



SPCG Green Bond Framework

SPCG Public Company Limited

August 2021

Disclaimer

This Green Bond Framework (the “Framework”) is intended to provide non-exhaustive, general information. This Framework may contain or incorporate reference to public information not separately reviewed, approved or endorsed by SPCG Public Company Limited, which accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by SPCG Public Company Limited as to the fairness, accuracy, reasonableness, or completeness of such information.

This Framework may contain statements about future events and expectations that are forward-looking statements. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from those predicted in such statements. None of the future projections, expectations, estimates or prospects in this Framework should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in the Framework.

No representation is made as to the suitability of any Green Bond to fulfil environmental and sustainability criteria required by prospective investors.

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“The Pioneer of Solar Farm and Solar Roof Developer in Thailand and ASEAN”



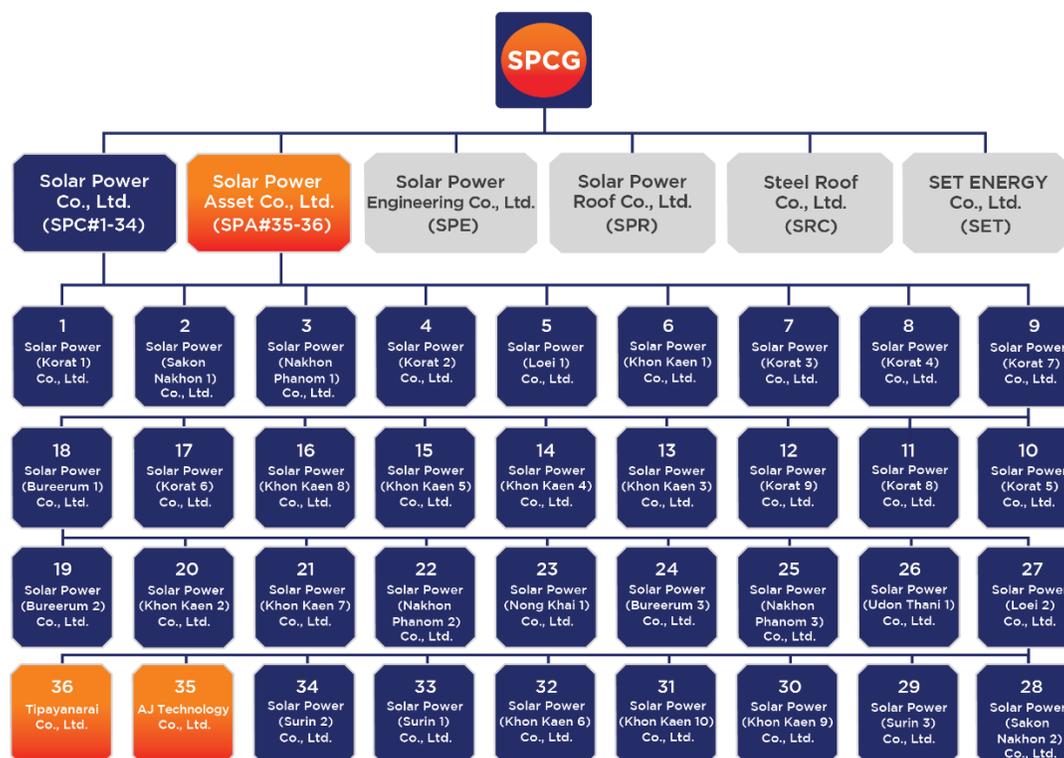
“To become the leader in renewable energy, to build a strong foundation for sustainable business with clean and environmentally friendly technology.”

- **Expand renewable energy business opportunities in both domestic and foreign countries**
- **Seek business partners to increase capability and competitiveness**
- **To conduct business responsibly, taking into account the social and environmental impacts**
- **Generate additional value for shareholders in the long term with stable profit growth**
- **Commitment to create confidence in the product value. To develop the most effective design and provide excellent service to the customers under our policy “Continuing To Give Best Value, Best Design, Best Output and Best Service To All of Customers”**

Section 1 Introduction to SPCG

1.1) Company Overview

SPCG Public Company Limited (“SPCG” or “Company”) is a listed company on the Stock Exchange of Thailand under the energy and utilities business category. SPCG conducts its business in the form of a holding company which, as of August 2021, the Company has a total registered capital of THB 1,153,189,000 with paid-up capital of THB 1,055,790,000 and is a major shareholder of total 42 affiliated companies and



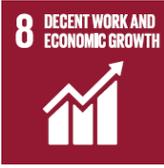
SPCG is a pioneer and leading developer of the first solar farm project in Thailand and South-East Asia. The Company has been selling electricity (Commercial Operation Date: COD) to Provincial Electrical Authority (PEA) since 2010 and developed the electricity generated from the 36 solar farm projects during the year of 2014 with a total capacity of over 260 MW. That is located in 10 provinces in the northeast of Nakhon Ratchasima, Sakon Nakhon, Nakhon Phanom, Khon Kaen, Buriram, Surin, Nongkhai, Udon Thani, Loei and central region, Lopburi province with a geographic area of more than 5,000 Rai.

As being the holding company, the Company operates its business through its subsidiaries and affiliates under 4 pillars:

| Solar Farm | Solar Roof | Steel Roof | SMA Sales & Service Authorized Partner |
|---|---|--|---|
|  |  |  |  |
| Investment and development of Solar Farm / Engineering, Procurement and Construction (EPC) / Operation, Maintenance and Monitoring (OM&M) | Full service in the design and installation of solar roof systems. | Steel Roof and Roof Structure with one-stop service | Authorized Sales and Service Partner of SMA Solar Technology AG (SMA), Germany |

1.2) SPCG’s Sustainable Development Policy

The Company is aware of the responsibility that the business has to contribute to fostering, driving the sustainable development by focusing on protecting and preserving the natural resources including the environment. In response to the sustainable development goals (SDGs) adopted by the United Nations, the Company has established policies, strategies and business activities in order to be consistent with the SDGs with particular emphasis on the following goals.

| UN SDGs | SPCG’s Sustainable Development Goals |
|---|--|
|  | <p>Goal 7: Affordable and Clean Energy</p> <p>With the continuously increasing number of population, resulting in more demand for energy usage. Meanwhile, the economy is depending on fossil fuels which currently have a negative impact on the Climate Change. Therefore, SPCG, as a pioneer, a leader in the production and distribution of electricity from solar energy (Solar Farm) and Solar Power Roof Generation which are considered as the main businesses of the Company. This will contribute to the increasing of the use of clean energy within the community and society as a whole.</p> |
|  | <p>Goal 8: Decent Work and Economic Growth</p> <p>The Company focuses on helping to increase the employment rate and generate more income for people living in the communities within the solar farm project areas. Especially, during the development period of the solar farm, the Company targets the employment rate of 4,000-5,000 people and after the development of solar farm projects, the Company targets an employment rate of 400-500 people. This would help uplift the living standard and supports the national’s economic growth.</p> |

| | |
|--|--|
|  <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> | <p>Goal 11: Sustainable Cities and Communities</p> <p>By bringing renewable energy and innovation to help create sustainability via the concept of circular economy is one of the Company's missions, including making cities and people settlements more inclusive, safe and sustainable. The Company values the significance of strengthening communities and society, along with focuses on participation and encouragements in various activities and projects of the communities.</p> |
|  <p>13 CLIMATE ACTION</p> | <p>Goal 13: Climate Action</p> <p>With the vision and determination of the Company to be a leader in renewable energy, the Company has built a solid foundation for sustainable business with clean and environmentally friendly. The Company realises the importance of environmental impact management and the significance of the climate change issues which is a global problem that all countries must unitedly work together to reduce the amount of greenhouse gas emissions to under 2% regardless to the United Nations Convention on Climate Change or convention together with more than 150 countries around the world. The use of electricity from solar power will help reducing the amount of greenhouse gases given that it is considered as clean energy, and in turn help delay the climate change that can affect the economy and the quality of life of everyone in the society.</p> |

Section 2 Green Bond Framework

The Green Bond Framework explains how SPCG intends to raise its funding via Green Bonds; including debentures and bills of exchange, to finance and/or refinance eligible green projects in order to achieve the aspiration described above and, provide environmental benefits to support SPCG’s vision, goals and sustainability strategies.

This Green Bond Framework (“**the Framework**”) is developed in alignment with the following guidelines:

- the Green Bond Principles (“**GBP**”), issued by the International Capital Market Association (ICMA) in June 2021¹;
- the ASEAN Green Bond Standards (“**GBS**”), issued by the ASEAN Capital Markets Forum (ACMF) in October 2018² and;

In addition, SPCG may have some of the Green Bonds issued under this framework certified by relevant organizations, including the Climate Bonds Initiative (“**CBI**”), in which the Green bonds will also be in alignment with the Climate Bonds Standard V3.0 (“**CBS**”)³

Below is a detailed disclosure of the Company’s approach to four core components:

1. Use of proceeds
2. Process for project evaluation and selection
3. Management of Proceeds
4. Reporting

The Company intends to adhere to best practices in the market and will review the Framework’s alignment to updated versions of the GBP and the GBS as and when they are released. As such, this Framework may be updated and amended in the manner described in Section 4 (“Amendments to this Framework”) below.

The Framework also follows the recommendations of the GBP and the GBS regarding “External Review”.

¹ In alignment with ICMA Green Bond Principles, June 2021, <https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Green-Bond-Principles-June-2021-140621.pdf>

² In alignment with ACMF Green Bond Standards, October 2018, <https://www.theacmf.org/initiatives/sustainable-finance/asean-green-bondstandards>

³ <https://www.climatebonds.net/2019/12/climate-bonds-launches-version-3-international-climate-bonds-standard-universal>

2.1) Use of Proceeds

The net proceeds of SPCG’s Green Bonds will be used to finance and/or refinance Eligible Green Projects (as defined below). The net proceeds may include new projects with disbursements after the issuance of the Green Bonds or existing projects with commercial operation (or acquisition closing) starting not earlier than 24 months before the issuance date of the respective Green Bonds. The portion of the respective issuance that is not yet allocated to Eligible Green Projects at such time will be disclosed separately.

2.1.1) Eligible Green Projects

Eligible Green Projects include projects or assets in the following eligible categories:

| Eligible Green Project Category | Eligible Projects Description | Environmental Benefit | Alignment with UN SDGs, ICMA GBP, and ASEAN GBS |
|--|--|---|--|
| <p>Renewable Energy</p>  | <p>Investment in solar power projects, including but not limited to:</p> <ul style="list-style-type: none"> - Investment in equity and/or rights to other economic benefits related to solar power projects - Expenditures to support the development, installation, operation and connection of solar power projects. | <ul style="list-style-type: none"> - GHG emissions reduction - Climate change mitigation and adaptation through development of renewable energies | <p>Renewable Energy /</p>   |

For bonds certified under the CBI Standard, the eligible assets will meet the relevant Sector Eligibility Criteria for renewable energy.

2.1.2) Exclusions

For the avoidance of doubt, any expenditure related to the following activities will be excluded from Eligible Green Projects:

- Fossil fuel power generation projects;
- Large scale hydropower plants (>25MW capacity);
- Generation of nuclear power;
- Biomass plants, waste to energy power plants and geothermal plants with CO₂ emission level of more than 100g CO₂ /kWh
- Child labour
- Forced labour

2.2) Process of Project Evaluation and Selection

The Company's Business Development Department (the "Department") is responsible for determining on the eligibility for green finance proceeds. The Department will verify the eligibility of such investments in collaboration with internal experts and project management teams. Eligible projects will be evaluated using financial analyses as well as strategic considerations to determine which projects could be allocated the proceeds, in which an approval from the Company's Board of Directors is required. In addition, any risks associated with project related controversies will be transparently reported by the Company.

Throughout the life of Green Bond instruments, the Department will, from time to time, review the allocation of the proceeds to ensure maximum allocation of Green Bonds and facilitate ongoing reporting.

2.3) Management of Proceeds

The Green Bond proceeds will be deposited by SPCG into the Company's separate bank account (the "Green Bond Account"), which sole purpose is for the management of proceeds raised from Green Bonds issued under this Framework

The Business Development Department and the Accounting & Finance Department (the "Departments") will be responsible to manage and to record on an ongoing basis the allocation of the net proceeds to Eligible Green Projects from the Green Bond Account. If for any reason any of the projects are no longer eligible, SPCG will use its best efforts to substitute such project as soon as practical, once an appropriate Eligible Green Project for substitution has been identified by the Departments.

Any balance of Green Bond Proceeds not allocated to Eligible Green Projects will be held in temporary liquid and readily available investment instruments (i.e. cash, term deposits, money market fund units, etc.) as per the Company's investment policy. SPCG plans to fully allocate the proceeds to the Eligible Green Projects within 2 years of Issue date.

2.4) Reporting

Following the first anniversary of the Green Bond issuance, the allocation report and the impact report will be published annually, or as feasible, or as necessary in the event of any material changes, until the maturity of the Green Bond. These reports will be publicly available on SPCG's website.

2.4.1) Allocation report

Where feasible, the reporting will be produced on a portfolio basis. It will provide:

- The amount of net proceeds allocated per Eligible Green Projects
- Brief description and summary of projects financed by the Green Bond
- The amount of unallocated proceeds, if any, at the date of reporting
- Location and status of the projects

2.4.2) Impact report

Where feasible, SPCG intends to publish an impact reporting that will provide information on the expected output and environmental benefits of the Eligible Green Projects. Sample of indicators will include:

- Annual GHG emissions avoided (in tonnes of CO₂ equivalent)
- Installed solar power/renewable energy capacity (in MW)
- Annual solar power/renewable energy generation in MWh or GWh

The impact reporting will also provide information on the methodology and assumptions used for calculation of the impact indicators.

Section 3 External Review

SPCG will engage an internationally recognised External Reviewer (i.e. Second Party Opinion Provider, Verifier, External Auditor) to provide the assessment on the alignment of the allocation of funds with the Framework's criteria until the full allocation of the proceeds. The verification report will be made available to investors on the relevant section of the Company's website. It should be noted that the Company is not required to and may not engage in ongoing periodic external review.

Section 4 Amendments to this Framework

SPCG will review this Framework on a regular basis, including its alignment to updated versions of the GBP and the GBS, as and when they are released, with the aim of adhering to best practices in the market. 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 SPCG and the independent third-party viewer. 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 Reviewer. The updated Framework, if any, will be published on the Company's website and will replace this Framework.