

B.Grimm Power Green Bond Framework



-Empowering the World Compassionately-

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Section 1: B.Grimm Power – Introduction

1.1) Company Overview

B.Grimm Power Public Company Limited (“**B.Grimm Power**”) is one of the pioneers in Thailand’s private power generation industry with a track record of successfully developing, financing, constructing and operating green-field power plants, we are world class energy company aiming to fulfill the needs of our associates, business partners and society at large by “Doing Business with Compassion for the Development of Civilisation in Harmony with Nature.”

B.Grimm Power currently operates power and steam generation and sale both in the country and abroad, divided into combined cycle co-generation power plant, solar power plant, hydropower plant, wind power plant and industrial waste power plant. As of December 31, 2020, the Company had total of 48 power plants that have been in commercial operation with a total installed capacity of 3,058 MW. If the project under development and construction are completed, it will have a total installation capacity of 3,682 megawatts, divided into 2,144 MW combined cycle co-generation power plant, 901 MW renewable power plant and 13 MW diesel power plant. It accounts for 71% of combined cycle co-generation power plants and 29% of renewable energy plants. There are also 624 MW of power plant projects under development and construction

1.2) Sustainable Development Goals



B.Grimm Power commits to realising all of 17 United Nations Sustainable Development (UN SDGs), our core business operations have so far been able to integrate the following nine UN SDGs:

- **SGD 3: “Good Health and Well-Being”** – Ensure healthy lives and promote well-being for all at all ages
- **SGD 6: “Clean Water and Sanitation”** Ensure availability and sustainable management of water and sanitation for all
- **SGD 7: “Affordable and Clean Energy”** – Ensure access to affordable, reliable, sustainable and modern energy for all
- **SDG 8: “Decent Work and Economic Growth”** – Promote inclusive and sustainable economic growth, full and productive employment and decent work for all
- **SDG 9: “Industry, Innovation and Infrastructure”** – Promote inclusive and sustainable economic growth, full and productive employment and decent work for all
- **SGD 11: “Sustainable Cities and Communities”** – Make cities and human settlements inclusive, safe, resilient and sustainable
- **SGD 12: “Responsible Consumption and Production”** – Ensure sustainable consumption and production patterns
- **SDG 13: “Climate Action”** – Take urgent action to combat climate change and its impacts
- **SGD 16: “Peace, Justice and Strong Institutions”** – Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Section 2: B.Grimm Power Green Bond Framework

In order to finance B.Grimm Power activities which are directly supporting positive environmental impacts, B.GRIMM prepared this Green Bond Framework (the “**Framework**”), with an intention of issuing Green Bonds under this Framework. B.Grimm Power aspires to fully comply with the ASEAN Green Bond Standards (“**ASEAN GBS**”) ¹ by ASEAN Capital Markets Forum (“**ACMF**”) in terms of internal governance and eligible green project selection as applicable. The Framework was also designed to be in line with the Green Bond Principles (“**GBP**”) 2018² by International Capital Market Association (“**ICMA**”), with the following four core components:

- 1) Use of Proceeds
- 2) Process for Project Evaluation and Selection
- 3) Management of Proceeds
- 4) Reporting

Further, B.Grimm Power may pursue having some of the green bonds issued under this framework certified by the relevant organisations, including the Climate Bonds Initiative (“**CBI**”) to be consistent with the Climate Bonds Standard V3.0³ (“**CBS**”).

2.1) Use of Proceeds

The net proceeds from each tranche of B.Grimm Power’s Green Bond issued under this Framework will be used exclusively to finance and/ or re-finance, in part or wholly, for the exploration, development, construction, rehabilitation, expansion or acquisition of new or existing eligible projects as described below (“**Eligible Green Projects**”) in the eligible categories including renewable energy.

Eligible Green Projects Categories:

Category	Criteria	Eligible Projects Description
Renewable Energy 	<ul style="list-style-type: none"> - Investments in or expenditures for the acquisition, conception, construction, development and installation as well of re-powering of renewable energy production - Manufacture of components wholly dedicated to renewable energy technology 	<ul style="list-style-type: none"> - Solar Projects - Wind Projects

¹ <https://www.theacmf.org/initiatives/sustainable-finance/asean-green-bond-standards>

² <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/>

³ <https://www.climatebonds.net/climate-bonds-standard-v3>

Projects that are involved in the following operations will not be Eligible Green Projects (Overall Exclusions List):

- Any activity or technology associated with the extraction, production, refining, transmission, and distribution of fossil fuels
- Nuclear power generation
- Child labour
- Forced labour

2.2) Process for Project Evaluation and Selection

Project evaluation and selection is a key process in ensuring that the projects financed by the Green Bond meets the criteria in the Framework. B.Grimm Power will conduct a thorough assessment of the nature of the projects and the funding requirement of the projects that will be financed with the proceeds raised from a Green Bonds issuance. The evaluation and selection process will comprise of two main steps:

2.2.1) Evaluation

B.Grimm Power's internal team will review each proposed project together with potential project owners as per the criteria listed in the section "Use of Proceeds" above as well as the criteria may include Climate Bonds Standard Sector Criteria as required.

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 Chief Financial Officer, and acknowledged by the Management Committee, which is composed of senior executives of B.Grimm Power and chaired by the President and Chief Executive Officer.

2.3) Management of Proceeds

The net proceeds from the issuance of B.Grimm Power's Green Bonds will initially be deposited by B.Grimm Power into the Company's general bank account, which will be managed by B.Grimm Power's internal team. The relevant information regarding the net proceeds will be tracked, monitored and documented using B.Grimm Power's internal reporting system. Proceeds drawn will be fully allocated and used within 24 months after the Green Bond issuance. 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

- cash, cash equivalents; or
- temporary liquid investment e.g. fixed deposits which are not inconsistent 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 not inconsistent with the delivery of a low carbon and climate resilient economy, before being redrawn for allocation to Eligible Green Projects.

2.4) Reporting

Following the first anniversary of each Green Bond issuance and every year thereafter until the maturity of the Green Bond, B.Grimm Power will make information available to the public on the use of proceeds on a project-by-project basis and keep it up-to-date. The report will be readily available at the B.Grimm Power’s website. (<https://www.bgrimpower.com>)

The annual report will include both allocation aspects as well as benefit impact from Green Bonds issuance.

2.4.1) Allocation Reporting

B.Grimm Power will update Allocation Reporting until the earlier of the maturity of the Green Bond or the proceeds are fully allocated. The report will include a summary of the projects to which the Green Bond proceeds has been allocated. The report may include the followings:

- Brief description and summary of projects financed by the Green Bond
- Summary of the allocation of proceeds raised via the Green Bond issuance to finance and/or refinance selected green projects
- Summary of unallocated proceeds

2.4.2) Impact Reporting

B.Grimm Power will report a qualitative summary of benefits arising from selected green projects funded by Green Bond issuance. When available, B.Grimm Power will report quantitative performance measures for the Green Bond. The report may include below impact indicators as follows:

Examples of Indicators and Metrics:

Category	Eligible Projects	Examples of impact indicators
Renewable Energy	<ul style="list-style-type: none"> • Solar Power • Wind Power 	<ul style="list-style-type: none"> • Reduced and/or avoided Greenhouse Gas (GHG) emissions (in tCO₂e /year) • Expected annual renewable energy generation (in MWh/y)

B.Grimm Power may also provide Update Reports to the Climate Bonds Standard Secretariat on an annual basis as required under the Climate Bonds Standard.

Section 3: External Reviewer

B.Grimm Power would engage an independent party to issue a second party opinion on this Green Bond Framework or it will also apply for Certification from Climate Bonds Initiative (CBI) for the issuance of any B.Grimm Power's Green Bond which entails an assessment of the alignment with the Green Bond Principles. The selected independent party will be engaged to provide pre-issuance verification. 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

The B.Grimm Power's internal team will review this Framework on a regular basis, including its alignment to updated versions of the Principles 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 internal approval of B.Grimm Power. 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 B.Grimm Power's website (<https://www.bgrimpower.com>) and will replace this Framework.

Climate Bonds Standard Disclaimer:

The certification of any Bonds as Climate Bonds by the Climate Bonds Initiative is based solely on the Climate Bond Standard and does not, and is not intended to, make any representation or give any assurance with respect to any other matter relating to the Bonds or any Nominated Project, including but not limited to the Information Memorandum, the transaction documents, the Issuer or the management of the Issuer.

The certification of the Bonds as Climate Bonds by the Climate Bonds Initiative was addressed solely to the board of directors of the Issuer and is not a recommendation to any person to purchase, hold or sell the [Bonds] and such certification does not address the market price or suitability of the Bonds for a particular investor. The certification also does not address the merits of the decision by the Issuer or any third party to participate in any Nominated Project and does not express and should not be deemed to be an expression of an opinion as to the Issuer or any aspect of any Nominated Project (including but not limited to the financial viability of any Nominated Project) other than with respect to conformance with the Climate Bond Standard.

In issuing or monitoring, as applicable, the certification, the Climate Bonds Initiative has assumed and relied upon and will assume and rely upon the accuracy and completeness in all material respects of the information supplied or otherwise made available to the Climate Bonds Initiative. The Climate Bonds Initiative does not assume or accept any responsibility to any person for independently verifying (and it has not verified) such information or to undertake (and it has not undertaken) any independent evaluation of any Nominated Project or the Issuer. In addition, the Climate Bonds Initiative does not assume any obligation to conduct (and it has not conducted) any physical inspection of any Nominated Project. The certification may only be used with the [Bonds] and may not be used for any other purpose without the Climate Bonds Initiative's prior written consent.

The certification does not and is not in any way intended to address the likelihood of timely payment of interest when due on the [Bonds] and/or the payment of principal at maturity or any other date.

The certification may be withdrawn at any time in the Climate Bonds Initiative's sole and absolute discretion and there can be no assurance that such certification will not be withdrawn.