



CENTRAL PLAZA HOTEL

SUSTAINABILITY-LINKED FINANCE FRAMEWORK

OCTOBER 2024

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SECTION 1: COMPANY OVERVIEW

COMPANY PROFILE

Central Plaza Hotel Public Company Limited (“CENTEL” or “the company”) was founded by the Chirathivat family in 1980 to operate its hotel business in Thailand. The company was listed on the Stock Exchange of Thailand in 1990. It expanded into the quick service restaurant business in 1994. CENTEL is a member of the Central Group, a leading retailer in Thailand.

CENTEL has implemented various approaches to expand its business, including an own investment strategy and an asset-light strategy (acquiring management contracts) in Thailand and overseas. Currently, the company has more than 90 hotels in its portfolio, both in operation and in the pipeline, in 11 countries: Thailand, Vietnam, Laos, Myanmar, Maldives, China, Qatar, Oman, United Arab Emirates, Turkey, and Japan.

CENTRAL PLAZA HOTEL TODAY

Centara Hotels & Resorts (Hotel Business)



Centara Hotels & Resorts (“Centara”) celebrated a year of landmark achievements and significant milestones in 2023, marking four decades of excellence. Despite the challenges posed by evolving global market conditions, an unwavering commitment to innovation, guest satisfaction, and operational excellence propelled the company to new heights of success.

Throughout the year, Centara honoured its rich heritage while embracing new opportunities and expressing profound gratitude to its loyal guests by launching a series of captivating campaigns and charitable endeavours, including its 40th Anniversary Wave of Celebrations.

This commemorative period began on 18 July 2023 with “Eternal Wave: 40 Years & Beyond,” a 40th anniversary event at Centara Grand at CentralWorld celebrating a legacy of achievement, nostalgia, and anticipation of an exciting future. This enchanting evening was followed by the “40-Hour, 40% Off Flash Sale,” an unprecedented opportunity for “CentaraThe1” members to indulge in exclusive discounts and privileges. The resounding success of this campaign, which yielded impressive revenue of THB 17.13 million within a 40-hour timeframe, underscored the immense enthusiasm and engagement of Centara’s esteemed patrons.

Centara Grand Beach Resort & Villas Hua Hin marked a significant milestone in 2023 as it celebrated its 100th anniversary, reaffirming its position as a timeless heritage destination renowned for its elegance and hospitality. Concurrently, the CentaraThe1 loyalty programme commemorated its own decade of success with the significant addition of 325,901 new members, surpassing its annual target of 220,000 by an impressive 48%. Also noteworthy is the recent partnership between Central Group’s “The 1” loyalty programme and Centara in Thailand, expanding membership benefits to over 19 million members. As part of unlocking the potential of “Central Group Synergy,” members of The 1 programme have the opportunity to redeem their points for accommodation, dining, and spa experiences at Centara properties, thereby elevating their travel experience to unprecedented heights.

In 2023, Centara continued its global expansion with the opening of Centara Grand Hotel Osaka, the company’s first property in Japan. Domestically, Centara launched two properties in partnership with Central Pattana, one of the business units of its parent, the Central Group (Chirathivat family), enhancing its presence in key tourism hubs. Centara Ubon offers a contemporary, all-in-one lifestyle destination where business and leisure travellers can experience the beauty and culture of Thailand’s Northeast. Similarly, Centara Ayutthaya introduces a new era of international-standard hospitality in the heart of Thailand’s historic former capital with upscale accommodation and convenient access to the adjacent Central Ayutthaya shopping centre and enchanting UNESCO World Heritage temples.

In a year of remarkable achievements and recognition, Centara Hotels & Resorts received 84 awards and accolades, further solidifying its position as an industry leader. In 2023,

Centara Grand emerged as the strongest brand in Thailand in Brand Finance's prestigious "Thailand 50" report, which showcases the 50 most valuable brands in the country, highlighting Centara Grand's exceptional performance in terms of brand equity, trust, and value. Honoured with the Nikkei Asia Award, Centara Grand Hotel Osaka has also recognised for its exceptional brand equity and outstanding performance since opening in July 2023. Centara Reserve Samui won Thailand's Best Beach Island Resort at the Travel + Leisure Luxury Awards Asia Pacific, as well as Hotel Design of the Year 2023 at the Destination Deluxe Awards, a distinguished accolade reinforcing the resort's dedication to innovative architectural and interior design.

In 2023, Centara laid a strong foundation for future success. Despite challenges, the year was marked by significant milestones, achievements, and firsts. Looking ahead to 2024, the company remains optimistic about its prospects and achieving its goal of becoming a top 100 hotel operator globally. With a continued focus on innovation, sustainability, and guest-centric experiences, Centara Hotels & Resorts is confident in its ability to deliver exceptional hospitality and create memorable moments for guests around the world.

As of June 2024, CENTEL operated a portfolio of 50 hotels with a combined 11,001 rooms. Of this total, 20 hotels with 5,566 rooms were CENTEL-owned or -leased properties, while one hotel was under a joint venture and the rest were under management contracts. CENTEL operates hotels under its own brands of Centara Reserve, Centara Grand, Centara, Centara Life, COSI, and Centara Boutique Collection. These hotel brands, especially Centara Grand, have favorable brand recognition in the domestic market.

Central Restaurant Group (Food Business)



Central Restaurants Group Co., Ltd. (CRG) aims to become the number one consumer-preferred leader in the restaurant industry through innovation and the delivery of value-

for-money meals to consumers for any occasion with heartwarming service while striving to create and develop new menu items to better address the evolving lifestyles of a new generation of consumers.

In 2023, CRG strived to develop new products and expand its menus, beverages, and set menus, while also developing its food service to better address evolving customer behavior. CRG is also developing new store models with a focus on accelerating branch openings of potential brands at profit-generating locations, namely new Auntie Anne's branches in airports and hospitals, and new KFC branches that offer 24-hour service to optimize sales. In addition, CRG is launching new branches in other Thai provinces as well as expanding into primary and secondary cities to support the increasing number of tourists. New sales promotions have been introduced, such as gift vouchers on mobile phone apps, and an online delivery platform was developed. The company also launched a new premium Korean food brand called Kiani to respond to various customer needs.

CRG has adapted and changed the way it identifies new branch locations to respond to changing consumer behavior. Recognizing that department stores are prime locations, the company is focusing on expanding its restaurants in large-sized department stores in Bangkok Metropolitan Area, whether it be commercial business districts or residential areas, by opening branch sizes that match each location for the utmost efficiency in every aspect. CRG is also focused on maximizing its investments for optimal benefits and achieving nationwide coverage to reach more consumers. It has expanded its restaurant branches to various areas in the form of stand-alone stores, shophouses, and public and private hospitals, as well as established co-branding with gas stations and special retail stores—namely Thai Watsadu, BNB, and Go Wholesale—to reach more customers.

CRG's restaurant business continuously developed new products and new sales channels in 2023, and launched new branches, expanding into high-potential department stores and community malls across Bangkok Metropolitan Area and other major cities nationwide. CRG successfully increased its annual revenue by 8.1% and added a total of 114 new branches during the year (excluding "The Terrace" under management outlets and joint ventures).

In 2024, CRG plans to expand branches of its brands across Thailand to provide more options for customers in the Bangkok Metropolitan Area and other provinces with a focus on maintaining a high-product quality standard and constantly offering a variety of products such as donuts, fried chicken, pastry items, and Japanese cuisine. As of June 2024, the company operated a total of 1,609 outlets under 11 franchised brands, 4 owned brands, and 5 joint-venture brands.

VISION AND MISSION

CENTEL aims to establish itself as a prominent global leader in the hospitality industry, drawing on its rich Thai heritage to deliver unique experiences. With a mission to blend innovation with traditional values, CENTEL focuses on creating memorable and culturally enriching stays for guests worldwide. Every experience is thoughtfully crafted to reflect the warmth and hospitality of Thai culture, ensuring that sustainability is woven into the fabric of their operations. This commitment to sustainable practices highlights CENTEL's dedication to preserving the environment while offering unparalleled service and cultural authenticity.

Corporate Value



CENTEL's corporate values are encapsulated in the acronym "I-CARE," reflecting the company's commitment to excellence and integrity across various aspects of its operations:

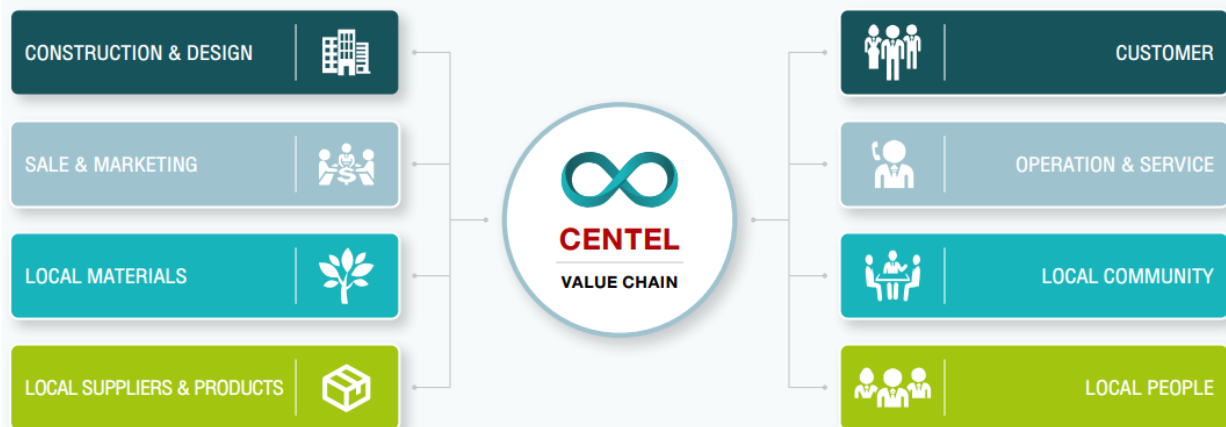
1. **I - Innovation:** CENTEL emphasizes openness to exploring the widest range of possibilities to achieve superior quality and efficiency.
2. **C - Customer:** CENTEL focuses on understanding customer perspectives and continually strives to exceed their expectations.
3. **A - Alliance:** CENTEL values diversity and promotes an inclusive team spirit, recognizing the collective benefits that come from such collaboration.

4. **R - Relationship:** CENTEL is dedicated to engaging employees, partners, and the broader community in efforts to foster a sustainable future.
5. **E - Ethic:** CENTEL maintains a strong commitment to honesty and integrity in all its actions and decisions.

The statement "Because We Care" underscores CENTEL's dedication to these guiding principles.

Our Value Chain

CREATE MEMORABLE EXPERIENCE AND FAIRNESS FOR **ALL**



CENTEL's value chain is centered around creating memorable experiences and ensuring fairness for all stakeholders involved. It highlights several key components of the company's operations:

- **Construction & Design:** Focuses on developing quality infrastructure and aesthetics tailored to enhance efficiency and customer satisfaction.
- **Sales & Marketing:** Engages in strategic efforts to attract and retain customers, ensuring that products and services align with market needs and preferences.
- **Local Materials:** Emphasizes sourcing materials locally, supporting regional suppliers, and adhering to sustainable practices.
- **Local Suppliers & Products:** Prioritizes partnerships with local suppliers and integrates locally produced goods, fostering economic development and community support.

These components are interconnected with CENTEL's focus areas:

- **Customer:** Ensures customer satisfaction and loyalty through high-quality offerings.
- **Operation & Service:** Continually improves processes and service delivery to maintain operational excellence.
- **Local Community:** Demonstrates a commitment to positively impacting the local community through various initiatives and partnerships.
- **Local People:** Engages with local populations, emphasizing social responsibility and community involvement.

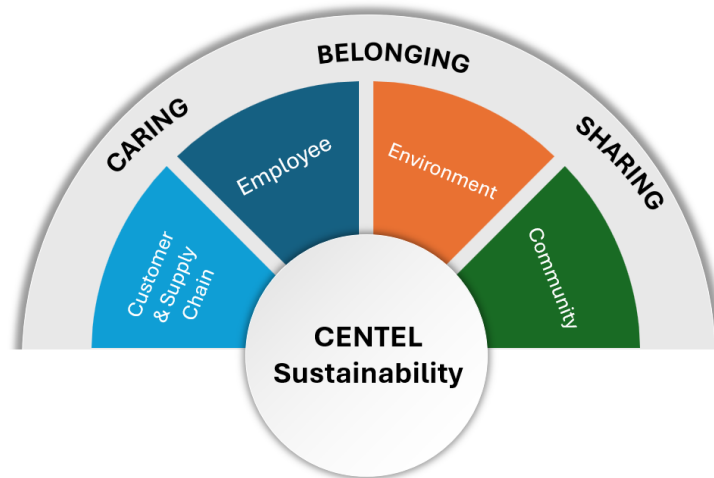
At the core of CENTEL's value chain is the goal to "CREATE memorable experience and fairness for ALL," reflecting a dedication to inclusivity, quality, and community engagement in all aspects of the business.

SUSTAINABILITY

Corporate Sustainability Development

CENTEL operates two main businesses: (1) domestic and international hotel services, and (2) food business. It prioritizes conducting business responsibly by adhering to the principles of corporate governance, aiming to create sustainability for the economy, society, and the environment simultaneously. The Board of Directors announced the Sustainable Development Operations Policy in 2019 to provide guidance for management in operating in accordance with the policy while reviewing it annually, ensuring clarity and coverage of important sustainability issues in line with international standards. In addition, a Sustainable Development Working Group, led by the Chief Executive Officer, has been established. The management is responsible for planning operations, and there is also a working group on sustainability within the hotel and food business units. These groups play a key role in translating policies from the Board of Directors into sustainable practices in operational processes across various departments. The ultimate goal is to develop sustainability guidelines for implementation at the employee level throughout the organization.

The framework for driving sustainability is laid out in three main pillars—Caring, Sharing, and Belonging—based on sustainability operations guidelines under four target groups: Customers and Trading Partners, Employees, Communities, and the Environment. Sustainability performance is reported in various dimensions to the management, Sustainability Development Working Group, and presented to the Board of Directors for review and advice. Guidelines for developing operations must align with the business plan and respond to sustainable development goals to benefit all stakeholder groups.



Sustainable Development Policy

An English language version of CENTEL's Policy on Operations for Sustainable Development can be downloaded by following the link below:

<https://investor.centarahotelsresorts.com/storage/download/cg-document/20190401-centel-policy-on-sustainable-development-en.pdf>.

Environmental, Social, and Governance (ESG) Strategy

The company has established guidelines for operating in accordance with ESG principles and indicators. It aims to become one of the top 100 global hotel brands that adhere to sustainable development principles. The company has established a framework for its operations that aligns with the principles of sustainable development set forth by the United Nations in the guidelines of the Global Sustainable Tourism Council (GSTC). These guidelines prioritize effective sustainability management by addressing impacts and generating social and economic benefits for local communities, preserving cultural heritage, minimizing environmental impacts, and conserving biodiversity in ecosystems and landscapes.

CENTEL also aims to become a Net Zero organization by 2050. On the social side, the company's focus is on creating a society of equality and fostering a good quality of life for its employees and the surrounding communities. In terms of governance, the company adheres to strict requirements and regulations, conducting business with transparency and accountability.

Examples of Initiatives

Certification of the Hotel's Sustainability Operations

CENTEL places significant importance on ensuring that its hotels obtain certification from the GSTC in alignment with its ESG Strategy. This commitment aims to generate positive

social and economic impacts, safeguard cultural heritage and protect biodiversity and ecosystem services, while reducing negative environmental effects. The certification encompasses of four main sections: (1) sustainability management, (2) social and economic benefits, (3) cultural heritage and (4) environment.

As of 2023, 24 hotels under Centara Hotels & Resorts, along with its head office, passed the assessment and inspection for global sustainable tourism standards in the hotel category conducted by Verio and Bureau Veritas, an expert inspection agency certified by GSTC. Additionally, 1 hotel was certified as Green Key, which is also GSTC-recognized.

Going Greener and My Green Day

CENTEL is committed to reducing water consumption and recognizes that hotel industry has a significant potential to save water use by implementing location-specific water management practices. The company also encourages customers to participate in water conservation efforts, ensuring that each property minimizes environmental impact while fostering community engagement, all without compromising guest comfort.

The water conservation programmes aim to reduce both water consumption and chemical use in laundry operations. Through guest participation, these programmes encourage the reuse of linens and towels, offering guests the opportunity to actively engage in sustainability efforts during their stay. For those choosing to forgo room cleaning as part of 'My Green Day,' CENTEL offers a reward in the form of a beverage voucher—an incentive to cultivate responsible environmental practices while simultaneously enhancing guest experiences.



SAVE WATER
THE WORLD IS IN YOUR HANDS

Dear Centara Guest,

Here at Centara Hotels & Resorts, we take our environmental and sustainability responsibility seriously and in response to the current drought situation in Thailand, we invite you to help us in our efforts to conserve water during this time.

Please participate in some of our simple water saving activities:

- Sing one less song in the shower to reduce shower time.
- Please shut off the water when it is not needed. For example, while brushing your teeth or shaving.
- Opt for a shower instead of a bath.
- Join our Green Programme – opt in to not change your towels and linens.

We thank you for your understanding and participation while we help conserve water during the drought that Thailand is facing.

For more water saving tips, please visit www.centarahotelsresorts.com

Best regards,

Management Team
Centara Hotels & Resorts

CENTARA
HOTELS & RESORTS

CENTARA EARTHCLARE



SECTION 2: SUSTAINABILITY-LINKED FINANCE FRAMEWORK

CENTEL integrates ESG considerations into its investment decisions. To strengthen the sustainability commitments, CENTEL has developed a Sustainability-Linked Finance Framework (“the framework”).

The framework was developed in accordance with the Sustainability-Linked Bond Principles 2024 (SLBP) of the International Capital Market Association; the ASEAN Sustainability-Linked Bond Standards 2022 (ASEAN SLBS) of the ASEAN Capital Markets Forum; and the Sustainability-Linked Loan Principles 2023 (SLLP), which were developed through a collaboration of the Loan Market Association, Loan Syndications and Trading Association, and Asia-Pacific Loan Market Association.

CENTEL may, under the framework, issue sustainability-linked bonds and enter into sustainability-linked loans or any other financing instruments whose financial characteristics are tied to Sustainability Performance Targets (SPTs). The framework was developed following five core components:




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

Funds raised from sustainability-linked instruments issued under this framework are allocated for general corporate purposes. Prior to CENTEL issuing bonds or entering into loans or other financial instruments associated with this framework, a thorough process is conducted to choose one or more KPIs, the details of which are explained in the following section.

PILLAR 1: SELECTION OF KEY PERFORMANCE INDICATORS

There are two selected KPIs that reflect CENTEL's core sustainability and business strategies. These KPIs—which are quantifiable, verifiable, and benchmarked against external references—meet the requirements of international standards and principles.

Table 1: Key Performance Indicators

Key Performance Indicators	Sustainable Development Goal (SDG)
<p>1. Reduction of Greenhouse Gas (GHG) Emissions Intensity (Scope 1 and Scope 2 Emissions)</p> <p>Definition: CENTEL's hotel business commits to reduce its scope 1 and scope 2 GHG emissions intensity per occupied room. GHG emissions data from the base year of 2019 is used as a reference.</p> <p>Rationale and Materiality: As a leading operator in the hotel industry, CENTEL consumes a significant amount of energy resources, which increase in accordance with the expansion of the number of hotels. In 2019, Scope 1 and Scope 2 GHG emissions from CENTEL's hotel business totaled 57,257.68 tons CO₂e, with a GHG emissions intensity of 48.54 kgCO₂e per occupied room. The fluctuation of GHG emissions in 2020 and 2021 was related to the COVID-19 pandemic that caused shutdowns and significantly reduced the number of tourists.</p> <p>This KPI is aligned with CENTEL's goal to achieve net zero GHG emissions by 2050 and is integral to CENTEL's hotel business strategy. To reduce Scope 1 and Scope 2 GHG emissions, CENTEL has set targets to decrease energy consumption and increase the proportion of renewable energy usage.</p>	 <p>SDG 9.4</p>  <p>SDG 13.2</p>
<p>2. Reduction of Water Consumption Intensity</p> <p>Definition: CENTEL aims to reduce water consumption intensity per occupied room across its hotel business. Water consumption intensity per occupied room from the base year 2019 is used as a reference.</p> <p>Rationale and Materiality: Efficient water usage is critical in the hospitality industry, where high water consumption is common. In 2019, CENTEL's hotel business' total water consumption was 1,811.05 megaliters, which breaks down to 1,594.83 liters per occupied room.</p>	 <p>SDG 6.4</p>

Key Performance Indicators	Sustainable Development Goal (SDG)
This KPI aligns with CENTEL's sustainability objectives by promoting water conservation and efficient water use practices. It is essential for ensuring the long-term sustainability of water resources.	

Note: The chosen unit, per occupied room, is consistent with the Cornell Hotel Sustainability Benchmarking (CHSB) Index, a leading tool for benchmarking environmental performance, including GHG emissions and energy and water usage, in the hotel sector.

PILLAR 2: CALIBRATION OF SUSTAINABLE PERFORMANCE TARGETS

CENTEL has set SPTs as specific goals to quantify progress against the KPIs. The targets reflect CENTEL's commitment to sustainability and align with its business strategy and external benchmarks.

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

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

- Baseline: 2019
- SPT: CENTEL's hotel business pledges to achieve a 40% reduction in GHG emissions intensity, equivalent to 29.1 kgCO₂e per occupied room, by 2030 (with 2019 GHG emissions intensity as the baseline) and net zero emissions by 2050. This goal aligns with the global GHG emissions reduction pathway, reflecting CENTEL's strong dedication to global climate change mitigation approaches.

Table 2: GHG Emissions Intensity Commitment

GHG Emissions Intensity per Occupied Room (GHG scope 1+2 kgCO₂e/occupied room)

2019*	2020*	2021*	2022*	2023*	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
48.54	78.29	93.46	43.51	33.46	32.8	32.2	31.6	30.9	30.3	29.7	29.1	27.6	26.2	24.7	23.3

* Historical GHG emissions.

Notes: Base year = 2019. GHG emissions intensity = Scope 1 and Scope 2 emissions in terms of kgCO₂e/occupied room. The business-as-usual (BAU) scenario reflects historical (2019–2023) data from CENTEL's Sustainability Performance Report 2023. In 2019–2021, the collection of environmental data covers CENTEL's 17 hotels. In 2022, this number doubled to 34. By 2023, CENTEL has expanded the data collection to cover 47 hotels.

- Strategies: Given the various hotel locations and contexts, CENTEL has developed a wide array of strategies and evaluates their applicability based on specific locations and emission activities. The company will continue monitoring new development and technology that could assist in achieving its GHG emission reduction targets. The non-exhaustive list of strategies include:
 - Implement energy-efficient technologies and practices across all hotel operations, such as use energy-efficient lighting, appliances, and heating, ventilation, and air conditioning (HVAC) systems; optimize building design for energy efficiency; implement smart energy management systems. For example, the Room Control Unit system and smart motion detection for guest rooms to save energy and to provide innovative intelligent control. These systems controls energy consumption with the Room Flex System Manager & Dashboard in real-time, displaying the status of energy consumption while guest rooms are occupied, aimed at efficiently controlling energy consumption.
 - Increase the use of renewable energy sources, such as the installation of solar panels; purchase renewable energy credits. Currently, various hotels both domestically and internationally have installed solar power generation systems, such as Centara Grand Beach Resort Phuket, and Centara Ras Fushi Resort & Spa Maldives.
 - Conduct regular energy audits and implement recommendations to reduce energy consumption.
 - Train employees on energy conservation practices and encourage their participation in sustainability initiatives.
 - For mobile transportation combustion emissions, CENTEL will gradually include electric vehicles (EV) to replace internal combustion engine (ICE) fleet. Currently, more than 30 hotels have installed a total of 65 EV charging stations to facilitate the transition from ICE vehicles.
 - Encourage guests to reduce the use of energy-consuming equipment whenever possible, such as reminding guests to turn off lights and electronics when not in use.
 - Reduce waste and promote recycling, such as implementing a composting and recycling programme; separating waste at the source.

2. Reduction of Water Consumption Intensity

- Baseline: 2019
- SPT: By 2030, CENTEL aims to reduce water consumption intensity across its hotel business by 20%, equivalent to 1,275 liters per occupied room, based on the 2019 baseline. This goal represents an annual reduction of approximately

1.8% from 2024 to 2034. This target supports CENTEL's commitment to sustainable water management and conservation practices.

Table 3: Water Consumption Intensity Commitment

Water Consumption Intensity per Occupied Room (liters/occupied room)

2019*	2020*	2021*	2022*	2023*	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
1,594.8	2,833.3	3,042.1	1,552.3	1,291.1	1,449	1,420	1,391	1,362	1,333	1,304	1,275	1,246	1,217	1,188	1,159

* Historical water consumption intensity.

Note: Base year = 2019.

- **Strategies:** With the water risk assessment conducted by CENTEL and the specific contexts of each hotel, the company has implemented the initiatives on a location-based basis to optimize efficiency. The non-exhaustive list of strategies includes:
 - Install water-efficient fixtures and appliances across all CENTEL properties, with solutions designed to meet the distinct challenges posed by varying local environments.
 - Implement greywater recycling systems for non-potable purposes, ensuring systems are adapted to regional water availability and usage patterns.
 - Conduct regular water usage audits, followed by implementing tailored recommendations to optimize water consumption.
 - Educate employees and guests on water conservation practices and provide incentives for guests to participate in these initiatives.
 - Promptly monitor and repair leaks to prevent water wastage, especially in regions where water scarcity has a direct impact on local communities.
 - Encourage site-specific water management strategies, such as rainwater harvesting for garden irrigation in monsoon-prone areas, while reinforcing water conservation in arid and semi-arid regions. This highlights localized strategies that reflect the unique environmental conditions of each property.

PILLAR 3: FINANCIAL CHARACTERISTICS

The financial characteristics of any bonds or securities issued, or any loans borrowed, under the framework are linked to their performance against the KPI(s) and the achievement of the predetermined SPT(s).

The sustainability-linked bonds (SLBs), sustainability-linked loans (SLLs) or any other financing instruments issued under the framework is tied to the achievement or non-achievement of the predetermined SPTs, which will lead to a coupon or margin adjustment, a premium payment, the purchase of Energy Attribute Certificates, the purchase of voluntary carbon offsets, additional covenants to CENTEL, or a combination of these options. The mechanism and Target Observation Date will be specified in the instrument's documentation. The specific KPIs, SPTs, and corresponding changes to the bond's (loan's) conditions will be clearly stated in the relevant documentation of the bond (loan) for each issuance or borrowing. Investors will need to check the terms and conditions or relevant marketing materials to determine which KPIs and SPTs are selected in the context of each individual SLB or other financing instrument.

CENTEL will promptly inform investors about the achievement or non-achievement of the SPTs within 150 days of the specified Target Observation Date.

FALLBACK MECHANISMS

Regardless of any significant changes in CENTEL's sustainability strategy and direction, the KPIs and SPTs indicated in the framework will remain valid. This includes any changes in relevant industry standards or benchmarks.

Significant changes in CENTEL's operational structure due to activities including but not limited to mergers and acquisitions, spin-offs, or sales of companies may result in adjustments or recalculations of the SPT's baselines. Any adjustments or recalculations will be outlined in the specific documentation of the bond or loan. The adjustments or recalculations will be verified by an independent external reviewer.

Each issuance (borrowing) will explicitly outline the mechanisms and their triggering conditions in the respective bond (loan) documentation. This approach ensures transparency and offers investors clear information about CENTEL's sustainability commitments, and the financial implications of its performance related to these goals.

PILLAR 4: REPORTING

CENTEL commits to provide annual updates on the performance of the specified KPIs to maintain transparency and demonstrate alignment with the SLBP, ASEAN SLBS, and SLLP. In any case, CENTEL will provide relevant reporting for any date or period relevant

to evaluating the SPTs, which could potentially lead to adjustments to the bond's or loan's financial characteristics. This information will be presented in CENTEL's sustainability report or any other official report that may replace it in the future and will also be disclosed on CENTEL's website.

The following information will be disclosed in these reports:

- The most up-to-date data on the performance of the selected KPIs, including any relevant baselines.
- A verification assurance report, based on a limited assurance, providing details on the performance of the selected KPI against the relevant SPT.
- Any other relevant information that is considered necessary to allow investors to monitor the progress of the selected KPIs.

When feasible, the report may also present a qualitative or quantitative explanation of the main parameters including any merger and acquisition activities that affect KPI's evolution. It may also demonstrate the positive sustainability impacts resulting from performance improvements, and include any re-evaluations of the KPIs, and/or restatements of the SPTs, and/or adjustments to the baselines or KPIs scope.

PILLAR 5: VERIFICATION

To ensure independent and external verification of its performance with respect to each SPT for every selected KPI, CENTEL has established a rigorous Sustainability-Linked Finance Framework in strict accordance with the SLBP, ASEAN SLBS, and SLLP. This verification will be conducted on an annual basis and carried out for all relevant time periods that are relevant to the evaluation of an SPT's performance that could potentially result in changes to the financial characteristics of the bond or loan.

THIRD-PARTY VERIFICATION

CENTEL will engage an external verifier of qualified stature who possesses the relevant expertise to carry out the required verification duties. The scope of duties for the external verifier will include verifying the progress of the KPI, and any material changes in the SPTs that occur during the reporting period, subject to limited assurance. If the chosen external verifier needs to be replaced, an alternative external verifier who meets the strict preconditions specified in this framework will be appointed.

CENTEL places a strong emphasis on both pre-issuance and post-issuance activities. Before the issuance of a bond or loan, a second-party opinion will be procured from a duly appointed reviewer to confirm that the proposed bond or loan is aligned with the SLBP, ASEAN SLBS, and SLLP. After issuance, the external verifier will independently

assess the performance level of the selected KPIs on an annual basis and for all relevant periods.

The performance verification against the SPTs will be publicly accessible to maintain the transparency of the process. This information will be included in the annual updates of the bond's or loan's performance and published on the CENTEL website to make it available to all relevant stakeholders.

FRAMEWORK REVIEW AND/OR AMENDMENTS

As a demonstration of its commitment to continuous improvement and alignment with industry best practices, CENTEL reserves the right to revisit this framework periodically. This review will cover the framework's alignment with updated versions of the SLBP, ASEAN SLBS, and SLLP, as well as any potential modifications to the KPIs, SPTs, or methodologies used. Any material changes made to the framework will be subject to validation by an independent second-party reviewer and disclosed publicly. This will ensure that the revised or updated framework will either sustain or enhance the existing level of transparency and rigor in the reporting disclosures. Finally, any updates and/or changes made to the framework will not affect those SLBs, SLLs, or any other debt instruments that were launched, issued, or borrowed prior to the update and/or amendments.