Ratings joined the line-up of pioneer credit rating agency signatories to the United Nations-supported Principles for Responsible Investment's Statement on ESG in Credit Ratings. The Statement on ESG in Credit Ratings is a way for RAM Ratings to communicate its commitment to a more systematic and transparent incorporation of ESG into credit ratings and analysis.

RAM Solutions, with effect from 1 March 2023, has integrated sustainability solutions to its existing credit opinion business, working independently of any second opinion providers or external reviewers. As a subsidiary of RAM Holdings, Bond Pricing Agency Malaysia Sdn Bhd is the sole provider of bond-pricing and valuation data on the Malaysian bond market. For further details, please refer to <https://www.ram.com.my>.



Green Loan  
Principles



## CORPORATE PROFILE AND OBJECTIVES

reNIKOLA Solar II Sdn Bhd (reNIKOLA Solar II or the Issuer) is a wholly owned subsidiary of reNIKOLA Holdings Sdn Bhd (reNIKOLA or the Group). reNIKOLA Solar II was incorporated on 26 October 2021 to raise funds for the refinancing of two solar photovoltaic (PV) plants in Malaysia under their wholly owned subsidiaries, BGMC Bras Power Sdn Bhd (BBPSB) and Idiwan Solar Sdn Bhd (ISSB), (collectively, the Project Companies). reNIKOLA is an investment holding company principally engaged in the renewable energy (RE) industry. The Group aims to expand its business in the RE industry through organic growth and targeted strategic acquisitions, and currently has a portfolio of large-scale solar (LSS), biogas and hydro power plants in operation and/or under development.

reNIKOLA has established a Green Financing Framework (the Framework), with the intention to document the Group's sustainable financing approach, facilitate the broadening of investments into other renewable energy sources, and contribute towards a low-carbon and climate-resilient future. Through this Framework, reNIKOLA may issue various green financing including, green sukuk, green bonds, and green loans, for allocation to eligible investments. The first issuance under the Framework is reNIKOLA Solar II's issuance of Islamic medium-term notes of up to RM390 million in nominal value (the reNIKOLA II ASEAN Green SRI Sukuk or the Green Sukuk).

The proceeds of the Green Sukuk will be used to partially finance/reimburse the total development costs incurred for two solar PV power plants (collectively, the Solar Plants) located in Kuala Muda, Kedah and Machang, Kelantan, as well as the costs relating to the issuance.

## SCOPE

RAM Sustainability has been appointed as an Approved Verifier to review and verify that reNIKOLA Solar II's Green Sukuk meets the Pre-Issuance Requirements under the Climate Bonds Standard. The reNIKOLA II ASEAN Green SRI Sukuk is expected to be the first Climate Bonds Certified Green Sukuk in Malaysia, and the world. The engagement with reNIKOLA Solar II took place from June to July 2023.

## CRITERIA

Relevant Climate Bonds Standard and Sector Criteria for this Climate Bonds Certification are:

- (i) Climate Bonds Standard (Version 4)<sup>1</sup>
- (ii) Solar Sector Criteria (Version 2.3)

## ISSUER'S RESPONSIBILITY

reNIKOLA Solar II is responsible for providing information and documents relating to:

- (i) The details concerning the selection process for the nominated projects and assets
- (ii) The details and technical aspects of the nominated projects and assets
- (iii) The management systems for internal processes and controls for nominated projects and assets, such as tracking of proceeds, managing unallocated proceeds and earmarking of funds
- (iv) The commitments for reporting prior to issuance, such as investment areas, methodology for impact reporting and frequency of periodic assurance engagements

## VERIFIER'S RESPONSIBILITY

The work undertaken as part of this engagement included discussions with key reNIKOLA employees and review of relevant documentation to confirm that the Green Sukuk is in line with the Climate Bonds Standard Pre-Issuance Requirements, which include conformance to:

- (i) Climate Bonds Standard (Version 4)
- (ii) Solar Sector Criteria (Version 2.3)

<sup>1</sup> Climate Bond Standard v4: <https://www.climatebonds.net/climate-bonds-standard-v4>

RAM Sustainability also undertook the verification in accordance with the *International Standard on Assurance Engagements 3000 – Assurance Engagements other than Audits or Reviews of Historical Information's* limited assurance procedures.

## INDEPENDENCE AND QUALITY CONTROL

RAM Sustainability is committed to preserving the objectivity, integrity and independence of its opinion. We are not aware of any conflict of interest relating to the opinion we provide in this report. RAM Sustainability will adequately disclose all related information in the report if there are such instances.

RAM Sustainability has conducted this engagement in accordance with applicable standards and requirements. The work is carried out by a team of multi-disciplinary background. RAM Sustainability relied on information provided by the Issuer.

## BASIS OF THE OPINION

RAM Sustainability conducted the verification in accordance with the Climate Bonds Standard Version 4 and with *International Standard on Assurance Engagements 3000 – Assurance Engagements other than Audits or Reviews of Historical Information*.

RAM Sustainability planned and performed the verification by obtaining evidence and other information and explanations that RAM Sustainability considers necessary to give limited assurance that the reNIKOLA II ASEAN Green SRI Sukuk meets the requirements of the Climate Bonds Standard.

## CONCLUSION

Based on the limited assurance procedures conducted and evidence obtained, nothing has come to our attention that causes us to believe that, in all material respects, the reNIKOLA II ASEAN Green SRI Sukuk is not in conformance with the Climate Bonds Standard's Pre-Issuance Requirements.



Gladys Chua  
Chief Executive Officer


Kuala Lumpur, 27 July 2023  
RAM Sustainability Sdn Bhd

## Appendix:



1. Detailed Overview of Nominated Projects and Assets for Solar Power
2. Conformance to the Pre-Issuance Requirements of the Climate Bonds Standard

## APPENDIX 1: DETAILED OVERVIEW OF NOMINATED PROJECTS AND ASSETS FOR SOLAR POWER

Details of the nominated projects are provided below:




Eligible Activities <sup>2</sup>	reNIKOLA Solar II's Nominated Projects and Assets	RAM's Procedure and Documents Reviewed	Eligibility to the sector criteria
<b>Onshore solar electricity generation facilities</b>	<p>Proceeds of the Green Sukuk will be used to finance and/or refinance development costs associated with the following Solar Plants as well as the costs relating to the issuance of the Green Sukuk:</p> <ul style="list-style-type: none"> <li>i. 30 MWac Large Scale Solar PV plant located in Machang, Kelantan (the Machang Plant)</li> <li>ii. 30 MWac Large Scale Solar PV plant located in Kuala Muda, Kedah (the Kuala Muda Plant)</li> </ul> <p>100% of electricity generated and exported to the grid from the Solar Plants are from solar energy resources. The Solar Plants however, maintains backup generator sets that run on diesel to power the monitoring systems of the Solar Plants in the event of power shortages.</p>	<p>Reviewed reNIKOLA Solar II's Green Sukuk draft principal terms and conditions (PTC) dated 10 July 2023.</p> <p>Sighted the Use of Proceeds section of reNIKOLA's Framework.</p> <p>Site visit to the Machang plant in Kelantan, Malaysia on 2 May 2023.</p> <p>Obtained confirmation from reNIKOLA Solar II, dated 26 July 2023, that 100% of electricity generated and exported to the grid from the Solar Plants are from solar energy resources.</p>	

## APPENDIX 2: CONFORMANCE TO THE PRE-ISSUANCE REQUIREMENTS OF THE CLIMATE BONDS STANDARD




No.	Requirement	RAM's Procedures and Documents Reviewed	Findings	Conformance to the Standard
<b>1. Utilisation of Proceeds</b>				
1.1	The Issuer must document the nominated projects and assets which are eligible to be associated with the debt instrument. The Issuer must compile a list of nominated projects and assets which must be kept up to date during the term of the Bond.	<p>Reviewed reNIKOLA's Framework.</p> <p>Reviewed the Green Sukuk PTC.</p> <p>Conducted a site visit to the Machang plant on 2 May 2023.</p>	<p>The Framework includes solar power as an eligible asset/project. The PTC also details the use of proceeds for the Solar Plants.</p> <p>The PTC lists the proposed nominated projects and assets refinanced by the Green Sukuk as the Solar Plants, described in Appendix 1 above.</p> <p>reNIKOLA Solar II's proposed nominated projects and assets are eligible under the Solar Sector Criteria.</p>	
1.2	The expected Net Proceeds of the debt instrument must be no greater than the Issuer's total Investment Exposure to the proposed nominated projects and assets or the relevant proportion of the total Market Value of the proposed nominated projects and assets owned or funded by the Issuer.	<p>Sighted reNIKOLA Solar II's Project Cost and Utilisation of Funds spreadsheet, dated 7 July 2023.</p> <p>Sighted the Green Sukuk PTC.</p>	<p>According to reNIKOLA Solar II's Project Cost and Utilisation of Funds spreadsheet, the total Project Cost including the development cost of the Solar Plants, land cost, and other funding expenses related to the development of the Solar Plants, is RM512 million.</p>	




<sup>2</sup> Based on CBI's Solar Criteria (Version 2.3)



No.	Requirement	RAM's Procedures and Documents Reviewed	Findings	Conformance to the Standard												
			<p>The Green Sukuk proceeds have been earmarked in the PTC is as follows:</p> <table><tr><th>Details on Utilisation</th><th>Nominal Amount (RM' million)</th></tr><tr><td>To partially finance/reimburse the total development costs incurred for the Solar Plants</td><td>325</td></tr><tr><td>To part reimburse the cost of the lands.</td><td>40</td></tr><tr><td>To prefund the initial deposit of the Finance Service Reserve Account (FSRA) Minimum Required Balance and the amount to be remitted into the Project Companies maintenance reserve account (Project Companies MRA) (if applicable) respectively under the Green Sukuk</td><td>15</td></tr><tr><td>To pay and reimburse fees, expenses and all other amounts payable related to the Green Sukuk</td><td>10</td></tr><tr><td>Total</td><td>390</td></tr></table> <p>According to the Green Sukuk PTC, one of the conditions precedent include that the Sponsor (i.e. reNIKOLA Holdings Sdn Bhd, the controlling parent company) needs to have an equity contribution of 20% or more of the total project costs. Therefore, the Green Sukuk will fund 80% or less of the total project costs.</p> <p>Based on the findings, the expected Net Proceeds of the Green Sukuk is not greater than the Issuer's total investment exposure to the Solar Plants.</p>	Details on Utilisation	Nominal Amount (RM' million)	To partially finance/reimburse the total development costs incurred for the Solar Plants	325	To part reimburse the cost of the lands.	40	To prefund the initial deposit of the Finance Service Reserve Account (FSRA) Minimum Required Balance and the amount to be remitted into the Project Companies maintenance reserve account (Project Companies MRA) (if applicable) respectively under the Green Sukuk	15	To pay and reimburse fees, expenses and all other amounts payable related to the Green Sukuk	10	Total	390	
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No.	Requirement	RAM's Procedures and Documents Reviewed	Findings	Conformance to the Standard
1.3	Nominated projects and assets must not be nominated to other Certified debt instruments, unless the Issuer demonstrates that distinct portions of the nominated projects and assets are being funded by different Certified debt Instruments or, the existing Certified debt Instrument is being refinanced via another Certified debt Instrument.	Obtained confirmation from reNIKOLA Solar II dated 26 July 2023.	reNIKOLA Solar II confirms that the nominated projects and assets will not be nominated to other Certified Climate Bonds, Certified Climate Loans, Certified Climate Debt Instrument, green bonds, green loans or other labelled instruments.	
<b>2. Process for Evaluation and Selection of Projects and Assets</b>				
2.1	The Issuer must establish, document, and maintain a decision-making process which it uses to determine the eligibility of the nominated projects and assets. The decision-making process must include, without limitation:	<p>Reviewed reNIKOLA's Framework.</p> <p>Conducted interview with reNIKOLA's management to understand the decision-making process in place that is used to determine the eligibility of the nominated projects and assets.</p> <p>Sighted reNIKOLA's Management Framework.</p> <p>Obtained confirmation from reNIKOLA Solar II dated 26 July 2023.</p>	<p>reNIKOLA's process for evaluation and selection of projects and assets are described in the Framework. As part of project evaluation and screening process, the Group will conduct applicable environmental and social impact assessments to identify and manage potential impacts on the environment and communities surrounding the project site.</p> <p>During the interview with reNIKOLA's management, we understand that the Green Financing Committee will assess the eligibility of the projects/assets and make recommendations of eligible projects for approval by the Board of Directors.</p> <p>The Group's decision-making process is guided by a Management Framework which drives their investment decision processes, compliance to regulations and management of environmental, social and financial risks.</p> <p>reNIKOLA Solar II has also confirmed that the assessment and evaluation of eligible projects/assets are overseen and approved by the Board of Directors.</p>	
2.1.1	A statement on the climate-related objectives of the debt instrument.	<p>Reviewed the Green Sukuk PTC.</p> <p>Reviewed reNIKOLA's Framework.</p>	<p>reNIKOLA Solar II's Green Sukuk PTC contains the following statement on the climate-related objectives of the Green Sukuk:</p> <p>"The Issuer through the Project Companies aims to play a role in the global drive to create a low-carbon, climate-resilient future and sustainable world by undertaking renewable energy projects and thus contributing to reducing the nation's dependence on power generated using fossil fuels which is aligned with several national roadmaps such as National Energy Policy and Malaysia Energy Transition Outlook that aims to boost renewable energy share to 70% in Malaysia's installed capacity mix by 2050. The electricity generated/ to be generated from the Plants is expected to contribute towards sustainable electricity supply and the reduction of carbon emission in</p>	







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			<p>Malaysia which is in line with the National Renewable Energy Policy and National Green Technology Policy of Malaysia.”</p> <p>reNIKOLA also listed out in the Framework the alignment of its Eligible Projects to UN Sustainable Development Goals (SDG) 7: Affordable and Clean Energy, 9: Industry, Innovation and Infrastructure, and 13: Climate Action.</p>	
2.1.2	How the climate-related objectives of the debt instrument are positioned within the context of the Issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability.	<p>Reviewed reNIKOLA's Framework.</p> <p>Reviewed the Green Sukuk PTC.</p>	<p>reNIKOLA's Framework contains the following statement on the climate-related objectives of the Group's green financing strategy:</p> <p>“As a pure RE player, sustainability remains the centrepiece of our corporate strategy, and reNIKOLA is keen to play a leading role in directing investments into green projects and activities that will create long-term values for the environment, local economies, and people. These investments will generate positive impacts through the creation of employment, the development of social projects and the production of 100% RE that is aligned with several national roadmaps such as National Energy Policy and Malaysia Energy Transition Outlook to reduce the nation's dependence on power generated using fossil fuels and boost renewables share to 70% in Malaysia's installed capacity mix by 2050.”</p> <p>This is in line with the climate-related objectives of the Green Sukuk which is to play a role in creating a low-carbon, climate-resilient future and sustainable world by undertaking renewable energy projects i.e. the Solar Plants. As per the Green Sukuk PTC, the principal activities of the Issuer are to provide operations and maintenance, treasury and management services for solar power plants.</p>	
2.1.3	The Issuer's rationale for issuing the Bond.	<p>Reviewed reNIKOLA's Framework.</p> <p>Reviewed the Green Sukuk PTC.</p>	reNIKOLA Solar II's rationale for issuing the Green Sukuk is to part refinance the project costs of the Solar Plants, as well as the costs relating to the issuance. The Solar Plants are eligible projects under the Framework.	
2.1.4	A process to determine whether the nominated projects and assets meet the eligibility requirements of the Climate Bonds Standard.	Reviewed reNIKOLA's Framework.	<p>reNIKOLA has documented in the Framework the process to determine whether the nominated projects and assets meet the eligibility criteria, including that of the Climate Bonds Standard for relevant green financing of projects/assets.</p> <p>The selection of eligible projects is managed by a Green Financing Committee, comprising of senior management</p>	







No.	Requirement	RAM's Procedures and Documents Reviewed	Findings	Conformance to the Standard
			<p>representatives from Sustainability, Finance, and Projects departments, using the Eligibility Criteria described in the Framework.</p> <p>The energy generated by the Solar Plants are 100% RE and contributes directly to national energy roadmaps mentioned in 2.1.2 above.</p>	
2.1.5	Related Sector Criteria, including any exclusion criteria and any other process, applied to identify and manage potentially material environmental or governance risks associated with the nominated projects and assets.	<p>Reviewed reNIKOLA's Framework.</p> <p>Sighted reNIKOLA's 3-year ESG Plan.</p>	<p>Included in the Framework is the following:</p> <p>"The certification by CBI of compliance of the Green Sukuk and/or other applicable Green Financing (if any) with the Climate Bonds Standard will be related to the sector criteria falling under Solar Energy, Hydropower or Bioenergy."</p> <p>The Framework also describes an exclusion criteria against the financing of any fossil fuel energy generation.</p> <p>According to reNIKOLA's 3-year ESG Plan (2021-2024), reNIKOLA plans to certify their operations under ISO 9001 (Quality Management System) by 2023, and ISO 45001:2018 (Occupational Health and Safety Management System), and ISO 14001:2015 (Environmental Management System) by 2024.</p>	
2.1.6	Any green standards or certifications referenced in the selection of nominated projects and assets.	Reviewed reNIKOLA's Framework.	The Framework references green assets that are aligned with the Green Bond Principles, Green Loan Principles, ASEAN Green Bond Standards, Sustainable and Responsible Investment Sukuk Framework, ASEAN Taxonomy for Sustainable Finance, and Principles-Based Sustainable and Responsible Investment Taxonomy.	
<b>3. Management of Proceeds</b>				
3.1	The Issuer must document and disclose to the Approved Verifier the systems, policies, and processes they will use to manage the Net Proceeds. These must include arrangements for the following activities:	Reviewed reNIKOLA's Framework.	reNIKOLA's process for management of proceeds is described in the Framework.	




No.	Requirement	RAM's Procedures and Documents Reviewed	Findings	Conformance to the Standard
3.1.1	The Net Proceeds of the debt instrument can be credited to a sub-account, moved to a sub-portfolio, or otherwise tracked by the Issuer in an appropriate manner and documented.	Reviewed reNIKOLA's Framework.  Reviewed the Green Sukuk PTC.	As documented under the Management of Proceeds section of the Framework:  "The net proceeds of the Green Financing will be deposited into designated accounts, with an equivalent amount earmarked for identified Eligible Investments. The designated accounts for disbursement of proceeds of the Green Financing earmarked for Eligible Investments will be operated by the security trustee or agent and will be Shariah compliant bank accounts in the case where the Green Financing is Islamic Financing."  As described in the Green Sukuk PTC, the Green Sukuk's proceeds will be deposited to a designated account known as the Issuer Disbursement Account (Issuer DA), with an equivalent amount to be earmarked against the Solar Plants. The Issuer DA will be operated by the security trustee, Malaysian Trustees Bhd.	
3.1.2	The balance of unallocated Net Proceeds can be managed as per the requirements in Clause A.3.3.3.	Reviewed reNIKOLA's Framework.  Reviewed the Green Sukuk PTC.	The Framework states that any unallocated proceeds in the designated accounts will be invested in fixed deposits, money market instruments, treasury bills, or other approved instruments. For Islamic Green Financing, the investments will be Shariah-compliant and approved by relevant Shariah Advisory Councils.  The Green Sukuk PTC describes that unallocated proceeds of the Green Sukuk may be used for Permitted Investments. Permitted Investments shall be Shariah-compliant investment products approved by the Securities Commission's (SC) Shariah Advisory Council (SAC) and/or Bank Negara Malaysia's (BNM) SAC and/or such other recognised Shariah authorities.	





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3.1.3	An earmarking process can be used to manage and account for funding to the nominated projects and assets and enables estimation of the share of the Net Proceeds being used for financing and refinancing.	Reviewed reNIKOLA's Framework.  Reviewed the Green Sukuk PTC.	<p>reNIKOLA's Green Financing Framework describes the process used to allocate and manage Green Sukuk proceeds:</p> <p>"reNIKOLA will track the use of proceeds of Green Financing to make sure that they are used to finance or refinance Eligible Investment projects described under section "Use of Proceeds" in this Framework. The disbursement of proceeds of the Green Financing earmarked for Eligible Investments will be supported by the relevant documentary evidence, such as invoices, billings, and/or other documentary evidence as may be requested by the security trustee or agent."</p> <p>The Green Sukuk proceeds have been earmarked in the PTC is as follows:</p> <table><tr><th>Details of Utilisation</th><th>Nominal Amount (RM' million)</th></tr><tr><td>To partially finance/reimburse the total development costs incurred for the Solar Plants</td><td>325</td></tr><tr><td>To part reimburse the cost of the lands.</td><td>40</td></tr><tr><td>To prefund the initial deposit of the Finance Service Reserve Account (FSRA) Minimum Required Balance and the amount to be remitted into the Project Companies MRA (if applicable) respectively under the Green Sukuk</td><td>15</td></tr><tr><td>To refinance fees, expenses and all other amounts payable related to the Green Sukuk</td><td>10</td></tr><tr><td>Total</td><td>390</td></tr></table>	Details of Utilisation	Nominal Amount (RM' million)	To partially finance/reimburse the total development costs incurred for the Solar Plants	325	To part reimburse the cost of the lands.	40	To prefund the initial deposit of the Finance Service Reserve Account (FSRA) Minimum Required Balance and the amount to be remitted into the Project Companies MRA (if applicable) respectively under the Green Sukuk	15	To refinance fees, expenses and all other amounts payable related to the Green Sukuk	10	Total	390	<div></div>
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3.2	Where the prospectus requires the proceeds to be ring-fenced, they must be credited to designated bank accounts that can only fund the specified nominated projects and assets. The Issuer must track and monitor all payments from the designated bank accounts.	Reviewed the Green Sukuk PTC.  Reviewed reNIKOLA's Framework	As described in the Green Sukuk PTC, the Green Sukuk's proceeds will be deposited to a designated account known as the Issuer Disbursement Account (Issuer DA), with an equivalent amount to be earmarked against the Solar Plants. The Issuer DA will be operated by the security trustee, Malaysian Trustees Bhd.  The Framework describes that disbursement of funds from the designated account will be supported by documentation such as invoices, billings and/or other evidence which may be requested by the security trustee.	
<b>4. Reporting Prior to Issuance</b>				
4.1	The Issuer must prepare a Green Finance Framework and make it publicly available prior to, or at the time of, issuance. The Green Finance Framework must be provided to the Climate Bonds Standard Secretariat as one of the certification documents. The Green Finance Framework must include:	Sighted reNIKOLA's Framework.	reNIKOLA has prepared a Green Financing Framework, which will be made publicly available on their website, at the time of the Green Sukuk's issuance. The Green Sukuk is guided by reNIKOLA's Green Financing Framework and is issued by reNIKOLA Solar II, a wholly owned subsidiary or reNIKOLA.	
4.1.1	A statement of compliance with the Climate Bonds Standard and/or other applicable standards such as the Green Bond Principles or the United Nations Sustainability Development Goals.	Sighted the confirmation on alignment with Climate Bonds Standard in the Framework.	It is stated in the Framework that:  "reNIKOLA Group has sought a Climate Bonds Initiative (CBI) certification for its upcoming Green Sukuk, and may seek the CBI certification for its other Green Financing in the future (if any). The certification by CBI of compliance of the Green Sukuk and/or other applicable Green Financing (if any) with the Climate Bonds Standard will be related to the sector criteria falling under Solar Energy, Hydropower, or Bioenergy."  The Framework has also stated that any Green Financing (in this case, Green Sukuk) issued under the Framework is intended to align with the Green Bond Principles, Green Loan Principles, ASEAN Green Bond Standards, Sustainable and Responsible Investment Sukuk Framework, ASEAN Taxonomy for Sustainable Finance, and Principles-Based Sustainable and Responsible Investment Taxonomy.	
4.1.2	A summary of the expected use of proceeds.	Sighted the expected use of proceeds under reNIKOLA's Framework and the Green Sukuk's PTC.	Proceeds from the Green Sukuk will be used to part finance/reimburse the total development costs incurred for the Solar Plants, which are eligible projects under the Framework. Please refer to the breakdown of the use of proceeds under 3.1.3.	



No.	Requirement	RAM's Procedures and Documents Reviewed	Findings	Conformance to the Standard
4.1.3	A description of the decision-making process for project selection.	Sighted the description of the decision-making process under reNIKOLA's Framework.	The Framework provides detail on its decision-making process.	
4.1.4	A description of the Issuer's processes for managing the proceeds.	Reviewed reNIKOLA's Framework.	reNIKOLA's process for management of proceeds is described in the Framework.	
4.1.5	A description of the Issuer's processes for reporting and external review or verification.	Reviewed reNIKOLA's Framework.	reNIKOLA's process for reporting and external review or verification is described in the Framework.	
4.2	The Green Finance Framework should also include, without limitation:			
4.2.1	Information on the methodology and assumptions to be used for confirming that the characteristics or performance of the nominated projects and assets conform to the relevant Sector Criteria, where required, and any other additional impact metrics that the Issuer will define.	Reviewed the Green Sukuk PTC.  Reviewed reNIKOLA's Framework.	reNIKOLA Solar II's nominated projects and assets under the Green Sukuk are eligible under the Solar sector criteria.  They are also eligible under reNIKOLA's Framework.  reNIKOLA Solar II may report on the following impact metrics:  i) Total installed capacity of the Solar Plants (MWh) ii) Estimated annual GHG emissions avoided (tCO <sub>2</sub> eq/year). iii) Annual renewable energy generation (MWh or GWh)	
4.2.2	A summary of the approach to manage unallocated Net Proceeds in accordance with Clause A.3.3.3.	Sighted the approach to the management of unallocated net proceeds under reNIKOLA's Framework.	reNIKOLA has disclosed its approach in the management of unallocated proceeds in accordance with Clause A.3.3.3.	
4.2.3	The intended approach to provide Update Reports to reaffirm conformance with the Climate Bonds Standard while the debt instrument remains outstanding.	Sighted the intended approach to providing Update Reports under reNIKOLA's Framework.	reNIKOLA has stated in the Framework their approach to issue annual update reporting of applicable Bonds/Sukuk to reaffirm their conformance with the Climate Bonds Standard:  "reNIKOLA Group will also issue annual update reporting of such certification to reaffirm conformance with the said Standard The pre issuance and post issuance reports will also be made available on reNIKOLA's website"	

No.	Requirement	RAM's Procedures and Documents Reviewed	Findings	Conformance to the Standard
4.2.4	The list of proposed nominated projects and assets associated with the debt instrument and the investment areas into which the nominated projects and assets fall. Where there are limits on the detail that can be made publicly available about specific nominated projects and assets, information disclosed must include the investment areas into which the nominated projects and assets fall and an explanation of why detail on nominated projects and assets is limited.	Sighted the list of proposed nominated projects and assets in the Green Sukuk PTC and the investment areas under reNIKOLA's Framework.	reNIKOLA Solar II has listed the Solar Plants as nominated projects and assets in the Green Sukuk PTC. reNIKOLA Solar II's nominated projects and assets fall under the Solar sector criteria and are considered eligible projects under the eligibility criteria of reNIKOLA's Framework.	
4.2.5	Where a proportion of the Net Proceeds are used for refinancing, an estimate of the respective shares of the Net Proceeds used for financing and refinancing, and the relevant nominated projects and assets or investment areas which may be refinanced. This may also include the expected look-back period for refinanced nominated projects and assets.	Sighted the Green Sukuk PTC.	reNIKOLA Solar II's states in its PTC of the Green Sukuk that that 83.3% (RM325 million) will be used to partially finance/reimburse the total development cost incurred by the Solar Plants. A portion of the proceeds (RM40 million or 10.3 %) will be used to part reimburse the cost of the lands. The remainder (RM25 million or 6.4%) will be used (i) to pre-fund the FSRA and the amount to be remitted into the Project Companies MRA and, (ii) to pay and reimburse fees, expenses and all other amounts payable under or related to the issuance of the Green Sukuk.	
4.3	The Issuer must include in the Disclosure Documentation:			
4.3.1	The investment areas into which the nominated projects and assets fall.	Sighted the investment areas under reNIKOLA's Framework and the PTC of the Green Sukuk.	reNIKOLA's Framework describes the investment areas which the nominated projects and assets fall which are renewable energy projects, namely Solar, Bioenergy and Hydro.  The proceeds of the Green Sukuk issued under the Framework will be used to refinance the development costs of the Solar Plants.	

No.	Requirement	RAM's Procedures and Documents Reviewed	Findings	Conformance to the Standard
4.3.2	The intended types of temporary investment instruments for the management of unallocated Net Proceeds in accordance with Clause A.3.3.3.	Sighted the intended types of temporary investment instruments for the management of unallocated Net Proceeds under reNIKOLA's Framework.  Sighted the Green Sukuk PTC.	The intended types of temporary investment instruments for the management of unallocated Net Proceeds disclosed under the Framework are in accordance with Clause A.3.3.3 of the Climate Bonds Standard.  The Framework states that any unallocated proceeds in the designated accounts will be invested in fixed deposits, money market instruments, treasury bills, or other approved instruments. For Islamic Green Financing, the investments will be Shariah-compliant and approved by relevant Shariah Advisory Councils.  The Green Sukuk PTC describes that unallocated proceeds of the Green Sukuk may be used for Permitted Investments. Permitted Investments shall be Shariah-compliant investment products approved by the SC's SAC and/or BNM's SAC and/or such other recognised Shariah authorities.	
4.3.3	The Approved Verifier engaged by the Issuer for the mandatory Verification Engagements.	Reviewed the Green Sukuk PTC.  Reviewed reNIKOLA's Framework.	reNIKOLA has stated in the Framework and the Green Sukuk PTC that it has appointed RAM Sustainability, who is an approved verifier for the certification of Climate Bonds under Climate Bonds Standard and Certification Scheme, to carry out a pre- and post-issuance verification exercise on the Green Sukuk based on the Climate Bonds Standard requirements.	
4.3.4	The intended approach to provide Update Reports to reaffirm conformance with the Climate Bonds Standard while the debt instrument remains outstanding, including the location of the published documents.	Sighted the intended approach to providing Update Reports under reNIKOLA's Framework.	reNIKOLA has disclosed in the Framework that it will do the mandatory pre-issuance and post-issuance certifications for Bonds/Sukuk pursuing or having Climate Bonds Standard Certifications. reNIKOLA also intends to issue annual update reports to reaffirm conformance with the Climate Bond Standard, while the applicable Bond/Sukuk remains outstanding.	
4.3.5	The Climate Bonds Initiative Disclaimer provided in the Certification Agreement.	Sighted the CBI Disclaimer provided in the draft Information Memorandum.	RAM Sustainability has sighted the CBI Disclaimer on 27 July 2023 in the draft Information Memorandum of the Green Sukuk.	



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