



POWERING
A BETTER FUTURE
WITH RENEWABLE ENERGY IN ASIA

January 2025

Disclaimer

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

Depending on the language of the financial documentation, this Framework may be translated into other languages, as required in the local jurisdiction.

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SECTION 1: SSP – Introduction

About SSP

Sermsang Power Corporation Public Company Limited (the “**Company**” or “**SSP**”) is a holding company which engages in the business of investing in companies, domestically and internationally, that generate and sell electricity from renewable energy sources. The Company currently conducts business in five countries, i.e., Thailand, Vietnam, Japan, Mongolia, and Indonesia.

In 2012, the Kraipisitkul family, the major shareholders of the Group, recognized a potential opportunity in the renewable energy industry. This was prompted by the government’s policy to support the production of renewable energy for Very Small Power Producers (VSPP) and Small Power Producers (SPP). As a result, the Sermsang Palang Ngan Co., Ltd. (SPN), a core company of Sermsang Power Corporation PLC (SSP), decided to submit the application and proposal to sell electricity to the Electricity Generating Authority of Thailand (EGAT). The Company was given consideration to enter into a power purchase agreement in Sermsang Solar Project on June 7, 2013 with the Commercial Operation Date (COD) on February 2, 2015.

Subsequently, on June 16, 2015, the Group registered and established the Sermsang Power Corporation Company Limited (SSP) to carry out the restructuring of the Group and get ready for listing the Company on the Market for Alternative Investment (MAI). Later, Sermsang Power Corporation Public Company Limited (SSP) has filed an application requesting the SET to instruct the trading of its ordinary shares on the Stock Exchange of Thailand (SET) and was moved from MAI to SET on March 27, 2019 which is the first day its shares started trading on the SET.

Message from CEO

Sermsang Power Corporation Public Company Limited is committed to being a leader in the clean and environmentally friendly energy business and recognizes the significance of supporting Sustainable Development Goals (SDGs) within the framework of the Company culture defined by our four core values - FAIR (Flexible - Ambitious - Innovation - Responsibility) which function as a compass directing our work toward common goals and success.

In response to the ongoing changes in the business, the Company has set up a Corporate Governance & Sustainable Development Committee to develop policies, directions, and operational guidelines that emphasize economic, environmental, and social aspects, along with good corporate governance. The goal of this committee is to reinforce internal organizational practices, particularly with regard to the six environmental, social, and governance (ESG) goals in three dimensions. Regarding the economic dimension, the Company will focus on creating valuable jobs, promoting economic growth, and being ready to cooperate in eliminating all forms of post and bribery corruption. In terms of the environmental dimension, the Company will emphasize on promoting and supporting access to clean energy services at affordable prices, along with addressing climate change. Meanwhile, in the social dimension, the Company will support gender equality, reduce the impact of air pollution, and manage municipal waste in order to foster sustainable business growth.

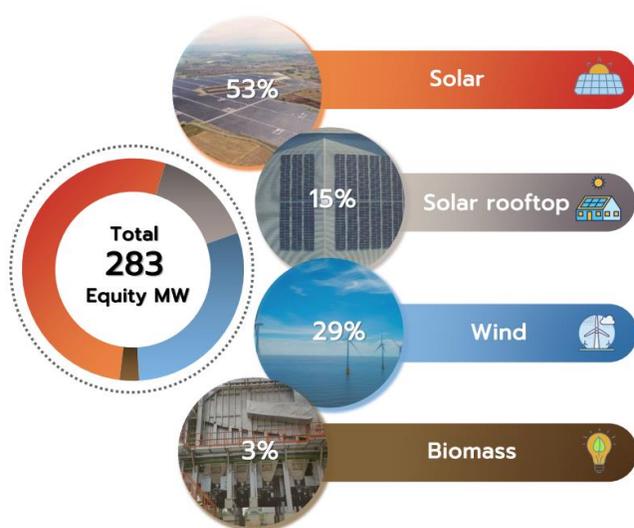
The Company has received financial support and investment from financial institutions that value environmentally friendly projects and sustainable resource growth, known as “Green Financing”, which is in line with the Company’s business operations.

In addition, the Company continues to look for opportunities to invest in new power plants through project development (Green field project), including using merger and acquisition (M & A) strategies in countries with potential for clean energy growth. In 2023, the Company expands its commercial prospects by acquiring shares in Smart Plastpack Co., Ltd., a flexible packaging production company. In Q1/2024, the Company purchased Winchai Company Limited (Winchai) with the additional 7,425,000 ordinary shares, equivalent to 75 percent of the total number of sold shares of Winchai. This acquisition helps the Company to achieve further growth and stability.

The success of the past year has been strongly supported by all parties, including the executive committee, staffs, shareholders, customers, business partners, regulatory agencies, communities and society. All stakeholders have contributed significantly over the course of the year. Our group is determined to be a leader in sustainable alternative renewable energy by working within the framework of sustainable development and taking responsibility for both society and the environment.

SSP Portfolio

As of September 30, 2024, SSP has a total electricity capacity of 283 eMW.



Operating Project	Country	PPA Equity MW
7		149.3
111		42.2
2		83.4
1		8.0

Remark: As of 30 Sep 2024

SSP & Sustainability

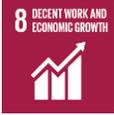
In order to contribute to the creation of a sustainable future, Sermsang Power Corporation Public Company Limited and the group of companies in which it holds shares are dedicated to conducting business responsibly with regard to the economy, environment, society, and good corporate governance. The Group intends to contribute to the global effort to address the Sustainable Development Goals (SDGs) by using standards for assessing organizational sustainability that take into account the economic, environmental, and social aspects of sustainability as well as paying attention to meeting stakeholder

requirements and expectations. The group understands that this will present a chance to enhance and build corporate procedures and work processes to address sustainability concerns from all angles and to be compliant with global sustainability goals and guidelines.

The Group conducts sustainable development operations at the policy level, and the executive committee is responsible for formulating guidelines, policies, strategies, and sustainable business frameworks covering the economy, society, environment, and governance so as to determine the practices of standardization organizations that comply with standards and appropriate guidelines. The Company's goal is to establish trust and sustainability for all stakeholder groups and related agencies, both internal and external, to meet international standards. Subsequently, a working group dedicated to corporate sustainability management will be established at the management level to oversee the implementation of policies and goals, including the assessment and reporting of operational progress.

The Group identified and analyzed the key sustainable development issues related to business operations in 2023 to ensure that it will achieve its goal of operating a sustainable business. The important issues are selected from the needs and expectations of each stakeholder group, together with key issues affecting the Group. The information used in the process comes from the analysis of both internal and external data. The internal data includes information on sustainability issues from the operating model and direction of the Group, and the external data includes sustainability issues of companies in the renewable energy industry, trends in sustainability issues in Thailand and abroad, and sustainability issues from the global sustainability reporting standards (GRI Standards) as well as the United Nations Sustainable Development Goals (SDGs). The Group uses these important issues to determine strategies, policies, and procedures in responding to materiality aspects of the Group's sustainability.

The board of directors approves the creation of value based on the Sustainable Development Goals, as follows:

Economic Dimension	
 SDG 8: Decent Work and Economic Growth	 SDG 16: Peace Justice and Strong Institutions
Environment Dimension	
 SDG 7: Affordable and clean energy	 SDG 13: Climate Action
Social Dimension	
 SDG 11: Sustainable Cities and Communities	 SDG 5: Gender Equality

SECTION 2: SSP – Green Financing Framework

The Green Financing Framework (the “Framework”) illustrates how SSP intends to raise green debentures and/or loans to finance or refinance new and existing projects in line with its sustainable business strategies and commitment to environmental and social well-being as described above.

This Green Financing Framework has been 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;
- the Green Loan Principles (“GLP”) issued by the Loan Market Association (LMA) in February 2023³ / Asia Pacific Loan Market Association (APLMA) in February 2023⁴

The Green Financing Framework also follows the recommendations of the ICMA Green Bond Principles / LMA Green Loan Principles / ASEAN Green Bond Standards regarding “External Review”.

The Company aims to adhere to best practices in the market and may, from time to time, review the Framework’s alignment to updated versions of the Green Bond Principles, Green Bond Standards and/or Green Loan Principles 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**”) of this document. The following 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

2.1 Use of Proceeds

An amount equal to the net proceeds of the SSP green financing instruments issued from time to time will be used to finance and/or refinance and/or to repay equity of new and/or existing Eligible Green Projects (as defined below). The net proceeds may include new projects with disbursements after the issuance of the Green Financing instrument, or existing projects with commercial operation or acquisition closing starting not earlier than 36 months before the issuance date of the respective instrument. Please note that for refinancing, the look-back period is within 36 months (from the period of the use of proceed to the new fund raising). The portion of the respective issuance that is not yet allocated to Eligible Assets at such time will be disclosed separately.

¹ In alignment with ICMA Green Bond Principles, June 2021, <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/>

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

³ In alignment with LMA Green Loan Principles, Feb 2023, <https://www.lsta.org/content/green-loan-principles/>

⁴ In alignment with APLMA Green Loan Principles, Feb 2023, <https://www.aplma.com/microsites/categories/3/pages/11/content/172>

2.1.1) Eligible Green Project Categories

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

Eligible Project Category	Eligible Criteria and Examples	UN SDG Alignment
Renewable energy	<ul style="list-style-type: none"> ● Renewable energy electricity generation and energy storage <ul style="list-style-type: none"> ○ Wind ○ Solar (concentrated solar power, photovoltaic power) ○ Ocean power (e.g., wave, tidal, ocean currents, salt gradient) ○ Hydropower plants 	SDG 7: Affordable and clean energy SDG 13: Climate Action
Climate-Related Products*	<ul style="list-style-type: none"> ● Manufacture and sale of finished products that when used will result in energy efficiency in others' operations <ul style="list-style-type: none"> ○ energy-efficient lighting systems, HVAC systems, appliances ○ insulation materials ○ other energy-saving technologies. ● Manufacture and sale of finished products that when used will enable others to decrease, store or eliminate GHGs <ul style="list-style-type: none"> ○ Carbon capture and storage 	SDG 13: Climate Action

*For future projects that will be eligible under this Framework, SSP will ensure compliance with national and/or regional sustainable finance taxonomy (where applicable) for future projects.

2.1.2) Exclusions

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

- Fossil fuel power generation projects;
- Generation of nuclear power;
- Biomass plants and geothermal plants with CO2 emission level of more than 200g CO2/kWh;
- Any project involving child labor / forced labor / human trafficking

2.2 Process for Project Evaluation and Selection

The Company places great importance on conducting business sustainably, with a focus on creating value for its stakeholders and for society in a way which ensures that the Company's business can meet the needs of its investors, its customers and the society both in the present and the future. SSP has designed and implemented a process to ensure that only projects aligned with the criteria set out above will be selected as Eligible Projects for green financing. In addition, the projects will be aligned with the Company's sustainability development policy.

SSP sets a policy on environmental protection by taking into account the environmental safety in all business processes, from the project development until the commencement of operations, according to the guideline as follows:

1. **Survey and Initial Environmental Examination Report:** Our Business Development and Engineering Department shall survey areas with the community personnel to assess the potential impact on the environment and/or hire an external independent party to conduct a preliminary environmental impact assessment as part of the report for the construction project assessment;
2. **Establishment of Systems and Rules for Operations:** Our Engineering Department shall coordinate with contractors or relevant agencies in the establishment of systems or rules to prevent construction or business operations from affecting the environment and the surrounding communities, both directly and indirectly;
3. **Disposal of Toxic Sewage from Projects:** SSP has a policy to outsource the disposal of toxic waste from projects, such as solar panels and damaged or expired equipment. The project staff collect toxic waste in the designated place. Then, an external party will take the toxic waste out of the factory for the disposal in the permitted area;
4. **Systematic Environmental Management:** SSP implements a follow-up evaluation and review for continuous development.

Regarding process for project evaluation and selection, SSP has established a Green Finance Working Group ("GFWG"), consisting of SSP's Finance Team and Business Development team to oversee the process, together with other departments (including operation team, business development team, sustainability team, legal team). GFWG will be responsible for the following:

- 1) Reviewing and validating, the selection of Eligible Green Projects in accordance with the defined Eligible Green Project Categories listed in the Use of Proceeds section. Projects must also comply with all applicable laws and regulations, and the Company's policies and guidelines. GFWG will also ensure that such selection is complied with national and/or regional sustainable finance taxonomy (where applicable).
- 2) Proposing Eligible Green Projects to the management and the Board of Directors for review and approval;
- 3) Monitoring the Eligible Green Project portfolio during the life of the transaction. The GFWG can decide to remove and/or replace an Eligible Green Project if it no longer meets the eligibility criteria;
- 4) Monitoring any ESG controversies (such as controversies that may impact local communities or changes in ecosystems) that affect SSP and are directly related to an Eligible Green Project. If the

GFWG deems an eligible project to be subject to a major ESG controversy, the GFWG will analyze the project and may decide to exclude or replace it;

- 5) Managing any future update of the Green Financing Framework.

Furthermore, the evaluation and selection process shall comprise of two main steps, include:

2.2.1) Evaluation

GFWG will be responsible for the Eligible Green Project selection and allocation process as per the eligibility criteria defined in the Use of Proceeds section. Projects must also comply with all applicable laws and regulations, and the Company's policies and guidelines. In addition, they shall monitor the Eligible Green Project portfolio during the life of the transaction and decide to remove and/or replace an Eligible Green Project in the event that such project no longer meets the eligibility criteria.

2.2.2) Approval

Any matters for approval on eligible green projects relating to the Framework shall first be discussed and approved in principle by the Executive Committee and the Board of Directors, respectively.

2.3 Management of Proceeds

The net proceeds of Green Financing instruments will initially be deposited by SSP into the Company general account which will be managed by SSP's finance team. The relevant information regarding the net proceeds will be tracked, monitored and documented using SSP's internal reporting system.

Proceeds drawn shall be fully allocated and used within 36 months following the issuance of green financing instrument. Before the allocation to equity and/ or debt obligations associated with selected project(s) and/ or asset(s), for the unallocated portion, the proceeds will be held either in:

- held in cash or cash equivalents; or
- invested in short and liquid marketable securities which are consistent with the delivery of a low carbon and climate resilient economy; or
- applied to temporarily reduce indebtedness of a revolving nature, where the original loan of which is consistent with the delivery of a low carbon and climate resilient economy, before being redrawn for investments or disbursements to Eligible Green Projects.

If for any reason some projects are no longer eligible, SSP will use its best efforts to substitute such projects as soon as is practical, once an appropriate Eligible Green Project for substitution has been identified by the Executive Committee.

2.4 Reporting

SSP plans to annually publish an allocation report and an impact report, as detailed below. The allocation report and the impact report will be provided until full allocation and as necessary in the event of any material changes or in case of substitution of eligible green projects. The report will be made available on SSP's website (<https://www.sermsang.com>) within 12 months of issuance and then annually until full allocation of the proceeds of the relevant green financing instruments.

2.4.1) Allocation Report

SSP will provide the following information annually:

- The amount of net proceeds allocated per Eligible Green Project Category and sub-category level, with a brief description of selected case studies if feasible
- The percentage of financing/refinancing of projects
- The balance of any unallocated proceeds of the green finance funds
- Examples of eligible projects with a brief description (subject to confidentiality disclosures where required)

2.4.2) Impact Report

Where possible, SSP intends to publish an impact report on its website (<https://www.sermsang.com>) annually until the maturity of the green financing instruments which will provide information on the expected output and environmental benefits of the selected projects. Subject to the nature of eligible projects and availability of information, SSP aims to include, but not limited to, the following “impact indicators”:

Eligible Project Category	Impact Indicators
Renewable energy	<ul style="list-style-type: none"> • Installed renewable energy capacity (MW) • Annual renewable energy generation (MWh/y) • Tonnes of CO2 avoided (tCO2eq/y)
Climate-Related Products	<ul style="list-style-type: none"> • Tonnes of CO2 avoided (tCO2eq/y) • Energy savings (MWh/y)

SECTION 3: External Reviewer

SSP will engage an independent party to issue a second party opinion report on this Green Financing Framework, to provide an assessment on the alignment with the intended internal standards. The second party opinion report will be made available to investors on the relevant section of SSP's website (<https://www.sermsang.com>).

SECTION 4: Amendments to this Framework

SSP may review this Framework – including its alignment to updated versions of the Green Bond Principles, Green Bond Standards and Green Loan Principles, as and when they are released – on a regular basis, with the aim of adhering to best practices in the market. Such reviews may result in this Framework being updated and amended. The updates, if not minor in nature, will be subject to the prior approval of SSP and the independent second party reviewer. 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 SSP’s website (<https://www.sermsang.com>) and will replace this Framework.