

GLOBAL POWER SYNERGY PUBLIC COMPANY LIMITED GREEN BOND

DNV GL ELIGIBILITY ASSESSMENT

Scope and objectives

Global Power Synergy Public Company Limited ("GPSC" or "Issuer"), is a Thai power, steam, and utilities producer and distributor and was founded in 2013.

GPSC is the power flagship of PTT Group. GPSC is committed to establishing energy and public utility security in support of domestic industrial growth. GPSC also pursues opportunities for investment in power projects both domestic and international markets to grow sustainably, while developing energy storage technology to become a leading global power company in innovation and sustainability.

GPSC has developed a Green Finance Framework and is considering the issuance of bonds as defined within the Green Bond Principles 2018 ("GBP") and the ASEAN Green Bond Standards, 2018 (ASEAN GBS).

A proposed initial Green Bond is to be issued with a notional value of THB 5 billion (henceforth referred to as the "BOND").

GPSC intends to use the proceeds of the BOND to finance and refinance projects within the categories of Renewable Energy, Energy Efficiency and Pollution Prevention and Control.

DNV GL Business Assurance Australia Pty Ltd (henceforth referred to as "DNV GL") has been commissioned by GPSC to provide a Green Bond eligibility assessment of the BOND. Our methodology to achieve this is described under 'Work Undertaken' below. We were not commissioned to provide independent assurance or other audit activities.

No assurance is provided regarding the financial performance of the BOND, the value of any investments in the BONDS, or the long term environmental benefits of the transaction. Our objective has been to provide an assessment that the BOND has met the criteria established on the basis set out below.

The scope of this DNV GL opinion is limited to the GBP and ASEAN GBS.

Responsibilities of the Management of GPSC and DNV GL

The management of GPSC has provided the information and data used by DNV GL during the delivery of this review. Our statement represents an independent opinion and is intended to inform GPSC management and other interested stakeholders in the BOND as to whether the established criteria have been met, based on the information provided to us. In our work we have relied on the information and the facts presented to us by GPSC. DNV GL is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV GL shall not be held liable if any of the information or data provided by GPSC's management and used as a basis for this assessment were not correct or complete.

Basis of DNV GL's opinion

We have adapted our Green Bond Principles and ASEAN Green Bond Standards assessment methodology, to create a GPSC-specific Green Bond Eligibility Assessment Protocol (henceforth referred to as "Protocol"). Our Protocol includes a set of suitable criteria that can be used to underpin DNV GL's opinion. The overarching principle behind the criteria is that a green bond should "enable capital-raising and investment for new and existing projects with environmental benefits".

As per our Protocol, the criteria against which the BOND has been reviewed are grouped under the four Principles:

- **Principle One: Use of Proceeds.** The Use of Proceeds criteria are guided by the requirement that an issuer of a green bond must use the funds raised to finance eligible activities. The eligible activities should produce clear environmental benefits.
- **Principle Two: Process for Project Evaluation and Selection.** The Project Evaluation and Selection criteria are guided by the requirements that an issuer of a green bond should outline the process it follows when determining eligibility of an investment using Green Bond proceeds, and outline any impact objectives it will consider.
- **Principle Three: Management of Proceeds.** The Management of Proceeds criteria are guided by the requirements that a green bond should be tracked within the issuing organization, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled should be made.
- **Principle Four: Reporting.** The Reporting criteria are guided by the recommendation that at least Sustainability Reporting to the bond investors should be made of the use of bond proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible.

Work undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by GPSC in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

- Creation of an GPSC-specific Protocol, adapted to the purpose of the BOND, as described above and in Schedule 2 and 3 to this Assessment;
 - Assessment of documentary evidence provided by GPSC on the BOND and supplemented by a high-level desktop research. These checks refer to current assessment best practices and standards methodology;
 - Discussions with GPSC management, and review of relevant documentation;
 - Documentation of findings against each element of the criteria. Our opinion as detailed below is a summary of these findings.
-

Findings and DNV GL's opinion

DNV GL's findings are listed below:

- 1. Principle One: Use of Proceeds.** GPSC intends to use the proceeds of the BOND to finance and refinance projects and assets including: Solar projects, an RDF Waste sorting facility and a Waste to Energy plant as defined in Schedule 1 of this Opinion. DNV GL undertook an analysis of the associated project types including type and location and scale of the assets to determine eligibility of these projects as "Green". DNV GL evaluates and concludes that GPSC's nominated projects and assets are aligned with one of eligible green project categories specified in the GBP.
- 2. Principle Two: Process for Project Evaluation and Selection.** The BOND's proceeds will be allocated to finance and refinance the assets as defined in Schedule 1. DNV GL has reviewed evidence that demonstrates that GPSC regularly assesses opportunities for improvement and devises action plans and initiatives to mitigate negative environmental and social impacts from its operations.
- 3. Principle Three: Management of Proceeds** DNV GL has reviewed evidence showing how GPSC plans to trace the proceeds from the Bond, from the time of issuance to the time of disbursement. The full amount of the proceeds will be deposited in the general account and an amount equal to the net proceeds will be earmarked for allocation to the Eligible Green Projects and tracked using GPSC's internal financial reporting system. On an annual basis, GPSC will review the outstanding balance of the BOND. As stated above, DNV GL provides no assurance regarding the financial performance of the Bond, the value of any investments in the Bond, or the effects of the transaction.
- 4. Principle Four: Reporting.** GPSC has confirmed that it will report on its corporate website the following:
 - i) annual updates until full allocation to investors including examples of projects being financed, amount of proceeds allocated by project category, and the amounts allocated to the Eligible Green Projects;
 - ii) the outstanding amount of net proceeds yet to be allocated to projects at the end of the reporting period;
 - iii) The portion of net proceeds used for financing vs. refinancing;
 - iv) GPSC intends to report on Impact reporting data associated with the nominated projects at the category level.

On the basis of the information provided by GPSC and the work undertaken, it is DNV GL's opinion that the GPSC Green Finance Framework and proposed BOND meet the criteria established in the Protocol and are aligned with the stated definition of green bonds within the Green Bond Principles 2018. Based on the External Review procedures conducted, nothing has come to our attention that causes us to believe that the GPSC Green Finance Framework and BOND are not, in all material respects, in accordance with the ASEAN Green Bond Standards 2018.

for DNV GL Business Assurance Australia Pty Ltd

Sydney, 7 July 2020



Mark Robinson

Lead Assessor
DNV GL – Business Assurance

[About DNV GL](#)

Driven by our purpose of safeguarding life, property and the environment, DNV GL enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight. With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 16,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

SCHEDULE 1: DESCRIPTION OF NOMINATED ASSET TO BE FINANCED OR REFINANCED THROUGH GPSC BONDS

Use of Proceeds	Location	Asset Category	THB (mln)
Waste Sorting and Waste to Energy Projects	Thailand	Pollution Prevention and Control	
Solar Projects	Thailand	Renewable Energy & Energy Efficiency	
Total			

SCHEDULE 2: GREEN BOND ELIGIBILITY ASSESSMENT PROTOCOL

1. Use of proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV GL Findings
1a	Type of bond	The bond must fall in one of the following categories, as defined by the Green Bond Principles: <ul style="list-style-type: none"> • Green Use of Proceeds Bond • Green Use of Proceeds Revenue Bond • Green Project Bond • Green Securitized Bond 	Review of: <ul style="list-style-type: none"> - BOND Issuance Information - GPSC Green Finance Framework Correspondence with GPSC management	The reviewed evidence confirms that the BOND falls in the category: Green Use of Proceeds Bond.
1b	Green Project Categories	The cornerstone of a Green Bond is the utilization of the proceeds of the bond which should be appropriately described in the legal documentation for the security.	Review of: <ul style="list-style-type: none"> - BOND Issuance Information - GPSC Green Finance Framework Correspondence with GPSC management	As identified by the BOND Issuance Information the purpose of the BOND is to use the proceeds for the financing or refinancing of Renewable Energy, Energy Efficiency and Pollution Prevention and Control projects. Specifically, the use of proceeds for the proposed GPSC Green Bond are summarised in Schedule 1 above. DNV GL's assessment concluded that these assets would present an alternative for waste management that shall not directly divert to landfill and a low risk of GHG emissions relative to fossil fuels and qualify for inclusion under the Green Bond Principles within the Renewable Energy, Energy Efficiency and Pollution Prevention and Control categories.
1c	Environmental benefits	All designated Green Project categories should provide clear environmentally sustainable	Review of: <ul style="list-style-type: none"> - BOND Issuance Information 	Renewable Energy

Ref.	Criteria	Requirements	Work Undertaken	DNV GL Findings
		<p>benefits, which, where feasible, will be quantified or assessed by the Issuer.</p>	<ul style="list-style-type: none"> - GPSC Green Finance Framework - GPSC Asset Specifications <p>Correspondence with GPSC management</p>	<p>DNV GL confirms that Renewable Energy assets including solar are considered to be green for the purposes of the Green Bond Principles.</p> <p>Pollution Prevention and Control</p> <p>The proposed project seeks to address environmental waste management and disposal impacts through the diversion of Fresh Municipal Solid Waste (MSW) from household to be used as fuel namely RDF for the WtE plant for energy recovery and transmission into the Provincial Electricity Authority (PEA) electricity grid.</p> <p>The environmental benefit of the project may be identified through the:</p> <ul style="list-style-type: none"> - Sorting and recovery of resources from waste streams - Consideration of sustainable waste management of the target area - Comparison of the emissions associated with the project relative to that of the electricity grid it feeds into. <p>DNV GL considers the sorting of wastes and recovery and recycling of resources waste from MSW streams to be Green for the purposes of the Green Bond Principles.</p> <p>DNV GL considers the diversion of fresh municipal solid waste from household to be used as RDF to be Green for the purposes of the Green Bond Principles.</p> <p>The expected emissions factor for the WtE project of 0.254 tCO₂e/MWh is lower than the generation emission factor for the Thai electricity grid of 0.445 tCO₂e/MWh based on the Thai</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV GL Findings
				<p>Department of Energy data for 2019¹. DNV GL has made a number of conservative assumptions in the calculation of this figure. DNV GL does however note that a Paris consistent pathway for the ASEAN region requires a 50% reduction in electricity sector emissions by 2030, which would result in a generation grid emissions factor of 0.2225 gCO₂e/MWh, lower than the current default factor used for the plant. Depending on the future plant performance and assumptions used this level of performance may be possible for the plant to achieve.</p> <p>DNV GL can confirm that the Use of Proceeds associated with the GPSC Green Bond are considered to be Green in the context of the Green Bond Principles.</p>
1d	Refinancing share	In the event that a proportion of the proceeds may be used for refinancing, it is recommended that issuers provide an estimate of the share of financing vs. re-financing, and where appropriate, also clarify which investments or project portfolios may be refinanced.	<p>Review of:</p> <ul style="list-style-type: none"> - BOND Issuance Information - Bond disclosure documentation - Green Finance Framework <p>Correspondence with GPSC management</p>	The proceeds of the BOND will be used to refinance Renewable Energy assets and Waste Sorting project (approximately 75%) and the financing of debt associated with the Waste to Energy project (approximately 25%) The breakdown is as per Schedule 1, above.

¹ <http://www.eppo.go.th/index.php/en/en-energystatistics/co2-statistic>

2. Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	Work Undertaken	DNV GL Findings
2a	Investment-decision process	<p>The Issuer of a Green Bond should outline the decision-making process it follows to determine the eligibility of projects using Green Bond proceeds. This includes, without limitation:</p> <ul style="list-style-type: none"> • A process to determine how the projects fit within the eligible Green Projects categories identified in the Green Bond Principles; • The criteria making the projects eligible for using the Green Bond proceeds; and • The environmental sustainability objectives 	<p>Review of:</p> <ul style="list-style-type: none"> - BOND Issuance Information - GPSC Green Finance Framework 	<p>As per the GPSC Green Finance Framework, the Issuer has set out the following for project selection:</p> <p>To ensure eligibility for green financing, GPSC has set up the “Green Finance Working Group” in charge of the evaluation and selection of the Eligible Green Projects, in accordance with the eligibility criteria defined in the Use of Proceeds.</p> <p>GPSC has in place policies, systems, and procedures including for Environmental and Social aspects that equip it to “do no significant harm” to the environment or social aspects. DNV GL can confirm that the Use of Proceeds set out in the GPSC policies, systems and procedures, the GPSC Framework and the projects selected for the proposed issuance present a minimal risk of significant harm.</p> <p>DNV GL has reviewed the structure and function of the Project Selection criteria and confirmed it is in line with the criteria set out in the Green Bond Principles 2018.</p>
2b	Issuer’s environmental and social and governance framework	<p>In addition to information disclosed by an issuer on its Green Bond process, criteria and assurances, Green Bond investors may also take into consideration the quality of the issuer’s overall framework and performance regarding environmental sustainability.</p>	<p>Review of:</p> <ul style="list-style-type: none"> - GPSC Sustainability Management Framework - GPSC Green Finance Framework <p>Correspondence with GPSC management</p>	<p>GPSC has published a Corporate Sustainability Policy including sub policies on Economic, Environment and Social aspects.</p> <p>From the materials and information provided and DNV GL confirmed that the GPSC has in place a defined and functional Sustainability Management Framework with strong positions on:</p> <ul style="list-style-type: none"> - Human Rights; - People; - Safety, Health and Environment; - Fair Operating Practice; - Corporate Citizenship; - Supply Chain management; - Product Stewardship; - Reporting, and;

Ref.	Criteria	Requirements	Work Undertaken	DNV GL Findings
				<p>- Stakeholder Engagement.</p> <p>We have also carried out a high-level media review of GPSC. We have found no evidence to suggest that GPSC or any of the assets are or have been operating in breach of national or local environmental regulations.</p> <p>Based on the evidence reviewed and the discussion we had with senior managers, we found nothing to suggest that GPSC’s environmental, social and governance framework is not in line with good practice of the industry for the nominated projects and assets within the proposed BOND.</p>

3. Management of proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV GL Findings
3a	Tracking procedure	The net proceeds of Green Bonds should be credited to a sub-account, moved to a sub- portfolio or otherwise tracked by the Issuer in an appropriate manner and attested to by a formal internal process that will be linked to the Issuer’s lending and investment operations for Green Projects.	<p>Review of:</p> <ul style="list-style-type: none"> - BOND Issuance Information - BOND Proceeds and reporting framework <p>Correspondence with GPSC management</p>	<p>The evidence reviewed shows how GPSC plans to trace the BOND’s proceeds, from the time of issuance to the time of disbursement.</p> <p>An amount equal to the net proceeds will be earmarked for allocation to the Eligible Green Projects in accordance with GPSC’s Green Finance Framework.</p> <p>The details of the disbursement and the outstanding value will be tracked in GPSC’s internal financial reporting system. On an annual basis, the outstanding balance of the BOND will be reviewed.</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV GL Findings
				DNV GL concludes that the process set out in the Issuer's Framework is aligned with the Management of Proceeds as set out in the Green Bond Principles.
3b	Tracking procedure	So long as the Green Bonds are outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible green investments or loan disbursements made during that period.	Review of: <ul style="list-style-type: none"> - BOND Issuance Information - GPSC Green Finance Framework Correspondence with GPSC management	The evidence reviewed shows that GPSC plans to trace the proceeds from the BOND, from the time of issuance to the time of disbursement and reduce the net balance of proceeds by amounts in line with the assets financing and refinancing requirements. On an annual basis, the outstanding balance of the Bond will be reviewed.
3c	Temporary holdings	Pending such investments or disbursements to eligible Green Projects, the Issuer should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds.	Review of: <ul style="list-style-type: none"> - BOND Proceeds and reporting framework Correspondence with GPSC management	<p>The net proceeds of the Bond will be held in cash or cash equivalent on account until disbursement to the nominated assets as per the GPSC Green Finance Framework. GPSC will aim to be fully allocated to Green Projects within 2 years of Issue date.</p> <p>GPSC have nominated the use of proceeds as per Schedule 1 within their Green Finance Framework. If, for reasons beyond the control of the Issuer, these investments are required to be altered in nature or scope, other compliant green investment will be identified with approval from the GPSC Green Finance Working Group.</p>

4. Reporting

Ref.	Criteria	Requirements	Work Undertaken	DNV GL Findings
4a	Periodical reporting	In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, Issuers should provide at least annually a list of projects to which Green Bond proceeds have been allocated including - when possible with regards to confidentiality and/or competitive considerations - a brief description of the projects and the amounts disbursed, as well as the expected environmentally sustainable impact.	Review of: - BOND Proceeds and reporting framework Correspondence with GPSC management	GPSC has confirmed that it will report on its corporate website https://www.gpscgroup.com/en/home the following: Allocation Reporting: <ul style="list-style-type: none"> • The issuance amount or percentage of allocation to the Eligible Green Project Portfolio • Examples of projects being financed • The amount of proceeds allocated by Project Category • The portion of net proceeds used for financing vs. refinancing • The balance of unallocated proceeds Impact Reporting: Where feasible, GPSC intends to report on the impact of the portfolio by category from environmental perspective on an annual basis, subject to the availability of information and baseline data and based on methodologies that will be publicly available. DNV GL considers the proposed financial and impact reporting proposed and the means of communication to be aligned with the criteria set out in the Green Bond Principles.

SCHEDULE 3: ASEAN GREEN BOND STANDARDS VERIFICATION

Summary criteria for assertions of compliance with the ASEAN Green Bond Standards 2018 and compliance conclusion.

The criteria against which GPSC and its nominated projects and assets have been reviewed prior to inclusion in the Bond are grouped under the requirements as detailed within the ASEAN Green Bond Standards 2018.

3.0: Criteria for ASEAN Green Bonds

Criteria	Requirement	Demonstrated Compliance
3.1	(i) Must be an ASEAN Issuer, or; (ii) In the case of a Non-ASEAN Issuer, the eligible Green Projects must be located in any of the ASEAN countries.	The Bond Issuer and nominated project is located in Thailand, an ASEAN member country.
3.2	ASEAN Green Bonds issuances must be originated from any of the ASEAN member countries.	The bond is to be originated from Thailand and issued in THB.

4.0: Guidance for the Four Components of the GBP

4.1 Use of Proceeds

Criteria	Requirement	Demonstrated Compliance
4.1.1	The utilisation of proceeds from the ASEAN Green Bonds must be described in the documentation for issuance of the ASEAN Green Bonds.	The Issuer has set out the Use of Proceeds in both the Green Finance Framework and the listing of Nominated Projects and Assets as summarised in Schedule 1.
4.1.2	In relation to 4.1.1, the Issuer must disclose the following information: (i) The categories of eligible Green Projects to which the ASEAN Green Bonds proceeds will be allocated; and/or (ii) The information on specific Green Projects in the case where the Issuer has identified the specific Green Projects to which the ASEAN Green Bonds proceeds will be allocated.	<ul style="list-style-type: none"> i. The Issuer has set out the categories for Nominated Projects and Assets in the Use of Proceeds section of the Green Finance Framework. ii. The Issuer has detailed the specific Green Projects as per Schedule 1 of this report.

4.1.3	All designated Green Projects must provide clear environmental benefits, which will be assessed and, where feasible, quantified by the Issuer.	As per 1c in Schedule 2 above, the Nominated Projects have clear and demonstrated environmental benefits.
4.1.4	In the event that all or a proportion of the proceeds are or may be used for refinancing, it is recommended that Issuers provide an estimate of the share of financing and refinancing, and where appropriate, also clarify which investments or project portfolios may be refinanced and, to the extent relevant, the expected look-back period for refinanced Green Projects.	The Issuer has detailed the refinancing share as shown in Schedule 2.
4.1.5	Green Bond Categories	Green Bond categories have been disclosed by the Issuer in both the Green Finance Framework and as per Schedule 1.
4.1.6	For clarification purposes, fossil fuel power generation projects are excluded from the ASEAN GBS.	DNV GL has confirmed that the Use of Proceeds is not proposed to include fossil fuel related activities.

4.2: Process for Project Evaluation and Selection

Criteria	Requirement	Demonstrated Compliance
4.2.1	The Issuer of ASEAN Green Bonds must clearly communicate to investors– (i) the environmental sustainability objectives; (ii) the process by which the Issuer determines how the projects fit within the eligible Green Projects categories identified above; and (iii) the related eligibility criteria, including, if applicable, exclusion criteria or any other process applied to identify and manage potentially material environmental and social risks associated with the Green Projects.	The Issuer has communicated: i. The environmental sustainability objectives of their Green Finance Program and of the Nominated Projects and Assets has been communicated in the Green Finance Framework. ii. The Issuer has described the process for Project Evaluation and Selection in the Green Finance Framework. iii. Selection criteria has been set out in section 1 Use of Proceeds and section 2 Process for Project Selection and Evaluation.
4.2.2	The Issuer must establish the process for project evaluation and selection prior to the issuance of the ASEAN Green Bonds and disclose	The Process for Project Selection and Evaluation has been defined and presented in the Green Finance Framework prior to issuance.

	the same to investors in the documentation for the issuance of the ASEAN Green Bonds.	
4.2.3	Issuers are encouraged to position this information within the context of the Issuers' overarching objectives, strategy, policy and/or processes relating to environmental sustainability. Issuers are also encouraged to disclose any green standards or certifications referenced in project selection.	The Issuer has presented the Green Bond Framework in the context of GPSC's Sustainability Program, policies and procedures.
4.2.4	It is recommended that the Issuer's process for project evaluation and selection be supported by an external review.	This external verification has been conducted to provide external review of the Issuers claims.
4.2.5	The Issuer must make the following publicly available on a website designated by the Issuer at the time of the issuance and throughout the tenure of ASEAN Green Bonds: (i) The process for project evaluation; (ii) The use of proceeds; and (iii) External review report on the process (if any).	The Issuer proposes to make publicly available on its corporate website the: i. Green Finance Framework including Process for Project Evaluation; ii. Use of Proceeds, and; iii. This external review report.

4.3: Management of Proceeds

Criteria	Requirement	Demonstrated Compliance
4.3.1	Prior to the issuance of the ASEAN Green Bonds, the Issuer must disclose to investors in the documentation for the issuance of the ASEAN Green Bonds the process for managing the net proceeds from the ASEAN Green Bonds.	The issuer has disclosed to bond placement investors that it will hold Green Bond proceeds raised in internal treasury cash accounts for allocation to existing and new investments associated with nominated projects and assets.
4.3.2	The net proceeds from the ASEAN Green Bonds, or an amount equal to these net proceeds, must be credited into a sub-account, moved to a sub-portfolio or otherwise tracked by the Issuer in an appropriate manner and attested to by a formal internal process linked to the Issuer's lending and investment operations for Green Projects. The total amount deployed from the net proceeds for the eligible Green Projects need not occur simultaneously.	The Issuer has prepared and presented the process for the tracking and monitoring of proceeds and allocation reporting in the Green Finance Framework.

4.3.3	As long as the ASEAN Green Bonds are outstanding, the balance of tracked proceeds must be periodically adjusted to match allocations to eligible Green Projects made during that period.	The Issuer has defined how proceeds are to be tracked and reported to match the allocation to eligible green projects.
4.3.4	The Issuer must also disclose to investors in the documentation for the issuance of the ASEAN Green Bonds the intended types of temporary placement for the balance of unallocated proceeds.	The Issuer has disclosed that all temporary investments will be held in cash or cash equivalent.
4.3.5	It is recommended that the Issuer’s management of proceeds be supplemented by the use of an auditor, or other third party to verify the internal tracking method and the allocation of funds from the ASEAN Green Bonds proceeds.	The Issuer has confirmed in order to provide transparent information about the reporting of the funds from bonds issued under this framework, GPSC intends to engage a Second Party Opinion Provider/ Verifier/ External Auditor to provide the assessment on the alignment of the allocation of funds with Framework’s criteria until the full allocation of the proceeds.
4.3.6	Where the Issuer appoints an auditor or other third party to verify the Issuer’s management of proceeds, the Issuer must make the report produced by the auditor or other third party publicly available on a website designated by the Issuer at the time of the issuance of the ASEAN Green Bonds.	The verification report will be made available for investors on its corporate website.

4.4: Reporting

Criteria	Requirement	Demonstrated Compliance
4.4.1	Issuers must report to investors at least on an annual basis and encouraged to make more frequent reporting on the use of proceeds until full allocation, and as necessary thereafter in the event of material developments. This should include a list of the projects to which the ASEAN Green Bonds proceeds have been allocated, as well as a brief description of the projects and the amounts allocated and their expected impact.	The Issuer has confirmed annual reporting on the green bond allocations until full allocation and impacts by category.
4.4.2	Where confidentiality agreements, competitive considerations, or a large number of underlying projects limit the amount of detail that can be made available, the Issuer may present the information in generic terms or on an aggregated portfolio basis.	The Issuer reserves the right to manage confidentiality obligations with regards to green bond reporting.

4.4.3	It is recommended that Issuers use qualitative performance indicators, and where feasible, quantitative performance measures and disclosure of the key underlying methodology and/or assumptions used in the quantitative determination.	The Issuer intends to provide qualitative and where possible quantitative impact reporting.
4.4.4	It is recommended that the Issuer’s annual reporting on the use of proceeds be supplemented by a confirmation of such use of proceeds by an external reviewer along with any relevant updates of the external review.	The Issuer has confirmed in order to provide transparent information about the reporting of the funds from bonds issued under this framework, GPSC intends to engage a Second Party Opinion Provider/ Verifier/ External Auditor to provide the assessment on the alignment of the allocation of funds with Framework’s criteria until the full allocation of the proceeds.
4.4.5	The Issuer must provide to investors the annual reporting and the external review on the annual reporting, if any, through a website designated by the Issuer and/ or annual reports throughout the tenure of the ASEAN Green Bonds.	The verification report will be made available for investors on its corporate website.

5.0: External Review

Criteria	Requirement	Demonstrated Compliance
5.1	Issuers are recommended to appoint external review providers for their ASEAN Green Bonds issuances.	DNV GL has been appointed as Verifier of the Green Bond Issuance.
5.2	The external review may be partial, covering only certain aspects of the Issuer’s ASEAN Green Bonds framework or full, assessing alignment with all four core components as stated in the ASEAN GBS.	The scope of this verification is full compliance with the four core components as stated in the ASEAN GBS.
5.3	The external review provider must have the relevant expertise and experience in the components of the ASEAN Green Bonds which they are reviewing.	DNV GL is an Accredited Verifier under the Climate Bonds Standard with global experience providing Green Bond Verification and Services since 2011.
5.4	The external review provider must also disclose their relevant credentials and expertise, and the scope of the review conducted in the review report.	DNV GL’s credentials and expertise have been disclosed in this Opinion. The scope of this Verification has been detailed in the “Scope and Objective” section.
5.5	There are a variety of ways for Issuers to obtain outside input into the formulation of their ASEAN Green Bonds process and there are several levels and types of review that can be conducted.	This Verification has been conducted as an independent external review and verification against the criteria set out in the ASEAN GBS.

5.6	Independent external reviews may vary in scope and may address an ASEAN Green Bonds framework/programme, an individual ASEAN Green Bonds issuance, the underlying assets and/or procedures.	This Verification has been conducted as an independent external review and verification against the criteria set out in the ASEAN GBS.
-----	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------

Green Bond / Green Bond Programme Independent External Review Form

Section 1. Basic Information

Issuer name: Global Power Synergy Public Company Limited

Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: TBD

Independent External Review provider's name: DNV GL Business Assurance Australia Pty Ltd

Completion date of this form: 7 July 2020

Publication date of review publication: 7 July 2020

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs:

- | | |
|------------------------------------------------------------|----------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF INDEPENDENT EXTERNAL REVIEW PROVIDER

- | | |
|----------------------------------------------------------------|-----------------------------------------|
| <input checked="" type="checkbox"/> Second Party Opinion (GBP) | <input type="checkbox"/> Certification |
| <input checked="" type="checkbox"/> Verification (ASEAN GBS) | <input type="checkbox"/> Scoring/Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (*if applicable*)

<p>On the basis of the information provided by GPSC and the work undertaken, it is DNV GL's opinion that the GPSC Green Finance Framework and proposed BOND meet the criteria established in the Protocol and are aligned with the stated definition of green bonds within the Green Bond Principles 2018.</p>

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section *(if applicable):*

As identified by the BOND Issuance Information the purpose of the BOND is to use the proceeds for the financing or refinancing of Renewable Energy, Energy Efficiency and Pollution Prevention and Control projects.

Specifically, the use of proceeds for the proposed GPSC Green Bond are summarised in Schedule 1 above. DNV GL's assessment concluded that these assets would present an alternative for waste management that shall not directly divert to landfill and a low risk of GHG emissions relative to fossil fuels and qualify for inclusion under the Green Bond Principles within the Renewable Energy, Energy Efficiency and Pollution Prevention and Control categories.

Use of proceeds categories as per GBP:

- | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Renewable energy | <input checked="" type="checkbox"/> Energy efficiency |
| <input checked="" type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input type="checkbox"/> Other <i>(please specify):</i> |

If applicable please specify the environmental taxonomy, if other than GBPs:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section *(if applicable):*

As per the GPSC Green Finance Framework, the Issuer has set out the procedure and resources for project selection.

DNV GL has reviewed the structure and function of the Project Selection criteria and confirmed it is in line with the criteria set out in the Green Bond Principles 2018.

Evaluation and selection

- | | |
|--------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other <i>(please specify)</i> : |

Information on Responsibilities and Accountability

- | | |
|----------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| <input checked="" type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input checked="" type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other <i>(please specify)</i> : | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section *(if applicable)*:

The evidence reviewed shows how GPSC plans to trace the BOND's proceeds, from the time of issuance to the time of disbursement, the use of temporary investments and the time limitation for proceeds to be allocated to projects and assets.

DNV GL concludes that the process set out in the Issuer's Framework is aligned with the Management of Proceeds as set out in the Green Bond Principles.

Tracking of proceeds:

- | |
|-------------------------------------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other <i>(please specify)</i> : |

Additional disclosure:

- | | |
|----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| <input type="checkbox"/> Allocations to future investments only | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input checked="" type="checkbox"/> Allocation to individual disbursements | <input type="checkbox"/> Allocation to a portfolio of disbursements |
| <input type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other <i>(please specify)</i> : |

4. REPORTING

Overall comment on section *(if applicable)*:

GPSC has confirmed that it will report on its corporate website the following:

Allocation Reporting:

- The issuance amount or percentage of allocation to the Eligible Green Project Portfolio
- Examples of projects being financed

- The amount of proceeds allocated by Project Category
- The portion of net proceeds used for financing vs. refinancing
- The balance of unallocated proceeds

Impact Reporting:

Where feasible, GPSC intends to report on the impact of the portfolio by category from environmental perspective on an annual basis, subject to the availability of information and baseline data and based on methodologies that will be publicly available.

DNV GL considers the proposed financial and impact reporting proposed and the means of communication to be aligned with the criteria set out in the Green Bond Principles.

Use of proceeds reporting:

- | | |
|-------------------------------------------------------------------|------------------------------------------------------------------|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input checked="" type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other <i>(please specify)</i> : |

Information reported:

- | | |
|----------------------------------------------------------|------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Allocated amounts | <input type="checkbox"/> Green Bond financed share of total investment |
| <input type="checkbox"/> Other <i>(please specify)</i> : | |

Frequency:

- | | |
|----------------------------------------------------------|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other <i>(please specify)</i> : | |

Impact reporting:

- | | |
|--------------------------------------------------------|------------------------------------------------------------------|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other <i>(please specify)</i> : |

Frequency:

- | | |
|----------------------------------------------------------|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other <i>(please specify)</i> : | |

Information reported (expected or ex-post):

- | | |
|-------------------------------------------------------------|-------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input type="checkbox"/> Energy Savings |
| <input type="checkbox"/> Decrease in water use | <input type="checkbox"/> Other ESG indicators <i>(please specify)</i> : |

Means of Disclosure

- | | |
|--------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| <input type="checkbox"/> Information published in financial report | <input type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents | <input checked="" type="checkbox"/> Other <i>(please specify)</i> : Published on website |

Page 23 of 24

- Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

<https://www.gpscgroup.com/en/home>

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- | | |
|----------------------------------------------------------------|-----------------------------------------|
| <input checked="" type="checkbox"/> Second Party Opinion (GBP) | <input type="checkbox"/> Certification |
| <input checked="" type="checkbox"/> Verification (ASEAN GBS) | <input type="checkbox"/> Scoring/Rating |
| <input type="checkbox"/> Other (please specify): | |

Review provider(s):

Mark Robinson
Manager, Sustainability Services
DNV GL Business Assurance

Date of publication:

7 July 2020

ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

1. **Second Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
2. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
3. **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.

Green Bond Scoring/Rating: An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.
