

This document presents the Green Bond and Green Loan Framework for activities undertaken by LYS Energy Group.

## 1. LYS ENERGY Group's "Renewable Energy Platform" strategy

LYS Energy Group (LYS) is reinventing Renewable Energy (RE) services towards a prosumers-era and we aim at being a vector of the energy transition, towards a more distributed, autonomous and smart model.

LYS is the leading Singapore-based renewable energy platform that offers hassle-free end-to-end clean energy solutions, specializing in zero-capex solar energy (PPA), Renewable Energy Certificates (RECs), turnkey Engineering Procurement Construction (EPC) and O&M services, and carbon emissions and energy management consulting for Commercial, Industrial (C&I) and public sites in the Asia Pacific region.

Selected by top-notch multinational and SMEs companies as their trusted partner in RE, LYS achieves precision EPC execution through a superior quality standard, and strict Health Safety & Environment (HSE) set of rules.

Our carbon-positive solutions help our businesses lead by example and turn risk assessment related to low-carbon transition into innovation.

## 2. LYS ENERGY Group Green Bond/Loan Framework

LYS follows the ICMA Green Bond Principles (GBP), which have been designed to create an environment of transparency and support the integrity of the green bond, as well as the APLMA Green Loan Principles (GLP), which support the development of the green loan markets. The principles give guidelines in four important topics:

- The Use of Proceeds for the bond or loan raised by LYS
- The Process for the selection and the evaluation of projects financed with the bonds or loans
- The Management of the proceeds
- The Reporting

Should the Green Bond Principles be updated by ICMA, LYS will follow any updates, as they come through.

## 3. The Use of proceeds

LYS will allocate the net proceeds of the green bonds or green loans issued under this framework to eligible solar energy projects. LYS being a pure player in the solar space (renewable energy producer) the proceeds will be used to finance or refinance a portfolio of new photovoltaic solar projects. Eligible green project will comprise of the following:



- Development, construction, and operation of generation facilities where more than 85% electricity is generated from solar energy resource.
- Wholly dedicated transmission infrastructure and other supporting infrastructure for onshore solar electricity generation facilities including inverters, transformers, energy storage systems and control systems.

This includes project development, design, supplies procurement and logistics, installation, commissioning, operation, and maintenance of generating facilities. It includes the connection of solar electricity production projects to the electricity grid and the transportation through the network.

#### 4. The Process for project evaluation and selection

Projects will be identified and proposed by LYS business development teams in Singapore and abroad. Feasibility studies will be produced internally, based on the technical and environmental features of each project site.

LYS created the “LYS Green Bond/Loan Working Group” which comprises representatives of:

- Management Team
- Finance & Accounting Department
- Business Development Department
- Technical and studies Department
- Other Departments if relevant

The roles and responsibilities of the “LYS Green Bond/Loan Working Group” are the following:

- Review compliance of selected Green Projects with LYS objectives and strategy and LYS green bond/loan framework,
- Review compliance with international green projects standards,
- Financial validation, feasibility study (working capital requirements and allocation),
- Monitoring of the “Eligible Green projects” pool,
- Validation of the annual reporting to LYS board of directors,
- LYS green bond/loan framework update whenever necessary.

#### 5. The Management of proceeds

The net proceeds of each Green Bond will be managed within LYS dedicated bank account and an amount equal to the net proceeds will be earmarked for allocation to the “Eligible Green Asset” as selected by “LYS Green Bond/Loan Working Group”. The net proceeds of LYS' existing UOB green loan are ringfenced. Pending the full allocation of the proceeds, LYS commits to hold the balance of net proceeds unallocated in temporary investment instruments that are cash, or cash equivalent instruments, within a treasury function. Net proceeds may be reallocated to any new



“Eligible Green Asset” as advised and after full review of “LYS Green Bond/Loan Working Group”. LYS reserves its right to select new projects, which can be funded by the same Green Bond or Green Loan, as long as these new projects are in compliance with the Eligibility Criteria’s.

“LYS Green Bond/Loan Working Group” is responsible for monitoring the Green Eligible Projects’ pool. “LYS Green Bond/Loan Working Group” ensures that the total amount of proceeds raised via Green Bonds/Loan remains lower than the combination of the existing and future Eligible Green Projects. Once a project is achieved and sold or in case of divestment, postponement, cancelation, ineligibility or controversy, LYS will re-allocate the proceeds to finance other Eligible Green Projects, in compliance with the current Framework.

## 6. The Reporting

LYS will report to LYS board of directors before the issuance of a green bond or a loan, after its issuance and at least once a year on the allocation of proceeds towards its eligible projects. Reporting will be directly managed by an investment committee comprising members of senior management. LYS will disclose this report to investors (for a Green Bond) or lenders (for a Green Loan). LYS, at its discretion, may decide to make this reporting public on its website.

No third-party reporting will be implemented as LYS is a pure player of the solar industry (renewable energy).

### 6.1 The update report will provide:

- the total amount of proceeds allocated to eligible projects,
- the balance of unallocated proceeds, and
- the amount or the percentage of the financing.

### 6.2 Where feasible, LYS will publish an impact report, which may provide:

- The Total installed capacity of renewable energy installed (in MWh)
- The estimated annual Greenhouse gases emissions in kttons of CO2 equivalent, which have been avoided
- For other projects, any relevant measure.

## 7. External review

LYS Energy Group Green Bond/Green Loan framework has been reviewed by Carbon Care Asia Pte Ltd and complies with international standards.

