

Yinson Holdings Berhad

Sustainability-Linked Financing Framework



21st September 2021

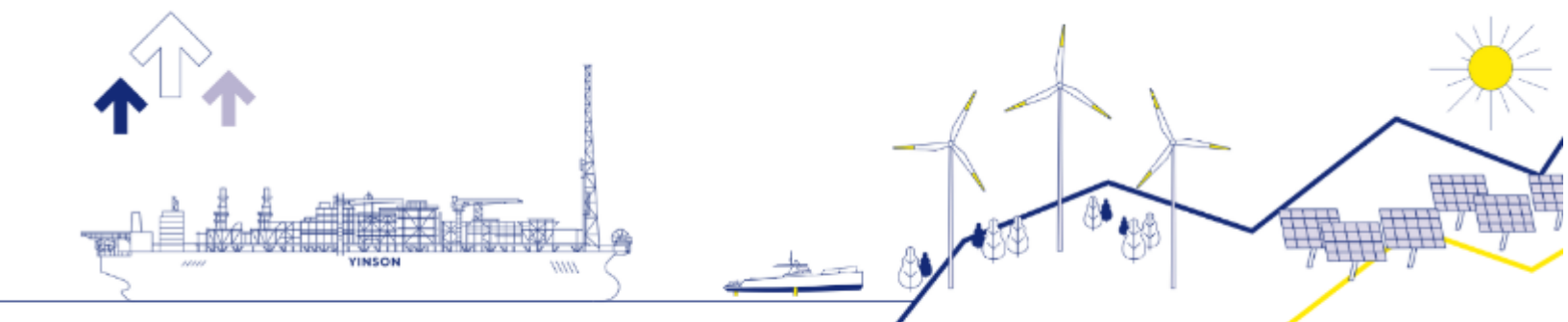




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1. Introduction¹

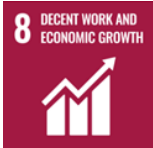
1.1 Business Overview

Yinson Holdings Berhad (“Yinson” or “the Group”) is an energy infrastructure and technology company that has business interests in offshore production, renewables, green technologies, as well as offshore marine. We are one of the largest independent Floating, Production, Storage and Offloading (“FPSO”) companies in the global FPSO market. The Group has also made bold strides towards operating in a low-carbon, climate-resilient future through the establishment of our Renewables and Green Technologies Division in 2019 and 2020 respectively. We target to become one of the leading clean energy independent power producers (“IPPs”) globally, while at the same time accelerating the net-zero transition through investments in green technology-based solutions.

1.2 Yinson’s Sustainability Strategy

1.2.1 Alignment to the United Nations Sustainable Development Goals (“UN SDGs”)

The current business landscape is becoming increasingly tied with wider social and environmental factors. The various issues that the world has at hand can only be solved if we all worked together. Such principles formed the common thread that is the 17 UN SDGs, the blueprint that calls for an end to poverty; and protection of the planet to ensure that by 2030 all people enjoy peace and prosperity. As a responsible corporate citizen that looks beyond internal business interests to the wider society and environment, Yinson has strategically aligned with the following 7 UN SDGs:

			
Our indicators - Number of schools with access to electricity - Number of schools with access to the internet - Number of scholarships given - Number of teachers sponsored - Number of students impacted at schools	Our indicators - Diversity profile of Yinson Board of Directors - Diversity profile of Yinson senior management - Diversity profile of Yinson staff	Our indicators - Number of schools with access to electricity - Total amount of carbon emissions avoided	Our indicators - Group-wide attrition rates - Annual new hires - Completion rate of employees undergoing training related to Human & Labour Rights - Number of students positively impacted - Continued excellence in our operational health & safety-related indicators

¹ Sources: Yinson’s Corporate Website and Annual Report

		
Our indicators - Intensity of carbon emissions per barrels of oil produced ('000 CO₂e/boe) - Intensity of carbon emissions per energy produced ('000 CO₂e/MWh) - Intensity of carbon emissions per revenue ('000 CO₂e/revenue)	Our indicators - Take action to reduce net greenhouse gas emissions by 2030 - Align operations to be net-zero by 2050	Our indicators Maintain parts per million (PPM) levels from produced water and slop overboard average levels of <15 PPM

The selection of these SDGs along with the respective indicators is based on areas in which we have most impact. We have further outlined Yinson's internal indicators for each SDG to direct efforts toward achieving the UN SDGs. We believe that only with clear indicators can specific actions be made, leading to initiatives across the Group that are impactful and measurable. Please refer to our latest Annual Report (www.yinson.com) for more information on how we are operationalising sustainability throughout the Group.

1.3 Energy Transition Strategy

1.3.1 Yinson's Climate Goals

One of the critical sustainability challenges the globe will be facing for the coming years is climate change. The issue is not industry-agnostic, and hence should be viewed seriously by all stakeholders. Against such a backdrop, Yinson has leaned into our core value of being 'Sustainable' and established our Climate Goals ("the Goals") to be carbon neutral by 2030 and net zero by 2050.

Carbon Neutral by 2030 - Measure and verify our GHG emissions - Deploy emission reduction measures where reasonably practicable - Utilise high-quality offsets to balance residual GHG emissions by 2030	Net Zero by 2050 - Focus investments into nature-based and technology-based carbon removal projects - Actively invest in zero or low-carbon technologies - Commit business operations in alignment with the Paris Agreement
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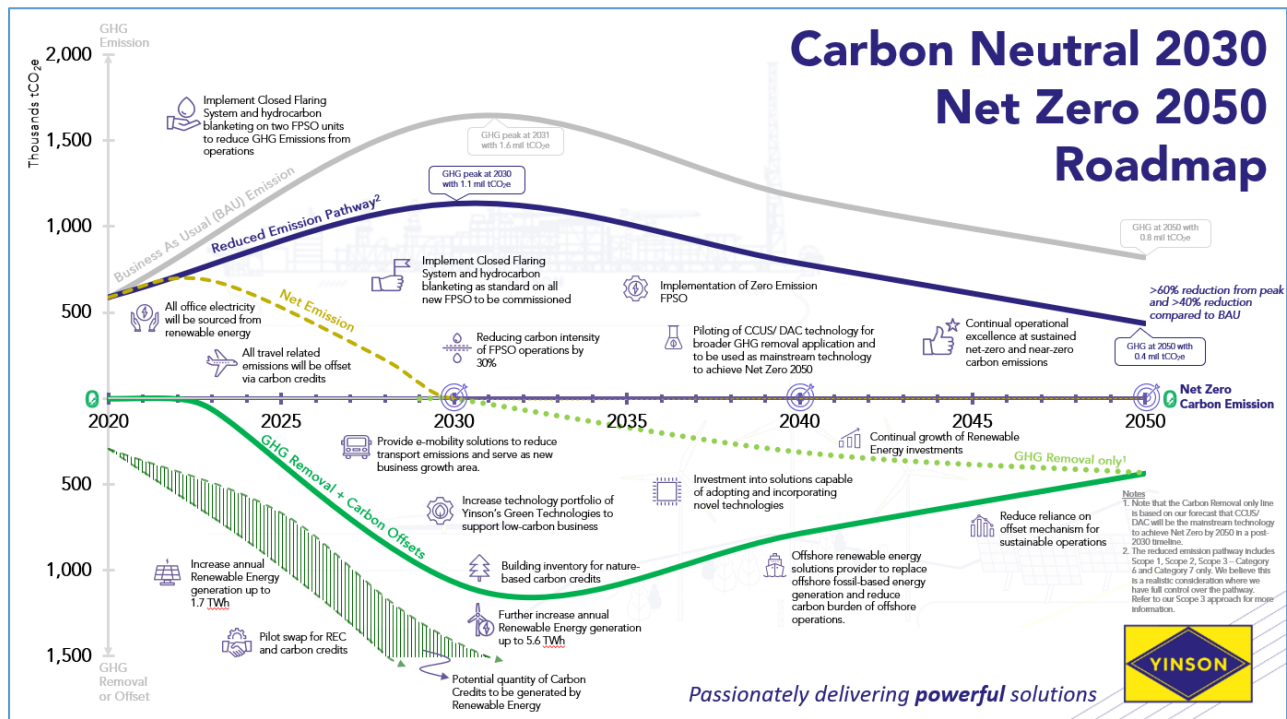


In addition to the above, we have established the following quantitative carbon emission reduction targets in FYE 2021:

CARBON EMISSION REDUCTION TARGETS		
Remove regular flaring on two-thirds of operating units by 2030	Reduce CO ₂ e/boe-intensity by 30% by 2030	Reduce CO ₂ e/MWh-intensity by 50% by 2030

1.3.2 Yinson's Net Zero Roadmap ("Roadmap")

We recognise that the right strategies have to be in place to achieve our climate objectives, thus corresponding considerations have become a focal point for the development of our business strategies. We have developed the Roadmap to chart the pathways to achieve our identified Goals. The Roadmap is illustrated below:



The Roadmap covers these **four** lines:

- The **grey** line indicates our forecast of absolute GHG emissions for normal operations if the Company were to adopt a business as usual ("BAU") approach without considering any emission mitigation or reduction measures in our operations.
- The **blue** line shows our forecast of absolute GHG emissions for normal operations profile whereby we intend to implement emission mitigative or reduction measures that are reasonably practicable to achieve Yinson's Climate Goals described above.



- The **green** line represents our forecast of the amount of GHG offsets or GHG removal activities that will be undertaken by Yinson. It is a measure of our additional effort to offset or remove the remaining GHG emissions from our business operations. Note that the green line is a reflection of the blue line, as we want to play our role in contributing to the solutions in addressing global climate concerns.
- The **gold** line (in the middle), represents our forecast net GHG emissions. It is calculated by adding both the green and blue lines.

The Roadmap is designed intentionally to be ambitious yet reflective of a realistic business operation case towards achieving our Climate Goals. It is envisioned to be the lynchpin of integrating sustainability into our business strategies beyond standard compliance under business-as-usual scenarios.

The Roadmap provides a forward-looking trajectory of Yinson's carbon profile up to 2050 based on reasonable assumptions of normal operations with the best knowledge upon the time of this publication. It highlights specific action plans that are integrated into our specified timeline horizon to achieve our Goals. These projections take into consideration various factors at a Group-wide basis, covering scientific research; business growth assumptions; international standards and frameworks; industry challenges; as well as technological limitations, among others. While the specific assumptions will evolve as updates to these multivariate factors are available, we commit to monitoring such changes and aligning our Roadmap to relevant changes.

We have determined FYE 2021 as our base year after we had optimized our internal environmental monitoring systems. Even as the world's economy slowed down because of the COVID-19 pandemic, our operations were not materially affected; hence we consider that the carbon emissions dataset of FYE 2021 is reflective of standard business scenarios. At point of publication, our Roadmap considers Scope 1: Direct Emissions, Scope 2: Indirect Emissions, and Scope 3: Other Indirect Emissions – Category 6: Business Travels, and Category 7: Employee Commuting.

Based on indicators and scenarios from international sources (such as International Energy Agency), we realise that there is high likelihood that the world's oil production will peak between 2025 and 2030. This is mainly premised on the world still having demand for fossil-based energy in the existing transitional period and our understanding of the estimated market CAGR of 14% for the FPSO segment during 2020-2027. We have plotted our emission profile based on this timeline, creating key milestones for 2030, 2040, and 2050.

We are expecting increasing GHG emissions up to year 2030 due to our undertaking of projects with operational commencement before 2030. We will mitigate the impact using technological solutions such as removing regular flaring and implement hydrocarbon blanketing on our FPSO assets. We expect such actions will lower the absolute emission by roughly 30% compared to the business as usual case. In parallel, we will start our acquisition of high-quality carbon offsets and/or implement GHG removal projects to lower our net emission profile starting year 2023.

Post-2030, we expect the technology for low-emission offshore production to have become more accessible and feasible. Any addition of new FPSO units thereafter will be either low emission or zero-emission FPSO units. To achieve this after 2030, we have been looking into our Zero Emission FPSO concept. In addition to the removal of regular flaring, the concept will embed efficient technologies that



displace the need to run rotating equipment that relies on fuel gas. This means the Zero Emission FPSOs will mostly be powered by electricity, and we can focus on lowering emissions from electricity generation. Further, we are exploring cogeneration technology for power generation as well as opportunities to deploy carbon capture and storage (CCUS) technology on our FPSO. Alternatively, we are also getting our FPSO units ready to receive renewable energy onboard when the technology is ready and find alternative use of excess gas to improve efficiency of our operations. With these measures, we aim to lower our FPSO emission intensity per barrel of oil equivalent by 30% by 2030 and by another 30% by 2050. We are committed to Zero Emission FPSOs in a way that we will limit the uptake of FPSO projects post-2030 which require regular flaring and do not offer opportunities for development of Zero Emission FPSOs. The rationale behind this commitment is based on our climate-related risk assessment (in alignment with Task Force on Climate-related Financial Disclosures (TCFD) framework), the risk associated with operations of GHG emission assets is high from the perspective of market demand, policy transition, reputation and associated carbon related liabilities.

We will also strive to reduce our reliance on carbon offsets post-2030, where we will focus more on GHG removal measures such as Nature-based or Technological-based solutions. By year 2050, we would have reduced GHG emissions by more than 60% compared to our peak and more than 40% compared to the BAU case. Any residual GHG emissions will be removed via technologies such as Carbon Capture and Storage or Direct Air Capture. Currently, Scope 1 is the main contributor (>90%) to our carbon emissions profile. We have identified various initiatives for absolute reduction in our Scope 1 emissions, covering implementing closed flaring systems (also known as flare gas recovery system) and hydrocarbon blanketing schemes on our existing and new FPSOs in the near term. As described, we also aim to implement Zero Emission FPSOs in the future (post-2030) which will feature electrification of operations and implementation of cogeneration technologies along with carbon capture, utilisation and storage (“CCUS”) technologies as and when commercially feasible.

Our Scope 2 emissions stem from purchased electricity from the grid to power our offices. We intend to adopt RE100 criteria to address our this, whereby renewable energy will be sourced for all offices. Nonetheless, we note that there might be limitations towards subscribing to renewable energy sources in some areas that we operate. In such cases, we will opt for using verified carbon units generated from our renewable energy projects to offset such Scope 2 emissions. Electricity is also generated and consumed during offshore FPSO operations. Emissions from such electricity generation on our FPSO is included in Scope 1 emissions.

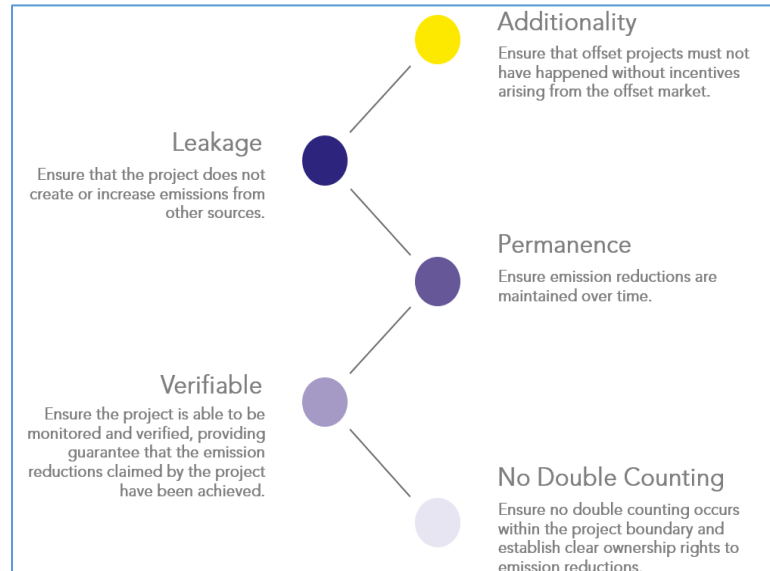
With regards to Scope 3, it is important to note that we do not have direct control over the operations or activities of our suppliers; nor do we yield economic benefit from our value chain’s upstream or downstream activities. Most of Yinson's revenues are derived from the provision of equipment to O&G field owners (or licensees) for the extraction of hydrocarbons from the oil reservoirs that they own (or have the extraction rights over).

For our FPSO segment, our role is mainly to supply infrastructure (including operations and maintenance) to the field owner for production of oil and gas. We do not own the product (oil and gas) that is produced nor the subsea wells. Our FPSO supply scope typically starts from the first connection point on our FPSOs’ full-well-stream (“FWS”) receiving module and ends at the FPSO’s export/offloading metering module. Hence, we do not intend to account for GHG emissions for product end-use (Scope 3, Category 11: Use of Sold Products) in our Scope 3 inventory.



Nonetheless, we recognise that management of Scope 3 emissions is important for us to arrive at net zero on a global scale. Therefore, we have taken a shared responsibility approach towards tackling Scope 3 emissions, whereby we will be engaging with every organisation within our value chain to advocate and deliver the commitment of our Climate Goals. In the coming years, we will sufficiently account for relevant Scope 3 emissions to identify key categories that have most significant contribution to our emissions profile. We will undertake appropriate emission reduction levers together with our supply chain where possible.

In our Roadmap, we have taken into consideration the role that carbon offsets will need to play in achieving Carbon Neutral by 2030. We will need to use offsets as an interim measure as we are limited by current technologies, whereby the cost of carbon emissions reduction initiatives is beyond reasonably practicable. Considerations of offsets will be given to both internal and external carbon credit sources; covering natural and technological solutions. This may cover those credits generated from Yinson-owned renewable energy plants, as well as those acquired from external parties. Nonetheless, we reiterate that we will strive to reduce our emissions where possible as our initial steps, to the point where further reduction will not be justifiable regarding balancing financial costs with environmental benefits. We envisage that we will reduce our reliance on carbon offsets after 2030 as removal-based solutions become more widely available and cost-efficient.



More detailed information of our Roadmap will be made available through our public domain (www.yinson.com).

1.3.3 Governance and risk management

The main governance and monitoring body at Yinson is the Sustainability Committee, which was established by Yinson Board of Directors on 29 June 2016. It reports directly to the Board and oversees the implementation of the sustainability strategies of the Group.

The main functions of the Sustainability Committee are:

- oversee the administration of the Sustainability Policy and the sustainability strategies and integration of such strategies with the business strategies of the Group;
- endorse sustainability including climate-related strategies and initiatives, and monitor the execution of such strategies and initiatives across the Group;
- guide the overall implementation of the Sustainability Policy and the execution of approved sustainability and climate-related strategies;



- prioritise and approve projects related to the execution of the Group's approved sustainability and climate-related strategies, which are in line with the Group's business strategies;
- report to the Board on quarterly basis on the implementation progress of the approved sustainability strategies throughout the Group.

In Yinson, teams are given mandates to identify, develop and execute ESG initiatives that contribute towards our overall sustainability goals and commitments. The initiatives are included into each team's action plans, with progress measured against targets set. The Sustainability Committee, chaired by the Group CEO, meets every quarter (or more frequently if needed) to review the plans and progress, and ensure they're aligned with Group sustainability strategies. The Board maintains oversight of the overall progress of sustainability matters through reporting from the Board Risk Management Committee.

In FYE 2022, we will focus on strategically assessing methods to achieve our newly set Climate Goals. This is a Group-wide undertaking, with each business division taking ownership of their unique abilities to contribute towards the goal. In FYE 2021, in preparation for our increased focus on environmental performance, we implemented an ISO 14001-certified Environmental Management System ("EMS") for full environmental impact monitoring and control; thereby enhancing our baseline for reporting based on internationally-recognised practices and standards.

Yinson also has embarked on the adoption of the TCFD framework as guidance to govern and manage our climate-related issues. We have signed up as a TCFD supporter as of August 2021 where we state our commitment to work towards the implementation of the TCFD recommendations. We see climate change as a systemic risk and financial stability issue, which will ultimately drive pressure down to every asset owner. To manage such systemic risk requires additional layers of climate-related consideration in the business processes, strategies, and decision making as our business operations envelope involves key support from investors, lenders, insurers, and the government. The adoption of the TCFD framework allows us to look into climate-related risks and opportunities in a coherent manner. Risk is further differentiated between the risk associated with the transition to a low carbon economy (Transition Risk); and the risk associated with physical climate impact due to extreme weather events (Physical Risk). Under the transition risk, we have further analysed our operations under the following different climate-related drivers:

- **Policy and legal risk**, which define risks associated with changes in the regulatory landscape or exposure to litigation. For example, the roll out of carbon pricing policies or related mandates to phase out the use of certain products or technologies, like the Internal Combustion Engine. Another example is the Shell landmark litigation case regarding its global carbon emissions.
- **Technology risk**, in which a phase-out of existing services or products with lower emission occurs, or unsuccessful investments in new technologies happen.
- **Market risk**, which covers product demand is displacement due to changes in customer behavior. Supply and demand changes due to various factors in the transition to a low carbon economy may further increase the cost of raw materials.
- **Reputation risk**, which is an important consequential factor to consider either due to shifts of stakeholder perception or even stigmatization of certain operational sectors.

Adoption of the TCFD framework will enable us to improve awareness and understanding of climate-related risks and opportunities, resulting in better risk management and more informed strategic



planning; and able to proactively address investors' demand for climate-related information in a framework increasingly asked from investors.

2. Yinson's Sustainability-Linked Financing Framework

This Framework covers Sustainability-Linked Bonds, Sustainability Linked Loans and any other debt instruments whose financial characteristics are linked to sustainability performance targets: the Sustainability-Linked Securities ("SLSs").

Yinson believes the issuance of SLSs will support its efforts to achieve its climate transition strategy and reinforce its commitment towards a low emissions future. Such instruments represent the next step in aligning Yinson's business and financing with its commitments and values by creating a direct link between its climate and funding strategies.

This Sustainability-Linked Financing Framework ("Framework") will apply to any forthcoming SLS. The aim of this Framework is to provide transparency and disclosure of Yinson's SLSs to its investors and stakeholders, following the industry best market practices and subject to future market developments and expectations.

The Framework defines a set of guiding principles for bonds linked to the achievement of material, quantitative, pre-determined, ambitious, regularly monitored and externally verified sustainability objectives through Key Performance Indicators ("KPIs") and Sustainability Performance Targets ("SPTs"), with no specific dedicated use-of-proceeds.

Yinson has designed this Framework in compliance with the Sustainability-Linked Bond Principles 2020² ("SLBP") as published by the International Capital Market Association ("ICMA"), as well as the Sustainability-Linked Loan Principles 2020³ as published by the Asia Pacific Loan Market Association ("APLMA"), the Loan Market Association ("LMA") and the Loan Syndications and Trading Association ("LSTA") in order to be aligned with market best practices.

For all SLSs, Yinson asserts that it will adopt the following as set out in this Framework:

1. Selection of KPIs
2. Calibration of SPTs
3. Bond characteristics
4. Reporting
5. Verification

²International Capital Market Association SLB 2020: <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2020/Sustainability-Linked-Bond-PrinciplesJune-2020-100620.pdf>

³ <https://www.lsta.org/content/sustainability-linked-loan-principles-sllp/>



2.1 Selection of Key Performance Indicators (KPI)

Below is a summary of Yinson's Sustainability KPIs and SPTs identified which have been set in line with Yinson's Net Zero Roadmap:

KPIs	(Baseline) 2021	2025	2030	2050
1. Renewable energy generation of Yinson controlled plants (GWh)	300	1,700	5,600	22,400
2. Carbon intensity (kg CO ₂ e/boe)	16.3	16.2	11.4	8.0
3. Carbon intensity (kg CO ₂ e/MWh)	279.1	192.5	136.7	23

Under this Framework, Yinson has decided to focus on 3 KPIs, described below. These KPIs were chosen because they are core, relevant, and material to Yinson's business and measure the sustainability improvements of the company, and were therefore deemed the most suitable to match the requirement of the Sustainability-Linked Bond Principles/Sustainability-Linked Loan Principles.

Due to the nature of Yinson's offshore production business in the upstream of oil and gas sector, GHG emissions arising from unplanned activities or emergency events are not included in the KPIs and SPTs computation. The KPIs and SPTs only consider the planned and business as usual operations of Yinson based on the understanding of future projection at the time of this framework issuance.

KPI #1: Renewable energy generation of Yinson controlled plants (GWh)

KPI: Renewables energy generation of Yinson controlled plants (expressed in GWh) represents total amount of the Group's power generation from renewable energy sources (wind, solar and wave, and any other non-fossil fuel source of generation deriving from natural resources, excluding, from the avoidance of doubt, energy from nuclear fission) to produce electricity.

Short and long-term goals: Yinson is committed to reach 1,700 GWh and 5,600 GWh of renewable energy generation by the end of 2025 and 2030 respectively, from a renewable energy generation of 300 GWh in 2021.

KPIs	(Baseline) 2021	2025	2030	2050
Renewable energy generation of Yinson controlled plants (GWh)	300	1,700	5,600	22,400
Compounded Annual Growth Rate		54%	27%	7%

Strategy: In the short-term, Yinson will develop a significant presence in three markets by 2023 to deliver growth both organically and through acquisitions with a focus on growth in core markets. Beyond that, Yinson will establish operations in five to seven markets, with a combined renewable energy production portfolio of 1,700 GWh to 5,600 GWh. To finance its growth, Yinson will adopt efficient capital recycling strategies and build strong equity and refinancing partnerships.



From 2021 to 2025, the increase represents a CAGR of 54% per annum. Thereafter, from 2025 to 2030, and 2030 to 2050, the CAGR reduces to 27% per annum and 7% per annum respectively. Yinson recognizes that the share of renewables in global energy generation is set to increase. However, the aggressive growth rate of our renewables is envisioned to reduce in the longer term based on our conservative assumption of the outlook of renewable energy growth due to changes such as emergence of newer decarbonisation technologies, as well as shifting consumption patterns.

Calculation methodology:

The power generated from Yinson controlled renewable energy plants will be measured; with readings taken from energy meters.

KPI #2: Reduce carbon intensity CO₂e/boe

KPI: In addition to eliminating flaring from production as well as utilising other technical solutions for reduction of carbon emissions; we also aim to reduce carbon intensity from our operations through the development of zero-emission FPSOs. Yinson has developed a concept for a zero-emission FPSO which incorporates both future and existing technologies to support the Group's ambition of leading the way in the decarbonisation of the FPSO industry. Through the aforementioned concept Yinson is ready to provide the next generation of FPSOs to the market.

Short and long-term goals: Carbon intensity can be measured against barrels of oil produced from the vessels we operate. Our goal is to reduce CO₂e/boe-intensity by 30% by 2030

KPIs	(Baseline) 2021	2025	2030	2050
Carbon intensity (kg CO ₂ e/boe)	16.3	16.2	11.4	8.0

Strategy: We are expecting Group-wide carbon emissions to inch upwards in the near term as we expect further growth in our FPSO business segment. Nonetheless, we are cognisant of the effort and initiatives that are required for a measured reduction in carbon emissions. We will primarily rely on emission reduction projects such as implementing closed flaring systems (also known as flare gas recovery system) and hydrocarbon blanketing schemes on our existing and new FPSOs in the near term. We also aim to implement Zero Emission FPSOs in the future (post-2030) which will feature electrification of operations and implementation of cogeneration technologies along with carbon capture, utilisation and storage ("CCUS") technologies as and when commercially feasible. Until CCUS matures, we will only be able to reduce up to 30% of emissions based on our business-as-usual scenario; with the remainder carbon emissions being offset.

Calculation methodology:

Numerator

The numerator is derived based on all our FPSO operating units' emissions, covering Scope 1 and Scope 2 normal operating emission. The Scope 1 emission will consist of our emission from our combustion processes (such as power generation and normal flaring) and hydrocarbon venting (including fugitive). Scope 2 will cover indirect emission due to energy purchased and generated from sources outside our boundary. At this moment, our FPSO did not have any Scope 2 emission.



Denominator

The denominator is derived from the measurement of our oil and gas production on all our FPSO operating units. The common units for our denominator is “boe”, which means barrel of oil equivalents.

Calculation

We divide the Numerator with the Denominator to arrive at the intensity of CO₂e/boe for this KPI. Note that Yinson’s using equity share approach in the carbon allocation method and this factor will be applied to both numerator and denominator. This is not expected to impact our intensity figures.

KPI #3: Reduce carbon intensity CO₂e/MWh

KPI: We are confident that the renewable energy demand will continue to grow significantly. We aim to leverage on such demand to expand our footprint of renewable energy in the market across different countries. Such activities will enable us to grow our business while lowering our overall power generation intensity. As we grow, we anticipate that Renewables will be a large contributor to lowering our Group-wide energy generation emission intensity figures.

Short and long-term goals: Carbon intensity can be measured against energy generated from Yinson’s operations: Our goal is to reduce CO₂e/MWh-intensity by 50% by 2030.

KPIs	(Baseline) 2021	2025	2030	2050
Absolute carbon intensity (kg CO ₂ e/MWh)	279.1	192.5	136.7	23

Strategy: Refer to above for strategy on reducing carbon emissions and increasing renewables energy generation.

Calculation methodology:

Numerator:

The numerator is derived based on Yinson’s emission, covering Scope 1 and Scope 2 emission. The Scope 1 emission will consist of our all our emission from our normal combustion processes and hydrocarbon venting from all our organization’s activities. Scope 2 will cover indirect emission due to energy purchased and generated from sources outside our organization boundary, such as usage of grid electricity in our offices.

Denominator

The denominator is derived based on the measured electricity generation from all our operations. The electricity generated in our operations is the sum of electricity generated from our FPSO generators plus the electricity generated from our renewable energy generation (which is the measurement of KPI#1).

Calculation

We divide the Numerator with the Denominator to arrive at the intensity of CO₂e/MWh for this KPI. Note that Yinson’s using equity share approach in the carbon allocation method and this factor will be applied



to both numerator and denominator where applicable to reflect the actual operational intensity for Yinson as a whole.

2.2 Linkage of KPIs with UN SDGs



The highlighted KPIs in Section 2.1 tie directly to the achievement of SDG 7: Affordable and Clean Energy; and SDG 13: Climate Action, as highlighted in Section 2.1 Through these KPIs, we intend to achieve our internal indicators for the SDGs covering positively contributing to carbon emissions avoided; as well as to become net zero by 2050. Please see more information on each of our SDG indicators in Section 1.2.

2.3 Calibration of Sustainability Performance Targets

All Sustainability Performance Targets are aligned with the Group's strategy to be carbon neutral by 2030 and net zero by 2050.

Also, all applicable SPTs will be detailed in the relevant documentation of the specific transaction, as applicable (e.g. Final Terms of any Sustainability Linked Bond or Facility Agreement of any Sustainability-Linked Loan).

Factors that support and/or might put at risk the achievement of the SPTs will be disclosed in the documentation of the relevant sustainability-linked transactions, according to applicable regulation and market practice. For example, material Mergers and Acquisitions activities or drastic changes in the regulatory environment.

- SPT #1: Renewable energy generation of Yinson controlled plants (GWh)

- Sustainability Performance Target #1 Observation Dates:
 - January 31st 2025 – 1,700 GWh
 - January 31st 2030 – 5,600 GWh
 - January 31st 2050 – 22,400 GWh
- Baseline: 2021 (300 GWh)
- Alignment of the Sustainable Performance Target with Yinson's Strategic Plan: SPT #1 is aligned with the company's strategy to increase Yinson's Renewable Generation Capacity.



- SPT #2: Reduce Scope 1 CO₂e/boe-intensity by 30% by 2030

- Sustainability Performance Target #2 Observation Dates:
 - January 31st 2025 – 16.2
 - January 31st 2030 – 11.4
 - January 31st 2050 – 8.0
- Baseline: 2021 (16.3 kg CO₂e/boe). Refer to Appendix 1.
- Alignment of the Sustainable Performance Target with Yinson's Strategic Plan: SPT #2 is aligned with the company's strategy to be carbon neutral by 2030 and to reach net zero by 2050, steepening the carbon intensity reduction curve.

- SPT#3: Reduce Scope 1 CO₂e/MWh-intensity by 50% by 2030

- Sustainability Performance Target #3 Observation Dates:
 - January 31st 2025 – 192.5
 - January 31st 2030 – 136.7
 - January 31st 2050 – 23.0
- Baseline: 2021 (279.1 kg CO₂e/MWh)
- Alignment of the Sustainable Performance Target with Yinson's Strategic Plan: : SPT #3 is aligned with the company's strategy to be carbon neutral by 2030 and to reach net zero by 2050, steepening the carbon intensity reduction curve.

2.4 Bond characteristics

This section of the Framework applies to the Sustainability-Linked Bonds and/or any other Sustainability-Linked Instruments, as may be issued from time to time. The proceeds of any Sustainability-Linked Instruments will be used for general corporate purposes, unless otherwise stated and updated from time to time.

In the event that Yinson fails to satisfy the specified SPT(s) as of the relevant Sustainability Performance Target Observation Date, the implications to the Sustainability-Linked Instrument could include, but not limited to:

1. A coupon / profit rate step-up could be triggered, such adjustment could be pro-rated based on the degree of failure to satisfy SPT(s); or
2. Increased redemption fee



Characteristics of each Sustainability-Linked Instrument, such as the correlation between maturities and observation dates, quantum of margin adjustment and/or redemption fee adjustment, will be commensurate to reflect prevailing market conditions and investors' requirements.

The achievement by Yinson of the specified SPT(s) as of the relevant Sustainability Performance Target Observation Date might trigger a margin adjustment and/or redemption adjustment, in the form of a discount, applicable to interest periods following such reference date.

The financial/structural implications cannot be applied more than one time over the life of a given Sustainability-Linked transaction.

The exact mechanism and impacts of the achievement or failure to satisfy the specified SPT(s) will be detailed for each Sustainability-Linked Instruments' pre-issuance document(s). The pre-issuance document(s) will also detail the KPI definition, calculation methodologies, SPT(s) and trigger events, remedy mechanism(s) in the event SPT(s) cannot be calculated or observed in a satisfactory manner, and relevant terms and conditions taking into consideration potential exceptional or force majeure events.

Any future SLBs with the same KPI(s) and SPT Observation Date must utilize an SPT of equal or greater ambition. In addition, at the time of issuance of such an SLB, any outstanding SLBs would have their equivalent SPT adjusted to reflect the greater ambition for three key reasons:

1. To enable the increase of ambition over time and allow Yinson to adapt to new circumstances.
2. To avoid the coexistence of SLBs with different SPTs at the same dates for the same KPIs.
3. To facilitate reporting, avoiding the need to validate the KPI against multiple targets.

2.5 Reporting

Yinson's various SPTs will be reported by Yinson at least on an annual basis on its website and/or in its Annual Reports.

Yinson will make its best effort to report :

- i. Up-to-date information on the performance of the selected KPI, including the baseline where relevant;
- ii. Up-to-date information on the SPT outlining the performance against the SPT and the related impact, and timing of such impact, on a financial instrument performance;
- iii. Any relevant information enabling investors to monitor the progress of the SPT; and
- iv. A verification assurance report relative to the reporting including the above points.

Information may also include when reasonably feasible and available:

- i. Qualitative or quantitative explanation of the contribution of the main factors, including M&A activities, behind the evolution of the performance/KPI on an annual basis;
- ii. Illustration of the positive sustainability impacts of the performance improvement; and/or
- iii. Any re-assessments of KPIs and/or restatement of the SPT and/or pro-forma adjustments of baselines or KPI scope, if relevant.



2.6 Verification

In addition to the Annual Report, the score of each selected KPI against each SPT will be verified by an External Verifier. The External Verifier will provide a Limited Assurance.

“External Verifier” means any qualified provider of third party assurance or attestation services appointed by the Company, to review the indicators.

2.7 External Review

Yinson has engaged ISS-ESG to provide a Second Party Opinion (“SPO”) on its Sustainability-Linked Financing Framework, to confirm the alignment with the Sustainability-Linked Bond Principles (SLBP), and Sustainability-Linked Loan Principles (SLLP).

Additional KPIs/SPTs may be added over time and other SPTs, for the various KPIs mentioned above, may be added over time.

The SPO, together with the Framework will be made available on Yinson’s website (www.yinson.com).

Amendments to this Framework

Yinson will review this Framework from time to time, including its alignment to updated versions of the relevant principles as and when they are released, with the aim of adhering to best practices in the market. Yinson will also review this Framework in case of material changes in the perimeter, methodology, and in particular KPIs and/or the SPT's calibration.

Such review may result in this Framework being updated and amended. The updates, if not minor in nature, will be subject to the prior approval of ISS-ESG or any such other qualified provider of Second Party Opinion. Any future updated version of this Framework that may exist will either keep or improve the current levels of transparency and reporting disclosures, including the corresponding review by an External Verifier. The updated Framework, if any, will be published on Yinson’s website and will replace this Framework.



Appendix

Annex 1: Information on Yinson's Profile of Carbon Emissions

The boundaries for carbon emissions are as follows, and will be further enhanced as we progress in our sustainability journey. New indicators are added this year as we dive deeper towards transparently highlighting the various GHGs that we emit during operations. The following information are also reflected within our Annual Report 2021.

Scope 1 All our owned assets, covering FPSOs, OSVs and Renewables	Scope 2 Purchased electricity	Scope 3 Business air travel
Total carbon emissions (tonnes)	FYE 2020	FYE 2021
Scope 1 (tonnes, total)	265,416 ¹	576,616
Scope 2 ²	204	273
Scope 3 ³	5,422	1,137

¹ In FYE 2020, carbon emissions from FPSO JAK and FPSO Atoon were summed up to 346,167 tonnes. These figures are restated this year to incorporate the equity-share approach for a more accurate view of our carbon footprint. The changes in Scope 1 carbon emissions stem from an increase in scope for our assets, along with internal data assurance activities undertaken for the year.

² Scope 2 carbon emissions increased due to an increase in coverage to include new offices. Having said that, overall office energy usage was reduced in the year due to the pandemic.

³ Scope 3 emissions are reduced primarily because of pandemic-induced air travel restrictions.

CARBON EMISSIONS SCOPE 1: FPSOs

Item	FPSO Abigail-Joseph	FPSO Atoon	FPSO JAK	FPSO Helang	FPSO PTSC Lam Son	FSO PTSC Bien Dong 01	TOTAL
CO ₂ - Carbon dioxide (tonnes)	39,155	32,973	270,620	81,273	58,272	3,928	486,222
CH ₄ - Methane (tonnes)	338	437	1,674	241	174	198	3,063
N ₂ O - Nitrous oxide (tonnes)	2	2	19	5	4	0	32
CO ₂ e (tonnes)	49,824	47,870	318,345	89,946	63,074	7,557	576,616
CO ₂ e per barrel of oil equivalent produced	50.7	8.9	14.5	17.1	92.3	6.3	16.3

Reporting boundaries include:

- Direct emissions estimate calculated for financial year.
- The emissions from unit plant combustion processes are calculated through monthly environmental reporting system for each unit.
- Gas flaring is calculated through monthly environmental reporting system for each unit.



CARBON EMISSIONS SCOPE 1: OSVs

	Yinson Hermes	Yinson Perwira	PTSC Huang Giang	PTSC Lam Kinh	TOTAL
CO ₂ - Carbon dioxide (tonnes)	6,819	22,655	7,579	10,253	47,307
CH ₄ - Methane (tonnes)	0.4	1.3	0.4	0.6	2.7
N ₂ O - Nitrous oxide (tonnes)	0.5	1.6	0.5	0.7	3.3
Total CO ₂ e (tonnes)	6,820	22,658	7,580	10,254	47,313

CARBON EMISSIONS SCOPE 2: PURCHASED ELECTRICITY

Office	Total CO ₂ e (tonnes)
Kuala Lumpur	119.5
Miri	39.7
Singapore	56.7
Oslo	1.1
Accra	6.0
Takoradi	12.4
Nigeria	6.2
Netherlands	13.8
India	17.7
TOTAL	273.1

These figures are converted using operating margin values of grid emissions, compiled by Institute for Global Environmental Strategies (IGES).

CARBON EMISSIONS SCOPE 3: BUSINESS AIR TRAVEL

Office	CO ₂ e from business travels (tonnes)
Kuala Lumpur	148
Miri	0
Singapore	459
Oslo	468
Accra	61
Takoradi	1
Nigeria	0
Netherlands	0.3
TOTAL	1,137.3

Figures from our office in India and UK employees will be included in future reporting.