



# CENTRAL PATTANA PUBLIC COMPANY LIMITED (“CPN”)

## SUSTAINABILITY-LINKED FINANCE FRAMEWORK

**Document title:** Second Party Opinion on CPN's Sustainability-Linked Finance Framework

**Prepared by:** DNV (Thailand) Co., Ltd.

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This statement is valid until the Framework provided in November 2023 remains unchanged.

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### Disclaimer

Our assessment relies on the premise that the data and information provided by the client to us as part of our review procedures have been provided in good faith. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied as per scope of work. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Statement.

### Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2011 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct<sup>1</sup> during the assessment and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of statements or data included in the Framework except for this Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assessment process.

<sup>1</sup> DNV Code of Conduct is available from DNV website ([www.dnv.com](http://www.dnv.com))

## DNV'S INDEPENDENT ASSESSMENT

### Scope and Objectives

Central Pattana Public Company Limited ("CPN" or the "Customer") is a leading developer in development of shopping centers and other mixed-use projects including office buildings, hotels and residences. CPN's vision is "To be a leading regional developer pioneering a better and more sustainable future for all." Established in 1980 with a registered capital of THB 300 million, CPN has been listed on the Stock Exchange of Thailand in 1995, and is currently the largest listed property development company in Thailand with a market capitalization of over THB 250 billion. In 2023 CPN has been managing more than 50 shopping centers and community malls in Thailand and Malaysia. CPN also oversees 10 office buildings in Bangkok, 9 hotels in various provinces, 1 residential project for rent, and 35 residential projects for sale.

In 2022 CPN has set a goal to achieve net zero organization by 2050, with a focus on Scope 1 and 2 emissions and ensuring new buildings meet net-zero standards. CPN's sustainability roadmap spans from 2022 to 2050, progressing through three phases: BIG START, ACT FAST, and SUSTAINOVATION. The plan includes commitments to net-zero emissions, aligning with UNFCCC's 1.5°C pathway. Strategies encompass emissions reduction, renewable energy adoption, green building standards, and reforestation. The roadmap emphasizes collaboration and innovative approaches for a sustainable future. CPN does not encompass only environmental stewardship, but also society and communities. To promote local entrepreneurship and community economic development, CPN provides free space for local individuals and small businesses to sell their goods and services. The free space is offered also to local government offices to allow community members to access essential services.

CPN has developed a Sustainability-Linked Financing Framework ("Framework") with the aim to raise debentures or loans (collectively "Sustainability-Linked Financing Instruments" or "SFI") to finance or refinance new and existing projects as part of its sustainable business strategies and commitment to environmental well-being, as described in the Framework. The Framework is in alignment with the stated standards and principles (collectively the "Principles & Standards"):

- Sustainability-Linked Bond Principles ("SLBP"), issued by the International Capital Market Association ("ICMA") in June 2023.
- Sustainability-Linked Loan Principles ("SLLP"), issued by the Loan Market Association ("LMA"), the Loan Syndications and Trading Association ("LSTA"), and the Asia Pacific Loan Market Association ("APLMA") in April 2023.
- ASEAN Sustainability-Linked Bond Standards ("ASEAN SLBS"), issued by the ASEAN Capital Markets Forum ("ACMF") in October 2022.

DNV (Thailand) Co., Ltd. ("DNV") has been commissioned by the Customer to review its Framework and provide a Second Party Opinion on the Framework, based on the above-mentioned Principles & Standards. Our methodology to achieve this is described under the 'Work Undertaken' below. We were not commissioned to provide independent assurance or other audit activities.

### Responsibilities of the Management of the Customer and DNV

The management of the Customer has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform the Customer's management and other interested stakeholders in the Framework as to whether the Framework is aligned with Principles & Standards. In our work, we have relied on the information and the facts presented to us by the Customer. DNV is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by the Customer's management and used as a basis for this assessment were not correct or complete.

## Basis of DNV's opinion

We have adapted our assessment methodology to create the CPN-specific Eligibility Assessment Protocol (henceforth referred to as "Protocol"). Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion.

As per our Protocol, the criteria against which the Framework has been reviewed are grouped accordingly:

**Sustainability-Linked Financing Protocol** includes the five core components:

- **Principle One: Selection of Key Performance Indicators (KPIs).** The Borrower/Issuer of an SFI should clearly communicate its overall sustainability objectives, as set out in its sustainability strategy, and how these relate to its proposed SPTs. The KPI should be reliable, material to the Borrower's core sustainability and business strategy, address relevant ESG challenges of the industry sector and be under management control.
- **Principle Two: Calibration of Sustainability Performance Targets (SPTs).** The SPTs should be ambitious, meaningful, and realistic. The target setting should be done in good faith and based on a sustainability improvement in relation to a predetermined performance target benchmark.
- **Principle Three: Loan/Bond Characteristics.** The loan/bond will need to include a financial and/or structural impact depending on whether the selected KPIs reach (or not) the predefined SPTs. The loan/bond documentation needs to include the definitions of the KPI(s) and SPT(s) and the potential variation of the SLL's/SLB's financial and/or structural characteristics. Any fallback mechanisms in case the SPTs cannot be calculated or observed in a satisfactory manner, should be explained.
- **Principle Four: Reporting.** The Borrower/Issuer should publish and keep readily available and easily accessible up to date information on the performance of the selected KPI(s), as well as a verification assurance report (see Principle 5) outlining the performance against the SPTs and the related impact and timing of such impact on the Loan's/Bond's financial and/or structural characteristics, with such information to be provided to those institutions participating in this securities/ loan or to investors participating in the Loan at least once per annum.
- **Principle Five: Verification (Post-issuance).** The Borrower/Issuer should have its performance against its SPTs independently verified by a qualified external reviewer with relevant expertise, at least once per annum. The verification of the performance against the SPTs should be made publicly available.

No assurance is provided regarding the financial performance of instruments issued via the Framework, the value of any investments, or the long-term environmental benefits of the transaction. Our objective has been to provide an assessment that the Framework has met the criteria established on the basis set out below.

## Work Undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by the Customer in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

- Creation of an CPN-specific Protocol, adapted to the purpose of the Framework, as described above and in Schedule 3 to this Assessment;
- Assessment of documentary evidence provided by the Customer on the Framework and supplemented by a high-level desktop research. These checks refer to current assessment best practices and standards methodology;
- Review of published materials by the Customer and the website of the Customer, and where relevant, parent organizations;
- Discussions with the Customer's management, and review of relevant documentation and evidence related to the criteria of the Protocol; and
- Documentation of findings against each element of the criteria. Our opinion as detailed below is a summary of these findings.

Our opinion as detailed below is a summary of these findings.

## Findings and DNV's Opinion – Sustainability-Linked Financing

DNV's findings on the alignment with Principles are listed below:

1. **Principle One: Selection of Key Performance Indicators (KPIs).** DNV confirms that CPN's KPIs are core, relevant, material, and consistent with the company's overarching sustainability position and strategy: KPI 1: Reduction of Carbon Intensity Scope 1 and Scope 2 Emissions, and KPI 2: Provision of Free Space. The proposed KPIs are considered to be material to the activities of CPN and are core to the sustainability of the organisation, its stakeholders and are aligned with international commitments to low carbon economy and net-zero.
2. **Principle Two: Calibration of Sustainability Performance Targets (SPTs).** DNV concludes that the SPTs: (1) Reduction of Carbon Intensity (Scope 1 and Scope 2 Emissions), and (2) Provision of Free Space, are meaningful and relevant in the context of CPN's broader sustainability and business strategy and represent a material improvement over a predefined timeline. DNV concludes that CPN's targets are ambitious and deemed to go beyond what is considered 'business-as-usual'. DNV has also reviewed the credibility of CPN's approach to achieve the SPTs and considers them to be achievable within the timing set.
3. **Principle Three: Financial Characteristics.** DNV reviewed the disclosures related to Sustainability-Linked Financing Instrument ("SFIs") characteristics stated in CPN's Framework and, in our opinion, the financial characteristics of securities to be issued under the Terms that could be impacted based on KPI performance under SPTs, are in line with the Principles & Standards. This impact includes coupon/margin rate variation via step-ups and/or step-downs applying to the relevant securities.
4. **Principle Four: Reporting.** DNV concludes that the SFIs Terms include the required information on annual reporting of CPN's annual performance including measurement, monitoring and reporting of metrics including chosen formats for reporting and meets the requirement as outlined in the Principles & Standards. CPN confirms that dedicated reporting will be provided to lenders/investors on an annual basis.
5. **Principle Five: Verification.** DNV confirms that the SFIs Terms require CPN to have its performance against the SPTs independently verified annually by an independent third party.

On the basis of the information provided by CPN and the work undertaken, it is DNV's opinion that the Sustainability-Linked Financing Framework proposed meets the criteria established in the Protocol and is aligned with the Principles & Standards. The SPTs are material and relevant to CPN's business strategy, operational environment and are considered to be ambitious and meaningful in the context of their operational environment.

**For DNV (Thailand) Co., Ltd.**

Bangkok, Thailand / 12 December 2023




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Kobrat Chotruangprasert  
Lead Assessor  
Supply Chain and Product  
Assurance (SCPA)




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Thomas Leonard  
Technical Reviewer  
Supply Chain & Product Assurance (SCPA)

## Schedule 1. CPN's Sustainability Performance Targets

KPIs	Unit	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034
<b>KPI 1:</b> Reduction of Carbon Intensity (Scope 1 and Scope 2 Emissions)	Emissions Intensity (kgCO <sub>2</sub> e/m <sup>2</sup> )	90	72	51	62	85	81	77	73	69	65	61	57	53	48	44	40
	% Reduction	0	-	-	-	6%	10%	14%	19%	23%	28%	32%	37%	41%	47%	51%	56%
<b>KPI 2:</b> Provision of Free Space	% of total commercial space	n.a.	n.a.	n.a.	n.a.	1.0%	1.3%	1.7%	2.3%	3.0%	4.0%	5.3%	7.0%	n.a.	n.a.	n.a.	n.a.

Notes on KPI1: Baseline is FY 2019. 2020, 2021, and 2022 performances are excluded due to the impact of Covid-19 pandemic and associated shutdowns.

## Schedule 2. Sustainability-Linked Financing Eligibility Assessment Protocol

### 1. Selection of Key Performance Indicators (KPIs)

Ref	Criteria	Requirements	Work Undertaken	DNV Findings
1a	KPI – material to core sustainability and business strategy	<p>The Borrower/Issuer's sustainability performance is measured using sustainability KPIs that can be external or internal.</p> <p>The KPIs should be material to the Borrower/Issuer's core sustainability and business strategy and address relevant environmental, social and/or governance challenges of the industry sector and be under management's control.</p> <p>The KPI should be of high strategic significance to the Borrower/Issuer's current and/or future operations.</p> <p>It is recommended that Borrower/Issuer communicate clearly to investors the rationale and process according to which the KPI(s) have been selected and how the KPI(s) fit into their sustainability strategy.</p>	<p>Review of:</p> <ul style="list-style-type: none"> <li>CPN Sustainability-Linked Finance Framework, November 2023</li> <li>Assessment of significant sustainability issues available on CPN's website (<a href="#">Materiality Assessment of Sustainability Issues   Central Pattana (CPN)</a>)</li> <li>CPN TCFD Building Climate Resilience available on CPN's website <a href="#">20220615-cpn-tcf-building-climate-resilience.pdf (centralpattana.co.th)</a></li> <li>CPN 2020, 2021, and 2022 Annual Reports</li> <li>CPN Climate and Environment Policy</li> </ul> <p>Correspondence with CPN representatives through meetings.</p>	<p>DNV has reviewed CPN's proposed KPIs for the prospective SFIs including:</p> <ul style="list-style-type: none"> <li>KPI 1: Reduction of Carbon Intensity (Scope 1 and Scope 2 Emissions);</li> <li>KPI 2: Provision of Free Space</li> </ul> <p>DNV reviewed Sustainability Materiality Assessment conducted by CPN. As CPN and tenants are at risk of remaining competitive due to declining purchase power and the shift of preferences in shopping. Provision of free space to farmers and SMEs is therefore strategic and material to the risk that CPN and business partners are facing. This KPI aligns with CPN's vision to be "Center of Life" which will extend CPN's areas to supporting the communities.</p> <p>Climate Change Risks have been also identified as one of the major risks. KPI1: Reduction of Carbon Intensity was established to mitigate potential risks from potential governmental regulations, as well as reputational risks from the clients. Intensity-based target is used due to the growth of commercial buildings. This KPI aligns with Thailand NDC's and CPN's Journey to Net Zero policy.</p> <p>DNV regards these KPIs as appropriate indicators for showing a transition and commitment to achieve net-zero in the future, as well as a positive contribution to sustainability. Initiatives under the net-zero ambition align with the Section 1 of the SLLP and SLBP Guidance of being relevant, core and material to the overall business.</p>
1b	KPI – Measurability	<p>KPIs should be measurable or quantifiable on a consistent methodological basis; externally verifiable; and able to be benchmarked, i.e., as much as possible using an external reference or definitions to facilitate</p>	<p>Review of:</p> <ul style="list-style-type: none"> <li>CPN Sustainability-Linked Finance Framework, November 2023</li> <li>CPN 2020, 2021, and 2022 Annual Reports</li> <li>LRQA Assurance Statement available on CPN's website</li> </ul>	<p>DNV concludes that the KPIs are measurable using quantifiable performance data and are externally verifiable as follows:</p> <ul style="list-style-type: none"> <li>KPI 1: Reduction of Carbon Intensity (Scope 1 and Scope 2 Emissions)</li> </ul> <p>From the result of 2020, 2021, 2022 Annual Reports published on CPN's website, DNV confirms that KPI1:</p>

		<p>the assessment of the SPT's level of ambition.</p> <p>Borrowers/Issuers are encouraged, when possible, to select KPI(s) that they have already been included in their previous annual reports, sustainability reports or other non-financial reporting disclosures to allow investors to evaluate historical performance of the KPIs selected. In situations where the KPIs have not been previously disclosed, Borrowers/Issuers should, to the extent possible, provide historical externally verified KPI values covering at least the previous 3 years.</p>	<p><a href="#">(20230320-assurance-statement-en.pdf (centralpattana.co.th))</a></p> <p>Correspondence with CPN representatives through meetings.</p>	<p>Scope 1 and Scope 2 Emissions Intensity as well as Scope 1 &amp; 2 &amp; 3 Emissions Data are annually verified by LRQA and are published covering at least the previous 3 years.</p> <ul style="list-style-type: none"> <li>KPI 2: Provision of Free Space</li> </ul> <p>Although CPN has been providing free space for community use for long as evidenced in CPN Annual Reports, the company does not keep any formal tracking of the area provided or the number of people benefitting from the free space. From 2023 onward CPN will start recording the percentage of commercial space (leasable and common space) provided to target groups including farmers, local community members, small businesses, foundations, and nonprofit organizations. This information will be made available on CPN's public report and will also be verified on the basis of limited assurance.</p> <p>DNV concludes that the measurement methodology is robust and a reliable set of metrics to measure the KPIs has been selected.</p>
1c	KPI – Clear definition	<p>A clear definition of the KPI(s) should be provided and include the applicable scope or perimeter as well as the calculation methodology</p>	<p>Review of:</p> <ul style="list-style-type: none"> <li>CPN Sustainability-Linked Finance Framework, November 2023</li> <li>CPN 2020, 2021, and 2022 Annual Reports</li> </ul> <p>Correspondence with CPN representatives through meetings.</p>	<p>DNV confirms that the KPIs have been clearly defined and are readily understood in the correct context:</p> <ul style="list-style-type: none"> <li>KPI 1: Reduction of Carbon Intensity (Scope 1 and Scope 2 Emissions).</li> </ul> <p>The GHG Scope 1 and 2 Emissions intensity including other GHG Emissions data are reported on GRI which are based on the requirements of GHG Protocol Corporate Accounting and Reporting Standard by World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD). 2022 Sustainability Performance explains the perimeter of Scope 1 and 2. Scope 1 GHG emissions includes direct emissions from sources that are controlled or owned by CPN. Scope 2 emissions involves the consumption of electricity consumed for operations across CPN.</p> <ul style="list-style-type: none"> <li>KPI 2: Provision of Free Space</li> </ul> <p>CPN has been providing free space to target groups but has not yet recorded this data. The</p>



				<p>total commercial space is a combination of leasable and common space. Estimate 1% of total commercial space has been given to the target groups in 2023. CPN commits to expanding the free space area year by year, to 7% in 2030. DNV agrees with CPN in using Free Space Area as a KPI instead of number of target population due to the complexity in measuring the primary benefits and secondary benefits.</p> <p>DNV concludes that KPIs proposed by CPN are clearly defined.</p>
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## 2. Calibration of Sustainability Performance Targets (SPTs)

Ref	Criteria	Requirements	Work Undertaken	DNV Findings
2a	Target Setting – Meaningful	The SPTs should be ambitious, realistic and meaningful to the Borrower's business and be consistent with the Borrowers' overall strategic sustainability/ESG strategy	<p>Review of:</p> <ul style="list-style-type: none"> <li>CPN Sustainability-Linked Finance Framework, November 2023</li> <li>Assessment of significant sustainability issues available on CPN's website (<a href="#">Materiality Assessment of Sustainability Issues   Central Pattana (CPN)</a>)</li> <li>CPN TCFD Building Climate Resilience available on CPN's website <a href="#">20220615-cpn-tcf-d-building-climate-resilience.pdf (centralpattana.co.th)</a></li> <li>CPN 2020, 2021, and 2022 Annual Reports</li> <li>CPN Climate and Environment Policy</li> </ul> <p>Correspondence with CPN representatives through meetings.</p>	<p>DNV confirms that the SPTs are meaningful and consistent with CPN's overall strategic sustainability/ESG strategy and aligned with core ESG policy goals.</p> <ul style="list-style-type: none"> <li>SPT 1: By 2034, reduction of Carbon Intensity under Scope 1 &amp; 2 by 56% from 2019 baseline</li> </ul> <p>Target set out under SPT1 is part of CPN's net-zero journey roadmap plans to 2050 which aligns with CPN Climate and Environmental Policy.</p> <p>According to CPN 2020 Annual Report, Scope 1 &amp; 2 Carbon Intensity from 2016 until 2019 has been stable at slightly below 100 kgCO<sub>2</sub>eq/m<sup>2</sup>. In order to achieve 4.6% annual Scope 1 &amp; 2 Carbon Intensity reduction, CPN strategies include adopting carbon management systems for monitoring, controlling and reducing emissions, installing onsite solar rooftops, improving energy efficiency of buildings and supporting local clean energy producers by establishing direct connections and collaborations with renewable energy producers. When Thailand legislation allows direct purchase of power, CPN's near-term strategy is to purchase International Renewable Energy Certificates to support the consumption of renewable energy.</p> <ul style="list-style-type: none"> <li>SPT 2: Provision of a cumulative 7% of total commercial space to target groups by 2030 from 2023 assumption baseline.</li> </ul> <p>Aligning with CPN's mission on "Center of Life", CPN has already been providing free space to target groups but from 2023 the actual data will be monitored and published. CPN's strategies entail developing open community spaces and collaborating with local government authorities to optimize community benefit. Target set out under SPT2 aligns with CPN's vision and sustainability materiality assessment.</p>
2b	Target Setting – Meaningful	SPTs should represent a material improvement in the respective KPIs and be beyond a "Business as Usual" trajectory; where possible be	<p>Review of:</p> <ul style="list-style-type: none"> <li>CPN Sustainability-Linked Finance Framework, November 2023</li> </ul>	<p>DNV confirms that the chosen SPTs represent a material improvement of the KPIs, being substantial improvements over the baseline condition and through the SFIs term:</p>

		<p>compared to a benchmark or an external reference and be determined on a predefined timeline, set before (or concurrently with) the issuance of the Bond/Loan.</p>	<ul style="list-style-type: none"> <li>SBTi Target Dashboard (<a href="#">Companies taking action - Science Based Targets</a>)</li> </ul> <p>Correspondence with CPN representatives through meetings.</p>	<ul style="list-style-type: none"> <li>SPT 1: By 2034, reduction of Carbon Intensity under Scope 1 &amp; 2 by 56% from 2019 baseline</li> </ul> <p>CPN has set a baseline year (2019) for benchmarking its Carbon Intensity reduction measured out to 2034. Performances in year 2020, 2021, and 2022 are excluded due to the impact of Covid-19 pandemic. The 2019 Baseline is used for a path to Net-Zero emissions by 2050, 15 years ahead of Thailand's net-zero target in 2065.</p> <p>DNV notices that 2020, 2021, and 2022 annual report provides the information on Electricity Usage Intensity (kWh/m2) as well as Carbon Intensity (kgCO2e/m2) and also Scope 1 &amp; 2 &amp; 3 GHG Emissions (tCO2e) which is useful for the public audiences.</p> <ul style="list-style-type: none"> <li>SPT 2: Provision of a cumulative 7% of total commercial space to target groups by 2030 from 2023 assumption baseline.</li> </ul> <p>A 2023 estimate is that 1% of total commercial space has been given to the target groups for the past few years. By expanding from 1% in 2023 to 7% in 2030 considering the growth of CPN commercial area is considered beyond BAU.</p>
2c	Target Setting – Benchmarks	<p>The target setting exercise should be based on a combination of benchmarking approaches:</p> <ol style="list-style-type: none"> <li>The Borrower/Issuer's own performance over time for which a minimum of 3 years, where feasible, of measurement track record on the selected KPI(s) is recommended and when possible forward-looking guidance on the KPI</li> <li>The SPTs relative positioning versus the Borrower's peers where comparable or available, or versus industry or sector standards</li> <li>Systematic reference to science-</li> </ol>	<p>Review of:</p> <ul style="list-style-type: none"> <li>CPN Sustainability-Linked Finance Framework, November 2023</li> <li>SBTi Target Dashboard (<a href="#">Companies taking action - Science Based Targets</a>)</li> </ul> <p>Correspondence with CPN representatives through meetings.</p>	<p>Based on discussions and review of documents, DNV confirms that the SPT target setting exercise has been based on an appropriate combination of methodologies including benchmarking approaches:</p> <p>DNV confirms that the SFIs Terms provide KPI descriptions and SPT performance as relevant to meet a minimum of 3 years forward-looking guidance combined with historical own performance where available. CPN has provided an annual outlook from 2019 to 2034 for SPT1, and from 2023 to 2030 for SPT 2.</p> <p>As of November 2023, there are only 2 real estate companies in Thailand who have submitted their 1.5°C pathway commitment to Science Based Targets initiative (SBTi). The near-term targets from CPN and its peer companies are subject to verification. From the conversation with CPN, DNV can confirm that CPN plans to submit the plan to SBTi by 2024. DNV encourages CPN to encompass Scope 3 emissions in the</p>

		based scenarios, or absolute levels (e.g., carbon budgets) or official country / regional / international targets or to recognised Best-Available-Technologies or other proxies		<p>near-term targets if Scope 3 is 40% or more of overall emissions.</p> <p>In DNV's view, 4.6% Scope 1 &amp; 2 Carbon Intensity annual reduction is ambitious for the context of Thailand where there are still challenges around Power Purchase Agreements (PPAs). DNV recommends CPN to familiarize themselves with SBTi Buildings Guidance and Tool which are under pilot testing to be ready for verification by SBTi when PPAs are feasible under Thai law.</p> <ol style="list-style-type: none"> <li>1. DNV concludes that the SPT 1 is ambitious, goes beyond Thailand NDC. DNV notes that 1.5°C pathway commitment is subject to validation by SBTi.</li> <li>2. DNV concludes that the SPT 2 show an ambitious commitment and is unique in CPN's nature of operation. DNV notes that this SPT cannot be compared with its peers or own historical data but will be captured and published by CPN from 2023 onward.</li> </ol>
2d	Target setting – Disclosures	<p>Disclosures on target setting should make clear reference to:</p> <ol style="list-style-type: none"> <li>1. the timelines for the target achievement, including the target observation date(s)/ period(s), the trigger event(s) and the frequency of review of the SPTs</li> <li>2. Where relevant, the verified baseline or reference point selected for improvement of KPIs as well as the rationale for that baseline or reference point to be used</li> <li>3. Where relevant, in what situations recalculations or pro-forma adjustments of baselines will take place</li> <li>4. Where possible and taking into account competition and confidentiality considerations, how</li> </ol>	<p>Review of:</p> <ul style="list-style-type: none"> <li>• CPN Sustainability-Linked Finance Framework, November 2023</li> </ul> <p>Correspondence with CPN representatives through meetings.</p>	<p>DNV confirms that the relevant disclosures on target setting are appropriately referenced:</p> <ol style="list-style-type: none"> <li>1. The timelines of SPT target achievement are clearly referred to, at an annual frequency leading up to 2034 for SPT 1, and up to 2030 for SPT 2, and annually until the maturity of the Loan or as to be agreed with the bond investors for SPT 1.</li> <li>2. The reference point for the SPT 1 is 2019. This is a reasonable consideration, as the performances in 2020, 2021 and 2021 are non-BAU due to Covid-19. DNV notes that SPT1 may be recalculated as required when the latest science suggests more accurate calculations or due to any significant changes in CPN's operations. Recalculations will be described and verified by an external reviewer.</li> <li>3. The reference point for the SPT 2 is 2023. This is a reasonable consideration providing that there is no historical performance to refer to. DNV notes that SPT2 may be recalculated to reflect any significant change including but not limited to mergers and acquisitions, spin-offs, and companies sale. Recalculations</li> </ol>

		the Borrower intends to reach such SPTs		<p>will be described and verified by an external reviewer.</p> <p>4. The SFIs Terms and background information provided, offer sufficient information on how SPTs will be achieved, references how progress to date has been achieved and the likely measures to be implemented to meet the KPI. Based on our interactions with CPN and review of the materials provided, the method by which each SPT is to be achieved is considered to be well explained and logical in context.</p> <p>After review of CPN's overall policy strategy and management approach, DNV concludes that the SPTs are realistic and possible to meet.</p>
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### 3. Financial Characteristics

Ref	Criteria	Requirements	Work Undertaken	DNV Findings
3a	Loan/Bond Characteristics – SPT Financial / structural impact	The SFI will need to include a financial and/or structural impact based on whether the KPI(s) reach the predefined SPT(s).	<p>Review of:</p> <ul style="list-style-type: none"> <li>CPN Sustainability-Linked Finance Framework, November 2023</li> </ul> <p>Correspondence with CPN representatives through meetings.</p>	<p>The Framework states that CPN will set out the financial implications in the event of its failure to achieve the SPT in the documentation for each issuance or borrowing.</p> <p>CPN will notify the holders of the instrument or the lenders whether the SPT is met or not within 150 days of the SPT Observation Date.</p> <p><b>From the Framework</b></p> <p><i>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).</i></p>

#### 4. Reporting

Ref	Criteria	Requirements	Work Undertaken	DNV Findings
4a	Reporting	<p>Borrowers of SFIs should publish, and keep readily available and easily accessible:</p> <ol style="list-style-type: none"> <li>1. Up-to-date information on the performance of the selected KPI(s), including baselines where relevant</li> <li>2. A verification assurance report relative to the SPT outlining the performance against the SPTs and the related impact, and timing of such impact, on the Loan's financial and/or structural characteristics</li> <li>3. Any information enabling investors to monitor the level of ambition of the SPTs</li> </ol> <p>This reporting should be published regularly, at least annually, and in any case for any date/period relevant for assessing the SPT performance leading to a potential adjustment of the SFI's financial and/or structural characteristics.</p>	<p>Review of:</p> <ul style="list-style-type: none"> <li>• CPN Sustainability-Linked Finance Framework, November 2023</li> </ul> <p>Correspondence with CPN representatives through meetings.</p>	<p>CPN will report on its KPIs and SPTs on an annual basis at a minimum, as well as relevant to any period critical for assessing the SPTs that may impact financial characteristics of the SFIs. The information will be made publicly available on CPN's Annual Sustainability Report, or any other official report, which will be accessible on CPN's website.</p> <p>Up-to-date information on KPIs including baselines where relevant, a verification assurance report, and any other relevant information for investors to track the progress of the KPIs will also be made publicly available.</p> <p>When feasible and possible, information may include description explaining the factors contributing to the performance, and restatement of the SPT and/or adjustments of the baselines or KPI scope.</p>

## 5. Verification

Ref	Criteria	Requirements	Work Undertaken	DNV Findings
5a	External Verification	Borrowers should have its performance against each SPT for each KPI independently verified by a qualified external reviewer with relevant expertise, at least once a year.	Review of: <ul style="list-style-type: none"> <li>CPN Sustainability-Linked Finance Framework, November 2023</li> </ul> Correspondence with CPN representatives through meetings.	CPN has provided assurances that it will obtain external verification on the KPIs and progress towards achieving the SPTs and disclose such findings to investors/lenders through a verification report provided by the independent auditor or environmental consultant on an annual basis and for all periods relevant to the assessment of the SPT performance that may impact financial characteristics of the SFIs. A verification will be conducted on the basis of limited assurance.



## Schedule 3. Sustainability-Linked Financing Instruments (SFIs) External Review Form

### Section 1. Basic Information

**Issuer name:** Central Pattana Public Company Limited ("CPN")

**Bond ISIN<sup>2</sup>:**

**Independent External Review provider's name for pre-issuance review:** DNV (Thailand) Co., Ltd.

**Completion date of this form:** 12 December 2023

### Section 2. Overview

#### SCOPE OF REVIEW

The review:

- ☒ assessed the 5 core components of the SLBP/SLLP/ASEAN SLBS (**complete review**) and confirmed the alignment with the SLBP.
- ☐ assessed only some of them (**partial review**) and confirmed the alignment with the SLBP/SLLP/ASEAN SLBS; please indicate which elements:
  - ☐ Selection of Key Performance Indicators (KPIs) ☐ Financial characteristics
  - ☐ Calibration of Sustainability Performance Targets (SPTs) ☐ Reporting
  - ☐ Verification

#### ROLE(S) OF INDEPENDENT REVIEW PROVIDER

- ☒ Second Party Opinion ☐ Certification
- ☐ Verification ☐ Scoring/Rating
- ☐ Other (*please specify*):

#### Does the review include a sustainability quality score<sup>3</sup>?

- ☐ Of the issuer ☐ Of the selected KPIs/SPTs
- ☐ Of the framework ☐ Other (please specify):
- ☒ No scoring

#### ISSUER'S OVERARCHING OBJECTIVES

##### Does the review include:

- ☒ An assessment of the issuer's overarching sustainability objectives and strategy, and the policies and/or processes towards their delivery?
- ☐ An identification and assessment of environmental, social and governance related risks of adverse impact through the Issuer's [actions] and explanations on how they are managed and mitigated by the issuer?

<sup>2</sup> The ISIN code is mandatory for publishing the form in the Sustainable Bond Issuers Database.

<sup>3</sup> The external review may indicate the provider's opinion of the overall sustainability quality of a bond or bond framework and assess whether it has a meaningful impact on advancing contribution to long-term sustainable development.

☒ A reference to the issuer's relevant regulations, standards, or frameworks for sustainability-related disclosure and reporting?

## CLIMATE TRANSITION STRATEGY<sup>4</sup>

### Does the review assess:

- ☒ The issuer's climate transition strategy & governance?
- ☒ The alignment of both the long-term and short/medium-term targets with the relevant regional, sector, or international climate scenario?
- ☒ The credibility of the issuer's climate transition strategy to reach its targets?
- ☐ The level/type of independent governance and oversight of the issuer's climate transition strategy (e.g. by independent members of the board, dedicated board sub-committees with relevant expertise, or via the submission of an issuer's climate transition strategy to shareholders' approval).
- ☒ If appropriate, the materiality of the planned transition trajectory in the context of the issuers overall business (including the relevant historical datapoints)?
- ☒ The alignment of the issuer's proposed strategy and targets with appropriate science-based targets and transition pathways<sup>5</sup> that are deemed necessary to limit climate change to targeted levels?
- ☒ The comprehensiveness of the issuer's disclosure to help investors assess its performance holistically?<sup>6</sup>

### Overall comment on this section:

DNV has reviewed CPN's Sustainability-Linked Finance Framework November 2023, Materiality Assessment of Sustainability Issues, CPN TCFD Building Climate Resilience, CPN 2021, 2021 and 2022 Annual Reports, as well as CPN Climate and Environment Policy.

Based on DNV's limited assurance engagement, DNV is not aware of any evidence to conclude that there are material misstatements.

## Section 3. Detailed pre-issuance review

*Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.*

## SELECTION OF KEY PERFORMANCE INDICATORS (KPIs)<sup>7</sup>

### Definition, Scope, and parameters

- ☒ Clear definition of each selected KPIs
- ☒ Clear calculation methodology
- ☐ Other (please specify):

### Relevance, robustness, and reliability of the selected KPIs

- ☒ Credentials that the selected KPIs are relevant, core and material to the issuer's sustainability and business strategy
- ☒ Evidence that the KPIs are externally verifiable, if that is not already the case

<sup>4</sup> For issuers seeking to utilise green bonds, sustainability bonds or sustainability-linked bonds towards the achievement of their climate transition strategy, guidance on issuer level disclosures and climate transition strategies may be sought from the [Climate Transition Finance Handbook](#).

<sup>5</sup> GHG emissions reduction targets that are in line with the scale of reductions required to keep the average global temperature increase to ideally 1.5°C, or at the very least to well below 2°C above pre-industrial temperatures. Science Based Targets Initiative (SBTi) is a branded verification body for science-based targets and SBTi verification is one way for issuers to validate the alignment of their emission reduction trajectories with science-based reference trajectories. In addition, ICMA has published a [Methodologies Registry](#) which includes a list of tools to specifically help issuers, investors, or financial intermediaries validate their emission reduction trajectories.

<sup>6</sup> Including information such as the respective contribution (e.g. %) of the different measures to the overall reduction, the total expenses associated with the plan, or the issuer's climate policy engagement.

<sup>7</sup> Reviewers are encouraged to provide the information for each KPI.

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Credentials that the KPIs are measurable or quantifiable on a consistent methodological basis | <input checked="" type="checkbox"/> Evidence that the KPIs can be benchmarked |
| <input checked="" type="checkbox"/> Current verification or assurance status  | <input type="checkbox"/> Other ( <i>please specify</i> ):                     |

**Overall comment on this section:**

DNV has reviewed CPN's proposed KPIs for the prospective SFIs including:

- KPI 1: Reduction of Carbon Intensity (Scope 1 and Scope 2 Emissions);
- KPI 2: Provision of Free Space

DNV concludes that the KPIs proposed by CPN are material, measurable and clearly defined.

**CALIBRATION OF SUSTAINABILITY PERFORMANCE TARGETS (SPTs)<sup>8</sup>****Rationale and level of ambition**

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Evidence that the SPTs represent a material improvement compared to issuer's own performance over baseline | <input checked="" type="checkbox"/> Credentials on the relevance and reliability of selected benchmarks and baselines |
| <input checked="" type="checkbox"/> Evidence that SPTs are consistent with the issuer's sustainability and business strategy                   | <input type="checkbox"/> Other ( <i>please specify</i> ):   |

**Does the review assess if the specificities of the sector and/or local context have been identified and addressed?**

- |   |                             |
|---|-----------------------------|
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| <input type="checkbox"/> Not applicable |                             |

**Relevance and reliability of selected benchmarks and baselines**

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Issuer's past performance   | <input type="checkbox"/> Issuer's peer performance                                |
| <input checked="" type="checkbox"/> Science-based trajectories ( <i>please specify the references</i> ): SBTi | <input checked="" type="checkbox"/> Other ( <i>please specify</i> ): Thailand NDC |

**Does the review assess the credibility of the issuer's strategy and action plan to achieve the SPTs?**

- |   |                             |
|---|-----------------------------|
| <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
|---|-----------------------------|

**Does the review identify the key factors that may affect the achievement of the SPTs?**

- |                              |  |
|------------------------------|--|
| <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
|------------------------------|--|

**Does the review opine on:**

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> the timelines for the target achievement            | <input type="checkbox"/> the target observation date(s)   |
| <input checked="" type="checkbox"/> the trigger event(s)                                | <input type="checkbox"/> Other ( <i>please specify</i> ): |
| <input checked="" type="checkbox"/> potential recalculations or adjustments description |   |

**Overall comment on this section:**

DNV has reviewed CPN's proposed SPTs for the prospective SFIs.

SPT 1: By 2034, reduction of Carbon Intensity under Scope 1 & 2 by 56% from 2019 baseline;

SPT 2: Provision of a cumulative 7% of total commercial space to target groups by 2030 from 2023 baseline.

DNV notes that CPN has submit near-term science based targets to SBTi, subject to validation.

<sup>8</sup> Reviewers are encouraged to provide the information for each SPT.

## FINANCIAL CHARACTERISTICS

**Does the review assess whether the SFIs's financial and/or structural characteristics are commensurate and meaningful?**

☒ Yes ☐ No

**Does the review opine on the fallback mechanisms in case the SPTs cannot be calculated or observed in a satisfactory manner?**

☒ Yes ☐ No

### Overall comment on this section:

The Framework states that CPN will set out the financial implications in the event of its failure to achieve the SPT in the documentation for each issuance or borrowing. In the event of non-achievement of the SPTs, the coupon rate may increase.

## REPORTING

**Does the review assess the commitments of the issuer to report:**

### Content:

☒ The performance of the selected KPIs ☒ Verification  
☒ The level of ambition of the SPTs ☒ Assurance report  
☐ Other (*please specify*):

### Frequency:

☒ Annual ☐ Semi-annual  
☐ Other (*please specify*):

### Means of Disclosure

☒ Information published in financial report, or annual report and accounts ☒ Information published in sustainability report or sustainability suite of reporting  
☒ Information published in ad hoc documents ☐ Other (*please specify*):

### Overall comment on this section:

CPN will report on its KPIs and SPTs on an annual basis at a minimum, which will be published and made publicly available on CPN's website on an annual basis at a minimum.

## Section 4. Post-issuance

### CHANGE TO PERIMETER REVIEW<sup>9</sup> (*if applicable*)

#### Material change:

☒ Perimeter<sup>10</sup> ☒ KPI methodology  
☒ SPTs calibration ☐ Other<sup>11</sup> (*please specify*):

<sup>9</sup> Post issuance, in case of any material change to perimeter/KPI methodology/SPT(s) calibration, issuers are encouraged to ask external reviewers to assess any of these changes.

<sup>10</sup> E.g. a material change to baselines for which SPTs are measured against for example business acquisitions/disposals.

<sup>11</sup> Can cover other potential cases such as amendment to any applicable laws, regulations, rules, guidelines and policies relating to the business of the issuer.

**VERIFICATION****Level of verification:**

- ☒ Limited assurance
 ☐ Reasonable assurance  
☐ Other (*please specify*):

**Frequency:**

- ☒ Annual
 ☐ Semi-annual  
☐ Other (*please specify*):

**Section 5. Additional Information**

**Useful links** (*e.g. to the external review provider's methodology or credentials, to the full review, to issuer's documentation, etc.*)

**Analysis of the contribution to the UN Sustainable Development Goals:**

CPN's SFIs contributes to UN SDG 11 and 13.

**Additional assessment in relation with the issuer/bond framework:**

- Assessment of significant sustainability issues
- CPN TCFD Building Climate Resilience
- CPN 2020, 2021, and 2022 Annual Reports
- CPN Climate and Environment Policy

## ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE GLP

1. **Second Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Loan Framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Green Loan Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
2. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Loan proceeds, statement of environmental impact or alignment of reporting with the GLP, may also be termed verification.
3. **Certification:** An issuer can have its Green Bond or associated Green Loan Framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
4. **Green Loan Scoring/Rating:** An issuer can have its Green Loan, associated Green Loan Framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.



WHEN TRUST MATTERS

### About DNV

Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight. With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 16,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

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