



CENTRALPATTANA

**SUSTAINABILITY-LINKED
FINANCE FRAMEWORK**

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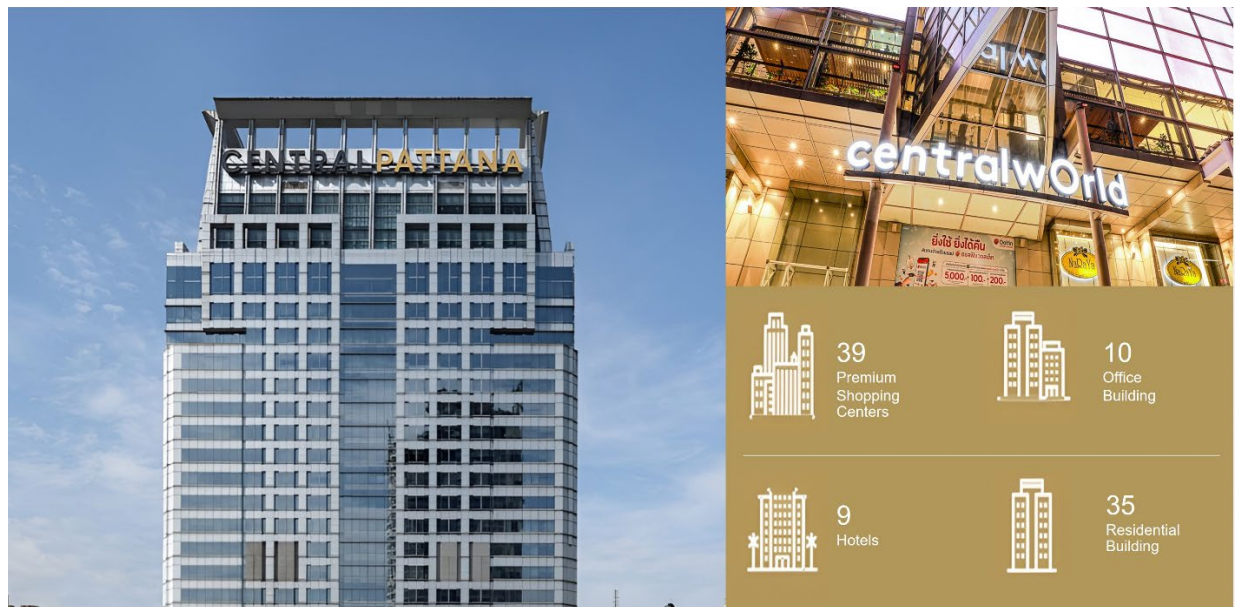
SECTION 1: COMPANY OVERVIEW

COMPANY PROFILE

Central Pattana Public Company Limited (“Central Pattana” or “CPN”) was established as Central Plaza Co., Ltd. on June 17, 1980, with initial registered capital of Baht 300 million. The company was listed on the Stock Exchange of Thailand (SET) on March 1, 1995. As of the time of writing, its paid-up capital stood at Baht 2,244 million, with a par value of Baht 0.5 per share. Most of these shares are held by Central Holdings Co., Ltd.

Central Pattana has continuously expanded its network of large-scale integrated shopping centers, focusing on new developments in major cities and key provincial tourist destinations. The core businesses of Central Pattana include the development of shopping centers and other complementary mixed-use projects—such as office buildings, hotels, and residences—to enhance the value of its shopping centers.

CENTRAL PATTANA TODAY

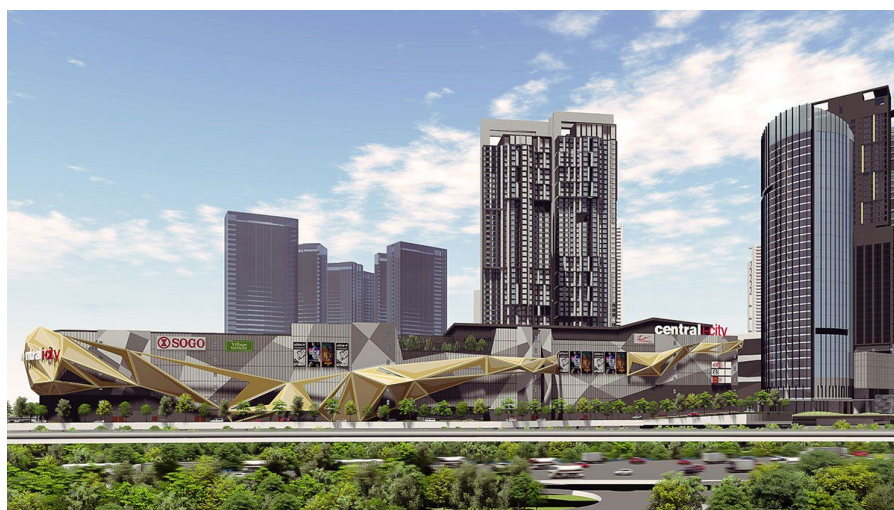


By the end of 2023, Central Pattana was managing 39 shopping centers (18 in the Bangkok metropolitan area, 21 in provincial areas, and 1 in Malaysia), along with 17 community malls in Bangkok. The company also oversees 10 office buildings in Bangkok, 9 hotels in various provinces, 1 residential project for rent, and 35 residential projects for sale. Moreover, Central Pattana has investments in CPNREIT and the CPN Commercial Growth Leasehold Property Fund, with the properties under both entities also being managed by Central Pattana.

For more than 40 years, Central Pattana has been adapting its services to meet the evolving demands of customers and stakeholders by transforming shopping centers into “Centers of Life.” In 2022, Central Pattana developed a new business model, “The Ecosystem for All,” which integrates the retail business (our core business) with the residential, office, and hotel businesses. This model is designed to cater to both online and offline lifestyles, support new business expansions, and consider environmental impacts. This approach is implemented through three key strategies: “The 360-Degree Center of Life,” “Total B2B2C Solutions,” and “Place Making for a Sustainable Future.”

AT THE FOREFRONT OF RETAIL

Every project undertaken by CPN has resulted in significant success. This achievement has elevated the company to a leading position in the retail property industry, making it one of the top public companies in Asia. CPN now aims to leverage its exceptional skills and experiences to identify and develop new business opportunities in Thailand and across Southeast Asia.



In 2005, CPN was recognized by Forbes magazine as one of the Top 200 companies in Asia-Pacific with revenues not exceeding US\$1 billion. This accolade is particularly notable as CPN was one of only 10 Thai companies to receive this honor and the sole commercial real estate organization to be acknowledged.

Today, CPN is recognized as Thailand’s most accomplished retail developer, boasting 39 highly successful shopping centers. Each center leads its respective market, drawing on

innovative marketing, world-class standards, and excellence in operations. This strategy garners significant customer loyalty through a unique mix of anchor stores, retail outlets, and creative attractions.

A key driver of CPN's dynamic progress is its outstanding human resources. A skilled and experienced management team collaborates with a dedicated and motivated workforce, forming a partnership that is pivotal to CPN's impressive achievements.

STRATEGIC LOCATION

Retailers often emphasize that location is paramount. CPN has consistently demonstrated excellent judgment in selecting strategic locations for its shopping centers. Its extensive experience in the operations and dynamics of shopping centers, combined with meticulous surveys of prime trading areas, ensures that its shopping centers possess the highest potential for success.

CENTRAL PATTANA STRENGTHS



The Dream Team ...
Creating Great Themes



World-Class Standards



Partnership of Trust



Customization



Strong Financial Position



Consistent Growth

VISION AND MISSION



Our Purpose: Imagining Better Futures for All

1. **Positivity:** We are committed to progress and to maintaining an optimistic outlook towards the future. We firmly believe in the power of our expertise to enhance the quality of life for everyone. We value meaningful relationships and celebrate them daily.
2. **Dynamism:** We innovate to improve the world and prepare for future challenges. Our approach is pioneering and engaging, empathetic to others' needs, and focused on providing better opportunities for work, learning, and enjoyment with loved ones.
3. **Customer Champions:** Our inspiration stems from our customers; we are captivated by them and their world. We strive to exceed their expectations, pushing ourselves to deliver excellence both today and in the future.
4. **Community at Heart:** We flourish through learning, exploring, and collaborating. We unite people globally to co-create solutions for challenging issues, innovating and evolving in how we live.

Vision: To be a leading regional developer pioneering a better, more sustainable future for all.

Mission: To achieve this vision, we are guided by and committed to five key strategic areas:

1. **Center of Life:** Creating spaces that form the core of people's lives, enhancing their quality of life and living.

2. **Regional Expansion:** Continuing our pioneering spirit, which is central to Central Pattana's ethos, by introducing the best of Thailand to the region and the world, and vice versa.
3. **Co-Creativity:** Delivering the greatest value to customers by co-creating with tenants and business partners.
4. **Sustainability:** Committing to creating long-term value for all stakeholders, Central Pattana believes in sustainable growth and making a positive impact on the environment, people, communities, and businesses.
5. **Empowered People:** Our people are our greatest asset, and we are dedicated to empowering them to realize their full potential.

OUR COMMITMENT TO A BETTER FUTURE



NATIONAL AND INTERNATIONAL CLIMATE ACTION COMMITMENTS

Central Pattana's roadmap for achieving net zero emissions commenced with the BIG START phase covering the years 2022–2023 and including a commitment to aligning with the 1.5°C pathway of the UNFCCC. A notable action was the adoption of the Climate Impact Approach, which entails scenario analysis, acceptance of the Task Force on Climate-related Financial Disclosures recommendations, and the integration of internal carbon pricing. In the realm of emissions reduction, there is a strong push towards minimizing greenhouse gas (GHG) emissions and amplifying energy efficiency. This includes specific objectives such as using zero ozone-depleting chlorofluorocarbons and lowering other emissions categories to their 2019 levels. The energy domain is witnessing a drive for the augmentation of renewable energy sources, highlighted by the installation of solar rooftops to achieve the target of 4.5% of total energy consumption. In the architectural sector, emphasis is being placed on green building standards, particularly for retail businesses, with the goal of green buildings accounting for 2% of all retail assets. Collaboration on this endeavor will be pivotal. This is visualized by forging ties with supply chain partners, especially tenants and building material manufacturers. The BIG START phase culminates with a commitment to reforestation under the "ONE Million Trees Movement."

Transitioning to the ACT FAST phase in 2026, there will be a shift towards embedding climate impacts across different business operations, particularly along the value chain. The emphasis remains on GHG emissions reductions, with ambitious goals set against the 2019 baseline. The focus will sharpen on water management, with objectives such as improving water diversification by 55% and increasing recycled water consumption. Renewable energy aspirations will also be heightened, aiming for it to comprise 8% of total energy consumption. The architectural angle retains its green outlook in the ACT FAST phase, which emphasizes certification for green buildings, which comprise 13% of all assets. A new term is introduced into the strategic narrative, Green Collaboration, to

cover practices like green leasing and cutting-edge carbon capture technologies. The reforestation commitment is fortified, envisioning the rejuvenation of over 700,000 hectares of forested area.

The concluding phase, known as SUSTAINOVATION, spans from 2030 to 2050. It will begin with fostering opportunities through holistic collaboration across the entire value chain. Reducing GHG emissions continues as a central theme, with targets becoming more stringent. The commitment to renewable energy will escalate to account for 20% of total consumption, while green building standards are expected to expand to 20% of all assets. The Green Collaboration concept will mature, emphasizing green leasing and the exploration of advanced carbon capture methodologies. Introduced during the BIG START phase, the One Million Trees Movement will continue to make its mark across Thailand. The journey ultimately points towards the achievement of "Net Zero" by 2050. The vision is clear: to attain net-zero emissions for Scope 1 (direct GHG emissions from owned/ controlled operations) and Scope 2 (indirect GHG emissions from the purchased energy) compared to the 2019 benchmark and to ensure all new buildings are constructed to be net-zero compliant.

In essence, CPN's roadmap from 2022 to 2050 is a progressive journey from initiating impactful green strategies to achieving a sustainable and net-zero future.

SUSTAINABILITY RISK ASSESSMENT AND STAKEHOLDER ENGAGEMENT

CPN conducted a sustainability risk assessment as part of its organizational risk management approach. The assessment focused on Thailand's Nationally Determined Contribution targets and the country's transition towards carbon neutrality. It also considered the growing attention being given to climate change from various stakeholders, including state agencies, financial institutions, investors, and civil society. This evaluation has enabled CPN to better understand and address climate-related risks in its operations.

SOCIAL RESPONSIBILITY AND COMMUNITY SUPPORT

CPN recognizes that sustainable development encompasses not only environmental stewardship but also social responsibility. That is why CPN is dedicated to supporting the local community and enhancing social well-being and human rights. As part of this commitment, CPN provides free space within its properties for local individuals and small businesses to sell goods and services. This initiative not only promotes local entrepreneurship but also contributes to the economic development of the communities surrounding CPN's properties. Additionally, CPN offers free space for local government offices, enabling community members to access essential services conveniently and fostering a closer relationship between local governments and the people they serve.

SECTION 2: SUSTAINABILITY-LINKED

FINANCE FRAMEWORK

Environmental, social, and governance considerations are integral to the investment decisions of CPN. Therefore, the organization has developed a Sustainability-Linked Finance Framework to solidify its sustainability commitments.

Under this framework, CPN may issue Sustainability-Linked Bonds and Sustainability-Linked Loans, classified as such based on the primary Sustainability Performance Targets (SPTs) associated with the underlying projects. The framework was developed based on the following three principal guidelines:

1. Sustainability-Linked Bond Principles 2023 (SLBP) developed by the International Capital Market Association.
2. ASEAN Sustainability-Linked Bond Standards 2022 (ASEAN SLBS) developed by the ASEAN Capital Markets Forum; and
3. Sustainability-Linked Loan Principles 2023 (SLLP), a collaborative output of the Loan Market Association, the Loan Syndications and Trading Association, and the Asia-Pacific Loan Market Association.

Within the purview of this framework, all sustainability-linked financing transactions are structured based on the following core components:



1. Selection of Key Performance Indicators (KPIs)
2. Calibration of Sustainability Performance Targets (SPTs)
3. Financial Characteristics
4. Reporting
5. Verification

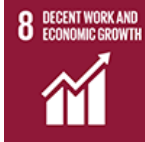
Capital raised from sustainability-linked instruments issued under this framework is earmarked for general corporate objectives. Before CPN embarks on the issuance of bonds, loans, or other financial instruments tethered to this framework, a deliberative process is undertaken to select one or more KPIs, the nuances of which are elaborated in the ensuing section.

PILLAR 1: SELECTION OF KEY PERFORMANCE INDICATORS

The selection of KPIs reflects CPN's core sustainability and business strategies. These KPIs, which align with international standards and principles are quantifiable, verifiable, and benchmarked against external references.

Table 1: Key Performance Indicators

Key Performance Indicators	Sustainable Development Goal (SDG)
<p>1. Reduction of Carbon Intensity Scope 1 and Scope 2 Emissions</p> <p>Definition: This KPI pertains to the commitment of CPN to reduce its Scope 1 and Scope 2 GHG emissions. The baseline is established with reference to emissions data from 2019.</p> <p>Rationale and Materiality: As a leading operator of commercial buildings (e.g., shopping centers, community malls and office buildings) in Thailand, CPN consumes a substantial amount of electricity from external sources, and this will increase as new commercial buildings are developed. In 2019, GHG Scope 1 and Scope 2 emissions totaled 319,127.45 tons of CO₂e, while the recorded carbon intensity of Scope 1 and Scope 2 emissions was 89.4 kgCO₂e/m².</p> <p>This KPI is also aligned with the CPN's "Journey to Net Zero" policy, which aims to achieve net zero GHG emissions by 2050 and help track performance regardless of changes in organizational activities. Due to vast electricity consumption, which is the main energy source for building operations, as well as increasing demand from tenants, CPN sets interim targets to reduce its energy consumption and increase the share of renewable energy use. CPN seeks to offer low-carbon goods and services by providing clean energy and improving energy efficiency, thus contributing to decarbonization in the long-term. As a result, this KPI is integral to CPN's sustainability strategy, emphasizing the organization's role in mitigating environmental impacts and fostering a sustainable future.</p>	 <p>SDG 13.2</p>  <p>SDG 9.4</p>
Key Performance Indicators	Sustainable Development Goal (SDG)
<p>2. Provision of Free Space</p> <p>Definition: This KPI reflects CPN's initiative to increase free space available to local communities on an annual basis. The metric</p>	

Key Performance Indicators	Sustainable Development Goal (SDG)
<p>serves as a tangible representation of CPN's dedication to fostering community development.</p> <p>Rationale and materiality: CPN, in line with its vision to be the "Center of Life," consistently develops shopping centers and community malls. This vision is not confined to serving customers but extends to supporting the communities surrounding our operations. In the face of the COVID-19 pandemic, CPN played a pivotal role by providing free vaccination zones in 23 of our 33 shopping centers to support country-wide immunization. As the world navigates the post-pandemic recovery, we allocated 40,000 square meters of free space to SMEs, farmers, and community groups for social activities, events and initiatives, showcased by initiatives like the Ruam Jai Fruit Market and Revival Market projects, a part of our pandemic-response Three Points Action Plan. Our commitment remains steadfast to boosting local incomes and improving the quality of life throughout Thailand. By offering these spaces, CPN reaffirms its dedication to elevating living standards and embracing socio-environmental responsibility. Ultimately, our endeavors position CPN as the "Center of Community," promoting well-being, health, and cultural unity, and ensuring that everyone finds belonging within our spaces.</p>	 <p>SDG 8.1</p>

PILLAR 2: CALIBRATION OF SUSTAINABLE PERFORMANCE TARGETS

SPTs are specific goals set by CPN to quantify progress against KPIs. These targets embody CPN's commitment to sustainability and ensure alignment with both business objectives and external sustainability benchmarks.

The SPTs that CPN has identified for each KPI are as follows:

1. Reduction of Carbon Intensity (Scope 1 and Scope 2 Emissions)

- **Baseline:** CPN has set 2019 as the reference point for this KPI, with recorded carbon intensity Scope 1 and Scope 2 at 89.4 kgCO₂e/m². The significant reductions in 2020 and 2021 are attributed to the COVID-19 pandemic and associated shutdowns.
- **SPT:** CPN pledges to achieve a 56% reduction in carbon intensity (Scope 1 and Scope 2 emissions) by 2034, which equates to an annual reduction of 4.6% when using 2019 as the base year. This goal is not only quantifiable but also subject to external validation, aligning with the 1.5°C pathway. This alignment

underscores CPN's strong dedication to science-based approaches in climate change mitigation.

Table 2: Carbon Intensity under a Business-as-Usual Scenario and When Achieving the SPT

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Time span					1	2	3	4	5	6	7	8	9	10	11	12
BAU	90	72	51	62												
Target	90	-	-	-	85	81	77	73	69	65	61	57	53	48	44	40
Reduction (%)					6	10	14	19	23	28	32	37	41	47	51	56

Notes: Carbon Intensity = Scope 1 and Scope 2 Emissions in terms of kgCO₂e/m². The review period covers 12 years, with 2019 as the base year. The business-as-usual (BAU) scenario reflects historical (2019–2022) data from the CPN's Sustainability Performance Report 2022. Performances in 2020–2022 are considered non-BAU due to the impact of the COVID-19 pandemic and associated shutdowns. Numbers are rounded up to avoid argumentative purposes.

- Strategies:
 - Adopt advanced carbon management systems: CPN will integrate advanced carbon management systems to monitor, control, and reduce emissions effectively.
 - Invest in onsite renewable energy: CPN is committed to prioritizing investments in onsite green energy solutions, such as solar rooftops, as a cornerstone of its renewable energy strategy.
 - Support and encourage local clean energy producers: CPN intends not only to support local clean energy producers but also to play a pivotal role in encouraging their growth. By establishing direct connections and collaborations with these producers, CPN aims to contribute to the expansion and development of the clean energy sector.
 - Prepare for Power Purchase Agreements (PPAs): CPN is awaiting legislative changes that would permit the implementation of PPAs. This readiness aligns with CPN's long-term strategy to directly procure clean energy.
 - Purchase energy attribute certificates in the near-term: Until PPAs become feasible under the law, CPN's near-term strategy involves purchasing energy attribute certificates such as International Renewable Energy Certificates. This interim measure supports the validation of renewable energy consumption and investment.
 - Enhance the environmental friendliness of buildings: CPN is focused on improving the environmental efficiency of its buildings. The primary aim is to integrate eco-friendly practices in design, construction, and operation. An indirect, yet important, outcome of these efforts is the

potential achievement of recognized green building certifications such as, but not limited to, LEED or Thailand's TREES, specifically targeting the Gold or Platinum (or their equivalent) levels. This strategy not only adheres to Sustainable Development Goals but also ensures that our buildings meet rigorous environmental standards, as demonstrated by these certifications.

2. Provision of Free Space

- **Baseline:** CPN has a longstanding practice of providing free space within its properties for community use. However, CPN does not yet have records of these allocations, indicating that there has been no formal tracking or quantification of the total space provided, the frequency of their use, or the specific types of activities hosted. The absence of formal documentation means that, although the company has been contributing to community welfare through these actions, it lacks precise historical data to accurately measure the full scope and impact of its contributions.

Table 3: Annual Targets for the Provision of Free Space as a Percentage of CPN's Total Commercial Space (leasable and common space)

2023	2024	2025	2026	2027	2028	2029	2030
1.0%	1.3%	1.7%	2.3%	3.0%	4.0%	5.3%	7.0%

SPT: CPN has established a distinct objective to foster community development through the allocation of free space within its properties for specific target groups, including farmers, local community members, small businesses, community associations, foundations, and nonprofit organizations. Free space is even provided for government offices and hospitals. Commencing in 2023, CPN will allocate approximately 1% of the total leasable area for community utilization, focusing on these groups. This initial percentage serves as a conservative estimate, given the limitations posed by unrecorded data. Subsequently, CPN intends to incrementally expand this provision on an annual basis, aiming to reach a cumulative total of 7% by 2030. While CPN may charge small rental fees only to cover utilities expenses, these spaces will not be provided for commercial purposes.

- **Strategies:**
 - **Develop open community spaces:** CPN will focus on creating open spaces within its properties, promoting community interaction and well-being.
 - **Collaborate with local authorities:** CPN engages with local governments to identify areas where free space can be utilized for optimal community benefit.

PILLAR 3: FINANCIAL CHARACTERISTICS

Under this framework, the financial and structural features of the SLBs and SLLPs are linked to their performance against the KPIs and the achievement of the SPTs. Potential variations in these financial and/or structural characteristics can occur if the predetermined SPTs related to the KPIs are not met.

In the event of non-achievement of the SPTs, the coupon rate of the bonds (loans) may increase, inducing an elevated cost of debt for CPN. The bonds issued (or the loan borrowed) by CPN will encompass a step-up or step-down mechanism in the coupon rate or additional covenants based on the attainment or non-attainment of the defined SPTs. The exact KPIs, SPTs, and the corresponding changes to the bond's (loan's) conditions will be explicitly detailed in the relevant bond (loan) documentation for each issuance (borrowing).

Investors will be promptly informed about the achievement or non-achievement of the SPTs within 150 days of the specified Sustainability Performance Target Observation Date

Any adjustments to the financial characteristics, including but not limited to coupon rate modifications, will be applicable to the relevant bonds (loans) from the first day of the subsequent interest period immediately following the target observation date. This will remain in effect until the maturity of the bond (loan), provided the SPTs of the defined KPIs are not achieved.

FALLBACK MECHANISMS

The KPIs and SPTs set out in this framework will remain valid regardless of any changes to CPN's sustainability strategy and direction. This includes any new or updated relevant industry standards or benchmarks.

The baselines and SPT may change or recalculate to reflect any significant change including but not limited to mergers and acquisitions, spin-offs, and the sale of companies. Any recalculations must be described in the specific document and verified by an independent external reviewer.

All these mechanisms and their triggering conditions will be explicitly outlined in the respective bond (loan) documentation for each issuance (borrowing). This ensures transparency and provides investors with comprehensive information about CPN's commitments towards its sustainability goals and the financial implications of its performance against these goals.

Furthermore, CPN will implement additional covenants to ensure progress towards the predefined SPTs. These covenants may include commitments to increased sustainability

efforts, audits, or the implementation of alternative measures to achieve sustainability goals.

PILLAR 4: REPORTING

As part of our commitment to transparency and in line with the SLBP, ASEAN SLBS, and SLLP, CPN pledges to provide regular updates on the progression of the selected KPIs. These updates will be annual, as well as relevant to any date or period critical for assessing the SPTs that may potentially adjust the financial characteristics of the bonds. This information will be incorporated into CPN's Annual Sustainability Report, or any other official report that may replace it in the future, and will be publicly available on CPN's website.

Included within these reports will be the following:

- The most recent data on the performance of the selected KPIs, including any relevant baselines.
- A verification assurance report, conducted on the basis of limited assurance, detailing the performance of the selected KPI against the relevant SPT.
- Any other information considered essential for enabling investors to track the progress of the selected KPIs.

When feasible, the report may also include a qualitative or quantitative explanation of the principal factors influencing the KPI's evolution, including any merger and acquisition activities. It may also illustrate the positive sustainability impacts of performance improvements and include any reassessments of KPIs, and/or restatements of the SPTs, and/or adjustments of baselines or KPI scope.

PILLAR 6: VERIFICATION

In strict accordance with the SLBP, ASEAN SLBS, and SLLP, CPN has established a rigorous Sustainability-Linked Finance Framework to ensure independent and external verification of its performance in relation to each SPT for every selected KPI. This verification will be conducted annually and for all periods relevant to the assessment of the SPT performance that might lead to changes in the bond's (loan's) structural or financial characteristics.

THIRD-PARTY VERIFICATION

CPN will engage an external verifier of sufficient stature, endowed with the necessary expertise to perform the required verification duties. The verifier's scope of duties will cover the evaluation of the progress made towards the SPTs, the impact of this performance on the bond's (loan's) financial and structural attributes, and any significant deviations in the SPTs throughout the reporting period. If the selected verifier must be replaced, an alternate external reviewer will be appointed who fulfills the stringent preconditions outlined in this framework.

CPN places significant emphasis on both pre-issuance and post-issuance activities. Prior to the issuance of a bond, or the loan borrowing, a second-party opinion will be obtained from a duly appointed reviewer to confirm the alignment of the proposed bond with the SLBP, ASEAN SLBS, and SLLP. Following the issuance, the performance level of the selected KPIs will be independently verified by the external verifier annually and for all relevant periods.

Verification of performance against the SPTs will be publicly accessible, enhancing the transparency of the process. These disclosures will be included in the annual updates of the bond's performance and made accessible to all relevant stakeholders via publication on the CPN website.

FRAMEWORK REVIEW AND/OR AMENDMENTS

In demonstration of its commitment to continuous improvement and alignment with market best practices, CPN reserves the right to review this Sustainability-Linked Finance Framework periodically. This includes alignment with updated versions of the SLBP, ASEAN SLBS, and SLLPs, as well as potential modifications to the KPIs, SPTs, or methodologies used. Any significant changes to the framework will be validated by a second-party opinion reviewer and disclosed publicly. Assurance is provided that any revised or amended framework will either sustain or enhance the existing levels of transparency and rigor of reporting disclosures. It should be noted that any updated and/or amendments to the framework will not impact those SLBs that were issued or SLLPs that were borrowed prior to the update and/or amendments.