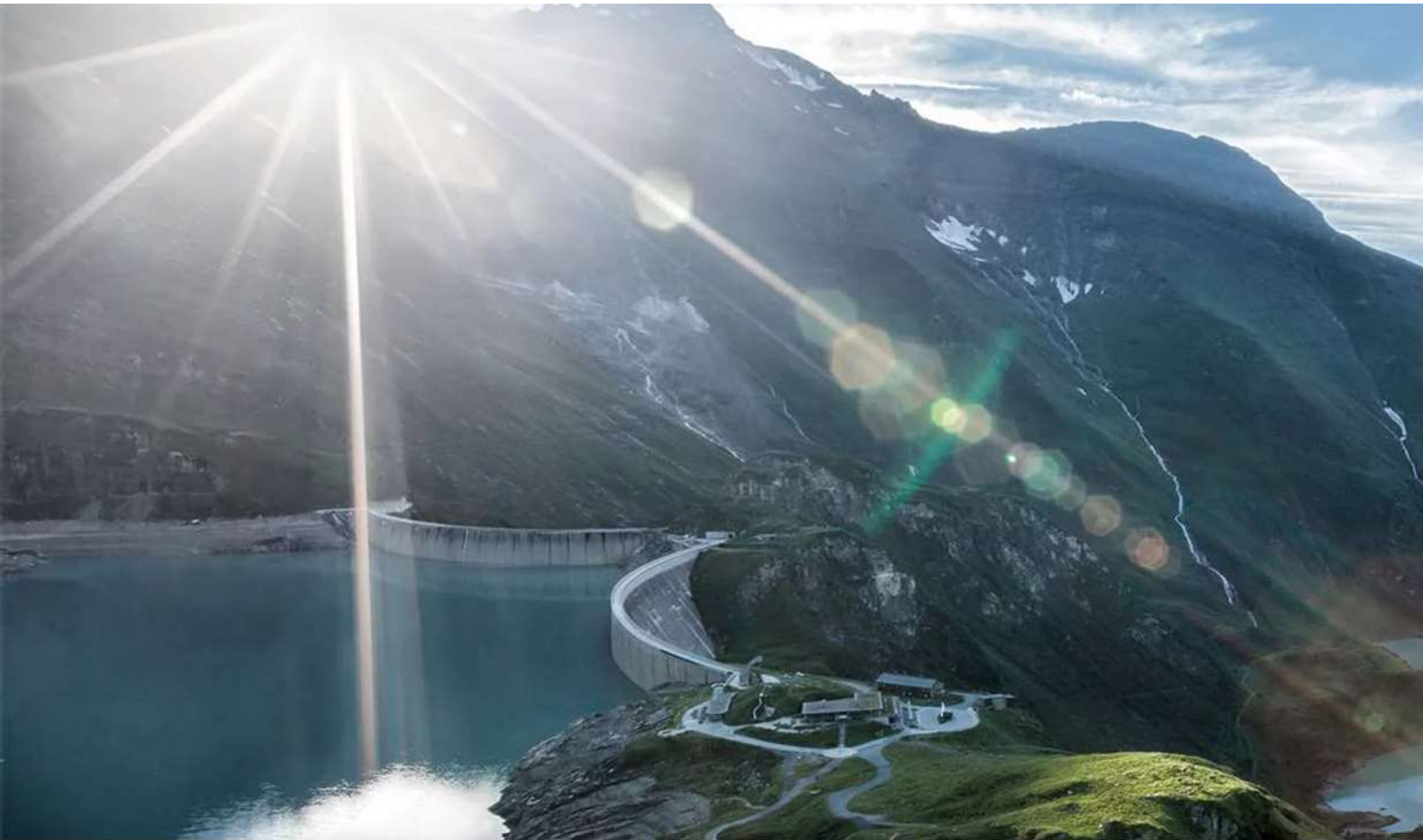


TNB Power Generation Sdn Bhd (TPGSB) Sustainability Sukuk Wakalah

2023 Annual Sustainability Reporting



GENCO'S RM10 BILLION SUKUK WAKALAH PROGRAMME

On 5 April 2022, the Company established a RM10.0 billion Islamic Medium-Term Note Sukuk Wakalah.

The Sukuk Wakalah Programme have been validated by a reputable rating agency and received multiple awards from various agencies of which portrays clear sign of TNB Power Generation Sdn. Bhd. (TPGSB) credibility as issuer.

SUSTAINABILITY SUKUK WAKALAH

On **2 June 2022** and **29 March 2023**, the Company have issued **RM1.5 billion** and **RM2.0 billion Sustainability Sukuk Wakalah** from the RM10.0 billion from the Sukuk Wakalah Programme.

As of 2023, the Sustainability Sukuk proceeds is being allocated solely to the **Project Nengiri** as the **eligible project** identified in the **Sustainability Sukuk Framework**.

REPORTING FRAMEWORK

TPGSB is committed in managing its corporate sustainability and relevant reporting commitments relating to Project Nenggiri as required under the Sustainability Guidelines. To enable investors to follow the development progress and monitoring of the environmental compliance/social impact, TPGSB will publish a Sustainability Sukuk Report which will be publicly available within one year from the issuance of the first tranche of the Sustainability Sukuk and updated annually for so long as all the Sustainability Sukuk remains outstanding.


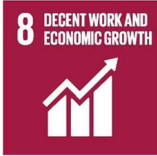

The reporting is split into two parts:

01 ALLOCATION REPORTING

- The amount of proceeds allocated to Project Nenggiri, including a broad description of utilization; and
- The remaining balance, if any, of unallocated proceeds at the end of the reporting period and where it is placed/ invested pending utilization.

02 IMPACT REPORTING

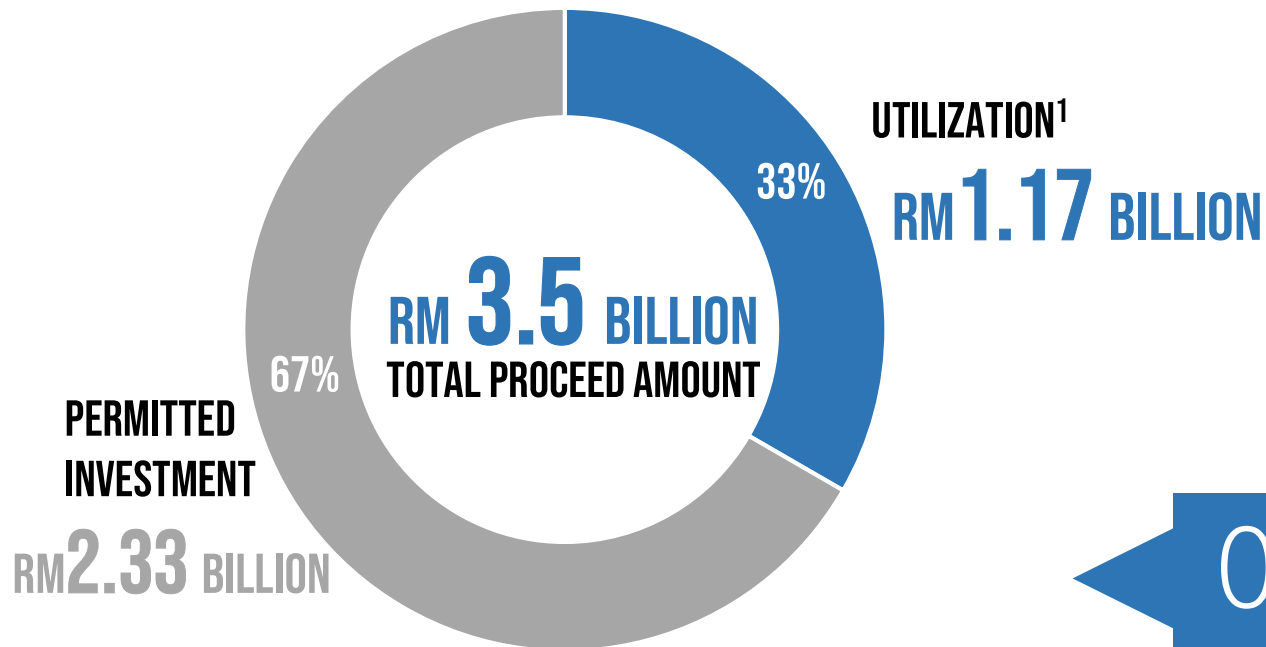
TPGSB will report on the relevant areas of environment and social impact of Project Nenggiri

| UN SDG GOALS | ELIGIBLE CATEGORY | IMPACT INDICATORS/ KEY PERFORMANCE INDICATORS |
|--|---------------------------|--|
|  <p>7 AFFORDABLE AND CLEAN ENERGY</p> | Renewable Energy | <ul style="list-style-type: none"> • Renewable energy capacity installed (in MW) • Annual renewable energy generation (in TWh) |
|  <p>8 DECENT WORK AND ECONOMIC GROWTH</p> | Economic Growth | <ul style="list-style-type: none"> • Percentage of contract value awarded to local contractors |
|  <p>13 CLIMATE ACTION</p> | Climate Change Adaptation | <ul style="list-style-type: none"> • Annual CO2 emission reduction/ avoidance (in tonnes of CO2) |

ALLOCATION REPORTING



SUSTAINABILITY SUKUK WAKALAH



01

As of **31st May 2023**, the utilization of the Sustainability Sukuk Wakalah proceeds amounts to **RM1.17 billion** of the total **RM3.5 billion**.

The main utilization of the RM1.17 billion is in relation to the settlement of Project Nenggiri's engineering, procurement and construction contract milestones, engineering consultancy services, land compensation, administrative costs and profit repayment during construction

03

The unutilized proceeds is being invested with TNB and TNB invested the proceed on behalf of TPGSB into amongst others, Shariah-compliant marketable instruments/ fixed deposits in accordance with TNB's liquidity/investment policy.

02

1. As of 31st May 2023

DEVELOPMENT OF NENGGIRI HYDRO POWER PLANT PROJECT (COD IN 2027)

RENEWABLE ENERGY

INCREASE BY NEW NENGGIRI
HYDRO STARTING Q2 2027

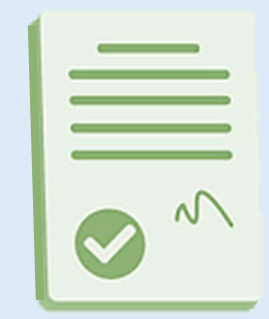


CAPACITY
300 MW

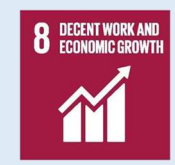
GENERATION¹
0.6 TWH/YEAR



EMISSION AVOIDANCE²
0.4 million tCO₂e/year



21%
CONTRACT AWARDED TO LOCAL
CONTRACTORS IN NEW NENGGIRI
HYDRO PROJECT³



LOCAL ECONOMIC GROWTH

1. Based on average forecasted Capacity Factor
2. Emission avoidance calculated based on CO₂ emission emitted by Ultra Super Critical Coal Plant at similar generation output
3. As of 31st May 2023



END OF REPORT

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