

SECOND PARTY OPINION

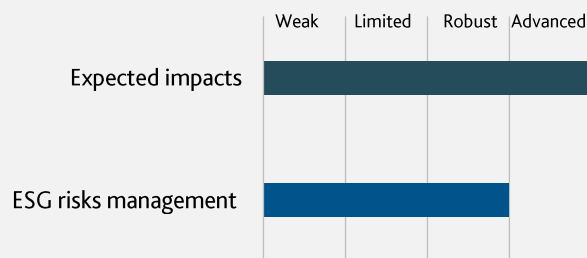
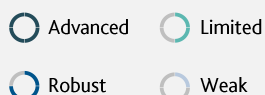
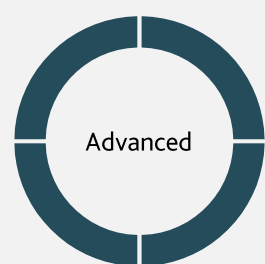
on the sustainability of Solar United Network's Green Bond Framework

Moody's ESG Solutions considers that Solar United Network's Bond Framework is aligned with the four core components of the ICMA's Green Bond Principles 2021 ("GBP").

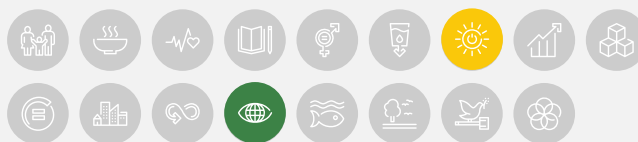


Framework

Contribution to Sustainability:



SDG Mapping



Characteristics of the Framework

Green Project Categories	⇒ Renewable Energy
Project Locations	Asia-Pacific
Existence of Framework	Yes
Share of Refinancing	less than 50% for first issuance, to be disclosed prior to each subsequent issuance
Look-back Period	24 months

Issuer

ESG Controversies

Number of Controversies	None
Frequency	N/A
Severity	N/A
Responsiveness	N/A

Controversial Activities

The Issuer appears to not be involved in any of the 17 controversial activities screened under our methodology:

- ☐ Alcohol
- ☐ Animal welfare
- ☐ Cannabis
- ☐ Chemicals of concern
- ☐ Civilian firearms
- ☐ Fossil fuels industry
- ☐ Coal
- ☐ Gambling
- ☐ Genetic engineering
- ☐ High interest rate lending
- ☐ Human embryonic stem cells
- ☐ Military
- ☐ Nuclear power
- ☐ Pornography
- ☐ Reproductive medicine
- ☐ Tobacco
- ☐ Unconventional oil and gas

Coherence

Coherent
Partially coherent
Not coherent

Moody's ESG Solutions considers that the contemplated Framework is coherent with Solar United Network's strategic sustainability priorities and sector issues and that it contributes to achieving the Issuer's sustainability commitments.

Key findings

Moody's ESG Solutions considers that Solar United Network's Framework is aligned with the four core components of the GBP.

Use of Proceeds - aligned with the GBP and best practices identified by Moody's ESG Solutions

- The Eligible Category is clearly defined and detailed. The Issuer has communicated the nature of the expenditures, eligibility criteria and location of Eligible Projects for the Eligible Category.
- The Environmental Objective is clearly defined, relevant and set in coherence with sustainability objectives defined in international standards.
- The Expected Environmental Benefits are clear, precise, relevant and measurable. It will be quantified in the reporting.
- The Issuer has committed to transparently communicate publicly the estimated share of refinancing prior to each bond issuance. The look-back period for refinanced Eligible Category will be equal to or less than 24 months from the issuance date, in line with good market practices.

Evaluation and Selection - aligned with the GBP and best practices identified by Moody's ESG Solutions

- The Process for Project Evaluation and Selection has been clearly defined by the Issuer. The process is structured, and the roles and responsibilities are clear and include relevant internal expertise. The process is publicly disclosed in the Framework and this Second Party Opinion.
- Eligibility criteria for project selection have been clearly defined and detailed by the Issuer including relevant exclusion criteria for the Eligible Category.
- The process applied to identify and manage potentially material ESG risks associated with Eligible Projects is publicly disclosed in this Second Party Opinion. The process is considered robust: it combines monitoring, identification and corrective measures for all Eligible Projects (see detailed analysis on pages 13 - 15).

Management of Proceeds - aligned with the GBP and best practices identified by Moody's ESG Solutions

- The Process for the Management and Allocation of Proceeds is clearly defined and detailed and is publicly available in the Framework.
- The allocation period will be 24 months or less.
- Net proceeds of the Bond will be placed in a segregated account.
- Information on the intended types of temporary placement for the balance of the unallocated net proceeds is publicly disclosed.
- For as long as the Bond is outstanding, the Issuer has committed to periodically adjust the balance of tracked net proceeds to match allocations to Eligible Projects.
- The Issuer has provided information on the procedure that will be applied in case of project divestment or postponement and has committed to reallocate divested proceeds to projects that comply with the Framework within 24 months.

Reporting - aligned with the GBP

- The Issuer has committed to report on the Use of Proceeds on an annual basis, until full allocation and on a timely basis in case of material developments for the allocation reporting, and until Bond maturity for the impact reporting. The report will be publicly available on the Issuer's website¹.
- The Issuer has committed to include in the reports relevant information related to the allocation of Bond proceeds and the expected sustainable benefits of the Eligible Projects. The Issuer has also committed to report on material developments and controversies related to the Eligible Projects.
- The reporting methodology and assumptions used to report on environmental benefit of the Eligible Projects will be publicly disclosed.
- An external auditor will verify the tracking and allocation of funds to Eligible Projects until full allocation of the proceeds. An external auditor will verify the reporting on the environmental benefit of Eligible Projects until bond maturity.

Contact

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¹ www.sunenergy.id

SCOPE

Moody's ESG Solutions was commissioned to provide an independent Second Party Opinion ("SPO") on the sustainability credentials and management of the Green Bonds² (the "Bonds") to be issued by Solar United Network Pte. Ltd (the "Issuer" or "SUN Energy" or "Solar United Network") in compliance with the Green Bond Framework (the "Framework") created to govern their issuance(s).

Our opinion is established according to Moody's ESG Solutions' Environmental, Social and Governance ("ESG") exclusive assessment methodology and to the latest version of the voluntary guidelines of ICMA's Green Bond Principles ("GBP") - edited in June 2021.

Our opinion is built on the review of the following components:

- Framework: we assessed the Framework, including the coherence between the Framework and the Issuer's environmental commitments, the Bonds' potential contribution to sustainability and its alignment with the four core components of the GBP 2021.
- Issuer³: we assessed the Issuer's management of potential stakeholder-related ESG controversies and its involvement in controversial activities⁴.

Our sources of information are multichannel, combining data (i) gathered from public sources, press content providers and stakeholders, (ii) from our exclusive ESG rating database, and (iii) information provided from the Issuer through documents and interviews conducted with the Issuer's managers involved in the Bonds issuance, held via a telecommunications system.

Our opinion and work has been carried out in good faith. Moody's ESG solutions has not performed any audit, site visit, inspection, nor other tests to establish the accuracy of the information provided by the Issuer. The Issuer is solely responsible for the correctness of the information it has provided and its compliance with, and implementation of, its commitments.

We carried out our due diligence assessment from June 2nd 2022 to July 13th 2022. We consider that we were provided access to all documents and interviewees we solicited. For this purpose, we made reasonable efforts to verify the accuracy of all data used as part of the assessment.

Type of External Reviews supporting this Framework

<input checked="" type="checkbox"/>	Pre-issuance Second Party Opinion	<input checked="" type="checkbox"/>	Independent verification of impact reporting
<input checked="" type="checkbox"/>	Independent verification of funds allocation	<input type="checkbox"/>	Climate Bonds Initiative Certification

² The "Green Bond" is to be considered as the bond to be potentially issued, subject to the discretion of the Issuer. The name "Green Bond" has been decided by the Issuer: it does not imply any opinion from Moody's ESG Solutions.

³ The Issuer is not part of our ESG performance rating universe.

⁴ The 17 controversial activities screened by us are: Alcohol, Animal welfare, Cannabis, Chemicals of concern, Civilian firearms, Coal, Fossil Fuels industry, Unconventional oil and gas, Gambling, Genetic engineering, Human embryonic stem cells, High interest rate lending, Military, Nuclear Power, Pornography, Reproductive Medicine and Tobacco.

COHERENCE

Coherent
Partially coherent
Not coherent

We consider that the contemplated Framework is coherent with Solar United Network's strategic sustainability priorities and sector issues and that it contributes to achieving the Issuer's sustainability commitments.

The energy transition from fossil fuel to renewable energy is a critical part of meeting the climate goals set in the Paris Agreement. According to International Energy Agency (IEA), the average annual additions of solar photovoltaic and wind energy would need to double in the next five years to stay on the course of a 1.5°C temperature rise⁵. In the Association of Southeast Asian Nations (ASEAN), renewable energy is likely to increase by more than 65% over the current capacity from 2021 to 2026, with Solar PV contributing about half the total capacity growth⁶. In Australia, the newly unveiled net-zero plan identified ultra-low-cost solar electricity generation as a priority technology to achieve decarbonisation of the power sector and support the electrification of other sectors⁷.

In Indonesia, where the Issuer operates the majority of its business, energy demand is expected to increase rapidly fuelled by the economic development and population growth in the region. Indonesia is currently heavily reliant on fossil fuels as energy supply (37.3% of coal, 35% of oil, and 18.5% of gas as of 2019)⁸. Indonesia has pledged to reduce emissions by 29% (unconditional) to 41% (conditional) against the Business as Usual scenario by 2030⁹. To achieve this national target, the Indonesian government is looking into expanding clean energy capacity as one of the measures. The recently released Electricity Business Plan (RUPTL) 2021-2030 aims to source more than half of its added power capacity from renewable sources¹⁰ to achieve a 23% share of renewable energy in the energy mix by 2025 and 31% by 2050¹¹. Among the renewable energy sources, solar power has been identified as one of the technology options that have the greatest potential to scale in Indonesia which includes both industrial-sized solar PV and small-scale solar projects¹².

Solar United Network Pte. Ltd. (or SUN Energy) is a Renewable Energy Service Company (RESCO) with an operational presence in Asia-Pacific countries, including Indonesia, Singapore, Thailand, and Australia.

The Issuer has made the promotion of development and diffusion of environmentally friendly technologies central to its mission. The Issuer's sustainability efforts mainly focus on three areas, namely climate protection and energy conservation, clean water, and education. Furthermore, the Issuer has set a target of 2 Gigawatt-peak of operational capacity by 2025 to support its vision to actively provide innovative technologies to promote a sustainable future that is accessible to as many people as possible. The Issuer has identified that the renewable projects will contribute to two Sustainable Development Goals (SDGs), namely SDG 7 Affordable and Clean Energy and SDG 13 Climate Action.

By issuing Green Bonds to finance renewable energy projects, the Issuer coherently aligns with its sustainability strategies and commitments and addresses important sustainability issues of the sector.

⁵ <https://iea.blob.core.windows.net/assets/5ae32253-7409-4f9a-a91d-1493ffb9777a/Renewables2021-Analysisandforecastto2026.pdf>

⁶ Ibid.

⁷ <https://www.minister.industry.gov.au/ministers/taylor/media-releases/australias-plan-reach-our-net-zero-target-2050>

⁸ <https://www.adb.org/sites/default/files/institutional-document/666741/indonesia-energy-asr-update.pdf>

⁹ <https://www.ndcs.undp.org/content/ndc-support-programme/en/home/our-work/geographic/asia-and-pacific/Indonesia.html#:~:text=The%20objective%20of%20Indonesia's%20NDC,and%20disaster%20risk%20reduction%20strategies.>

¹⁰ <https://www.oecd.org/environment/cc/cefm/indonesia/RUPTL-2021-30-PLN-steps-up-ambitions-to-accelerate-clean-energy-investments-in-Indonesia.pdf>

¹¹ https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2017/Mar/IRENA_REmap_Indonesia_summary_2017.October%202020

¹² See note 8 and 11

FRAMEWORK

The Solar United Network has described the main characteristics of the Bond within a formalised Green Bond Framework that covers the 4 core components of the GBP 2021 (the last updated version was provided to Moody's ESG Solutions on July 13, 2022). The Issuer has committed to make this document publicly accessible on SUN Energy's website, in line with good market practices.

Alignment with the Green Bond Principles

Use of Proceeds



The net proceeds of the Bonds will exclusively finance or refinance, in part or in full, projects falling under one Green Project Category ("Eligible Categories"), as indicated in Table 1.

- The Eligible Category is clearly defined and detailed. The Issuer has communicated the nature of the expenditures, eligibility criteria and location of Eligible Projects for the Eligible Category.
- The Environmental Objective is clearly defined, relevant and set in coherence with sustainability objectives defined in international standards.
- The Expected Environmental Benefit is clear, precise, relevant and measurable. It will be quantified in the reporting.
- The Issuer has committed to transparently communicate publicly the estimated share of refinancing prior to each bond issuance. The look-back period for refinanced Eligible Category will be equal to or less than 24 months from the issuance date, in line with good market practices.

In addition, the Issuer has transparently communicated the estimated share of refinancing for the first issuance, which will be of less than 50%.

BEST PRACTICES
<div>⇒ The definition and eligibility criteria (selection and exclusion) are clear and in line with international standards</div> <div>⇒ Relevant environmental benefit is identified and measurable for the project category</div> <div>⇒ The Issuer has committed to transparently communicate publicly the estimated share of refinancing prior to each bond issuance.</div> <div>⇒ The look-back period for refinanced assets is equal or less than 24 months, in line with good market practices</div>



Table 1. Our analysis of Eligible Categories, Sustainability Objectives and Expected Benefits as presented in the Issuer's Framework

- Nature of expenditures: CAPEX
- Location of Eligible Projects or Assets: Asia-Pacific

ELIGIBLE CATEGORY	DESCRIPTION	SUSTAINABILITY OBJECTIVES AND BENEFITS	MOODY'S ESG SOLUTIONS' ANALYSIS
Renewable Energy	<p>Financing and refinancing investments in renewable energy projects and Capex assets that are focusing on solar projects or assets that operate or are under construction which includes the following activities:</p> <ul style="list-style-type: none"> - Solar electricity generation facilities, excluding solar projects which uses more than 5% fossil fuel for back-ups 	<p><u>Climate Change Mitigation</u> GHG Avoidance</p>	<p>The Eligible Category is clearly defined. The Issuer has communicated the nature of expenditures, the eligibility criteria, and the location of Eligible Projects.</p> <p>The intended Environmental Objective is clearly defined and set in coherence with sustainability objectives defined in international standards.</p> <p>The Expected Environmental Benefit is clear. It is considered relevant, measurable, and will be quantified in the reporting.</p>

SDG Contribution

The Eligible Categories are likely to contribute to 2 of the United Nations' Sustainable Development Goals ("SDGs"), namely:

ELIGIBLE CATEGORY	SDG	SDG TARGETS
Renewable Energy	 7 Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
	 13 Climate Action	Eligible Categories contribute globally to SDG 13, which is to take urgent action to combat climate change and its impacts.

Evaluation and Selection of Eligible Projects



- The Process for Project Evaluation and Selection has been clearly defined by the Issuer. The process is structured, and the roles and responsibilities are clear and include relevant internal expertise. The process is publicly disclosed in the Framework and this Second Party Opinion.
- Eligibility criteria for project selection have been clearly defined and detailed by the Issuer including relevant exclusion criteria for the Eligible Category.
- The process applied to identify and manage potentially material ESG risks associated with Eligible Projects is publicly disclosed in this Second Party Opinion. The process is considered robust: it combines monitoring, identification, and corrective measures for all Eligible Projects (see detailed analysis on pages 13 - 15).

Process for Project Evaluation and Selection

- The teams below will be involved in the process for project evaluation and selection:
 - Project Management Team
 - Investment Committee
 - Board of Directors
 - Asset Management team
- The process, as well as the responsibilities of teams, are as per below:
 - The Project Management team is responsible to identify leaders from teams that are in charge of projects (Project in Charge or "PIC") (including the finance, investment, and legal teams), selecting projects based on pre-determined criteria, performing Due Diligence and proposing Eligible Projects and asset acquisition plan to the Investment Committee.
 - The Project Management team will also be responsible for updating the Framework
 - The Investment Committee, composed of the CEO, CIO, CFO, and COO, is responsible to perform the necessary assessment and holding the Investment Committee panel to validate and evaluate proposed Eligible Projects. The Committee is also responsible for deciding the bond proceed allocation.
 - The Board of Directors, as well as Shareholders, give final approval to the selected Eligible Projects.
 - After the selection of the Eligible Projects, the Asset Management team will be responsible for the operation and management of the assets as well as portfolios.
- The traceability and verification of the selection and evaluation of projects are ensured throughout the process, including the procedures in case a project/asset is no longer eligible:
 - The Issuer commits to monitor the compliance of selected and financed projects at every entity and regional level throughout the life of the bond. The Issuer also commits to monitor the compliance requirement for future projects and future financing as stipulated in the Company Policy. In case of non-compliance, the Issuer commits to allocating to another Eligible Project.
 - The Issuer commits to monitor the ESG controversies associated with the Eligible Projects throughout the life of the bond. In case a controversy is found, the Issuer commits to first adhere to internal procedures to solve ESG issues. In case unsolved, the Issuer commits to allocating to another Eligible Project.
 - The decision-making process is traceable and documented by the Issuer's personnel from Project Management Unit, and the documentation will be filed in the Issuer's internal data room.

Eligibility Criteria

The process relies on explicit eligibility criteria (selection and exclusion), relevant to the environmental objectives defined for the Eligible Category

- The selection criteria are based on the definitions in the Eligible Category defined in Table 1 in the Use of Proceeds section.
- As exclusion criteria, the Issuer commits to exclude the solar projects that use more than 5% of fossil fuel as a back- up energy source.

BEST PRACTICES

- ⇒ Eligibility and exclusion criteria for Eligible Project selection are clearly defined and detailed for the Eligible Category
- ⇒ The Issuer reports that it will monitor compliance of selected and financed Projects with eligibility criteria specified in the Framework throughout the life of the instrument and has provided details on the procedure adopted in case of non-compliance.
- ⇒ The Issuer reports that it will monitor potential ESG controversies associated with the financed Projects throughout the life of the instrument and has provided details on the procedure in case a controversy is found.

Management of Proceeds



- The Process for the Management and Allocation of Proceeds is clearly defined and detailed and is publicly available in the Framework.
- The allocation period will be 24 months or less.
- Net proceeds of the Bond will be placed in a segregated account.
- Information on the intended types of temporary placement for the balance of the unallocated net proceeds is publicly disclosed.
- For as long as the Bond is outstanding, the Issuer has committed to periodically adjust the balance of tracked net proceeds to match allocations to Eligible Projects.
- The Issuer has provided information on the procedure that will be applied in case of project divestment or postponement and has committed to reallocate divested proceeds to projects that comply with the Framework within 24 months.

Management Process

- The net proceeds of the Bonds will be credited to the Issuer's segregated and dedicated account that is managed by the Finance department. The proceeds will be used for both financing and refinancing Eligible Projects directly or through the Issuer's subsidiary that owns and operate the Eligible Projects.
- The Issuer commits to adjust the tracked proceeds yearly to match the allocation to Eligible Projects.
- The unallocated proceeds will be invested in short-term and liquid instruments. The Issuer commits not to invest the unallocated proceeds temporarily in GHG-intensive activities.
- The Issuer commits to allocating the proceeds within 24 months of the bond issuance.
- In case of projects postponement, cancellation, divestment or ineligibility, or in case an Eligible Project has matured, the Issuer commits to allocating to other Eligible Projects in the Issuer's pipeline that have the same eligibility criteria within 24 months.

BEST PRACTICES

- ⇒ The allocation period is 24 months or less
- ⇒ The Issuer has committed not to invest temporarily unallocated net proceeds in GHG-intensive activities or controversial activities
- ⇒ The Issuer has provided information on the procedure that will be applied in case of project divestment or postponement and it has committed to reallocate divested proceeds to projects that are compliant with the Bond Framework within 24 months

Reporting

Not Aligned	Partially Aligned	Aligned	Best Practices
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- The Issuer has committed to report on the Use of Proceeds on an annual basis, until full allocation and on a timely basis in case of material developments for the allocation reporting, and until Bond maturity for the impact reporting. The report will be publicly available on the Issuer's website¹³.
- The Issuer has committed to include in the reports relevant information related to the allocation of Bond proceeds and the expected sustainable benefits of the Eligible Projects. The Issuer has also committed to report on material developments and controversies related to the Eligible Projects.
- The reporting methodology and assumptions used to report on environmental benefits of the Eligible Projects will be publicly disclosed.
- An external auditor will verify the tracking and allocation of funds to Eligible Projects until full allocation of the proceeds. An external auditor will verify the reporting on the environmental benefit of Eligible Projects until bond maturity.

Indicators

The Issuer has committed to transparently communicate at the Eligible Project level, on:

- Allocation of proceeds: The indicators selected by the Issuer to report on the allocation of proceeds cover all relevant information.

REPORTING INDICATORS

- ⇒ The list of Eligible Projects (re)financed, including a brief description
- ⇒ The amount of net proceeds allocated
- ⇒ The balance of unallocated proceed with information on types of temporary investment, i.e., short-term and liquid investment which excludes GHG-intensive activities

- Environmental benefits: The indicators selected by the Issuer to report on the environmental benefits are clear, relevant, and exhaustive.

ELIGIBLE CATEGORIES	ENVIRONMENTAL BENEFITS INDICATORS	
	OUTPUTS AND OUTCOMES	IMPACT INDICATORS
Solar Projects or Assets	<ul style="list-style-type: none"> • Installed Capacity 	<ul style="list-style-type: none"> • Expected Annual Generation (MWh) • Estimated Annual Greenhouse Gas (GHG) Emission reduced or avoided (tonnes/year)

¹³ www.sunenergy.id

BEST PRACTICES

- ⇒ The Issuer will report on the Use of Proceeds until bond maturity.
- ⇒ The Issuer report will be publicly available.
- ⇒ The reporting will cover relevant information related to the allocation of Bond proceeds and to the expected sustainable benefits of the Projects. The Issuer has also committed to report on material development related to the projects, including ESG controversies.
- ⇒ The Issuer will report on allocation of proceeds and on environmental benefits at project level
- ⇒ The indicators selected by the Issuer are clear and relevant and cover all expected benefits associated with the Eligible Category.
- ⇒ The reporting methodology and assumptions used to report on environmental benefits of the Eligible Projects will be disclosed publicly.
- ⇒ Environmental benefits and impacts will be externally verified until bond maturity.

CONTRIBUTION TO SUSTAINABILITY

Expected Impacts

The potential positive impact of the eligible projects on environmental objectives is considered to be advanced.

ELIGIBLE CATEGORY	EXPECTED IMPACT	ANALYSIS
Renewable Energy	ADVANCED	<p>Despite the global awareness of the importance of shifting energy sources from carbon-intensive sources to renewable energy sources, the global energy mix is still heavily relying on coal, oil, and gas. In 2020, coal accounted for 27.6%, oil for 31.6%, and gas for 25% respectively whereas solar only accounted for 1.4% of the global energy mix¹⁴. The Asia-Pacific region is not an exception, ~87% of energy is derived from carbon-intensive energy sources (including coal, oil, and gas)¹¹. The increase in the share of renewable energy is thus one of the most high-priority issues to tackle climate change in the region.</p> <p>The Eligible Category will likely contribute to climate change mitigation by helping to reduce GHG emissions through the installation of PVs in the Asia-Pacific region. Additionally, the Issuer intends to exclude solar projects that use more than 5% of fossil fuel as a backup energy source. The majority of Eligible Projects also consist of the installation of distributed solar PVs, which limits the negative impact on biodiversity.</p>

ESG Risks Identification and Management Systems in Place at Project Level

The identification and management of the environmental, social, and governance risks associated with the Eligible Projects are considered robust.

Generally, the Issuer has conducted risk mapping procedures to identify and rank risks based on the probability of occurrence. Based on the mapping, the Issuer has set objectives to help each key department (including Sales, Engineering, Project Management, Supply Chain Management, Legal, Finance, and HR) to manage identified risks that are relevant.

Environmental Risks

Environmental Management System

The Issuer has implemented a comprehensive Environmental Management System certified by ISO 14001 and is committed to complying with the local environmental standards. The management team is aware of the environmental risks in the installation and maintenance process and has established proper procedures to control these risks.

Environmental Impact Assessment

The Issuer is committed to integrating environmental impact considerations into its planning and implementation process. Environmental Impact Assessment (EIA) will be required for all large-scale projects that pose negative impacts on the environment. The Issuer's EIA consists of a few steps: Identification, Screening, Scoping and consideration of alternatives, Impact prediction, Mitigation, Reporting to the decision-making body, Public hearing, and Review.

The Issuer currently only operates one large-scale solar power plant which is subject to an environmental impact assessment and approval from the local authority. The approved EIA report incorporates environmental risk identification, assessment and proposed control measures. The Issuer is committed to implementing proper mitigation measures as required in the EIA to minimise the adverse environmental impact on the environment and to receivers.

The impacts on biodiversity and indigenous people are considered low because according to the approved EIA, the 120 MW capacity solar farm is built on land that is predominantly used for agricultural purposes. The EIA also includes an environmental management plan that addresses the visual impact, soil management, vegetation and habitat, etc.

¹⁴ <https://ourworldindata.org/sources-global-energy>

Pollution Prevention and Control

The potential environmental risks regarding air pollution, water usage and wastewater discharge, use of chemicals and disposal of hazardous waste are considered as low, considering the business nature of the Issuer who is mainly involved in the business of distributed solar PV, i.e., installation and maintenance of the solar system on the roof of the shopping malls and factories within or in the vicinity of cities.

Concerning the prevention and mitigation of inconveniences (including but not limited to dust and noise), the Issuer requires all projects to implement an Environmental Performance Procedure which includes controlling and monitoring such inconveniences. The issuer's Health, Safety, and Environment ("HSE") department is responsible for the daily monitoring and inspections of environmental pollution according to the Environmental Performance Procedure.

The Issuer has confirmed the implementation of a robust waste management system to ensure the segregation of hazardous waste. The Issuer also conducts monitoring of waste production and waste disposal. The Issuer is also currently evaluating the feasibility of building a circular economy through sustainable procurement, delivery and maintenance.

Decommissioning

The Issuer has developed a Standard Operating Procedure ("SOP") which includes the procedure for removing the solar panel system, remediating land, disposal of any components, and the stabilisation and re-vegetation of the site.

Social Risks

Fundamental Human and Labor Rights

The Issuer commits to respect the UN's Universal Declaration of Human Rights and to create a work environment where each employee's fundamental human and labour rights are respected. The Issuer has human rights policies in place, such as Anti-Harassment and Equal Employment Opportunity, and has also put in place a grievance mechanism, where workers within the organization are required to report if they are aware of any behaviour that is considered to be deviant. The Issuer also has an investigation process in place in case such behaviour is reported. The HR and General Administration (GA) departments collaborate to enforce the respect of labour law. The contractors are also selected after being screened by the Issuer on the respect of human and labour rights.

Regarding illegal work, the Issuer has an internal system in place to prevent such events from happening. Additionally, the HSE department ensures that contractors are not engaged in illegal work, child labour, and forced labour. Prohibition of such involvement is also included in the contracts. In case a contractor is found to be non-compliant, the Issuer will likely terminate the contract or not engage with the contractor in the future. The Issuer will carefully assess non-compliant contracts on a case-by-case basis, hold dialogue and discuss risk mitigation measures and corrective actions, or both with its contractors.

Health and Safety of Workers

The Issuer is certified by ISO 45001, Occupational Health & Safety standard. The Issuer has implemented several preventive measures to secure the health and safety of workers, such as holding a toolbox meeting before work, providing Personal Protective Equipment to certain workers, and providing regular HSE training as part of the Issuer's current standard certification and licence maintenance. Additionally, the Management Representative has formed an Emerging Response Team ("ERT"), which is a dedicated team to handle any emergency issues that may arise.

The Issuer has also put in place a procedure to manage the occupational health and safety of workers with contractors in its Quality, Occupational Health, Safety, and Environmental Management System Procedure of Control of Contractors. Before registering as a vendor at SUN Energy, contractors are required to go through an approval process run by the Issuer that is supervised regularly to ensure continued compliance to the policy.

Dialogue with Local Stakeholders and Engagement

The dialogue with local stakeholders and communities is embedded in the Issuer's SOP. Some crucial steps involve 1. Communicating with relevant stakeholders that are affected by the Issuer's operations, 2. Starting the dialogue early in the process, and 3. Ensuring that continuous dialogue is taking place and collecting feedback.

Additionally, the Issuer hires ~90% of employees and contractors locally.

Relationship with suppliers and contractors

As part of its ESG screening process for suppliers, the Issuer commits to source materials from suppliers that are considered to rank in the top 5 brands globally, as the Issuer expects these suppliers to have more credible ESG policies in place than other market participants. Additionally, the Issuer also checks the governance mechanism of suppliers and contractors. The Issuer is also currently working on formalising a procedure to assess the ESG performance of its partners, suppliers, and

contractors which involves auditing, monitoring, and verification. In case the Issuer identifies any concerns related to environmental, social, and governance aspects, the Issuer will likely take corrective action, such as switching suppliers and contractors. The Issuer will make this decision after carefully assessing its contracts on a case-by-case basis, holding dialogue, and discussing risk mitigation measures and corrective actions, or both with its suppliers and contractors.

Governance Risks

Business Ethics

The Issuer has formalised a comprehensive HR Policy which includes the code of ethics that covers Prohibition of Insider Trading Practices and anti-corruption that are enforced across interactions among employees internally. Similar policies regarding ethical conduct are also enforced among customers and vendors. As part of its anti-corruption commitment, the Issuer conducts a corruption risk assessment when doing business and has internal procedures in place to prevent such events from happening. The Issuer has also put in place a whistle-blower system and grievance mechanism.

Issuer

Management of ESG Controversies

As of today (July 13, 2022), the review conducted by Moody's ESG Solutions did not reveal any ESG controversy against Solar United Network Pte. Ltd over the last four years.

Involvement in Controversial Activities

The Issuer appears to be not involved in any of the 17 controversial activities screened under our methodology, namely: Alcohol, Animal welfare, Cannabis, Chemicals of Concern, Civilian firearms, Coal, Fossil Fuels industry, Unconventional oil and gas, Gambling, Genetic engineering, Human embryonic stem cells, High-interest rate lending, Military, Nuclear Power, Pornography, Reproductive Medicine and Tobacco.

The controversial activities research provides screening of companies to identify involvement in business activities that are subject to philosophical or moral beliefs. The information does not suggest any approval or disapproval on their content from Moody's ESG Solutions.

METHODOLOGY

In our view, Environmental, Social and Governance (ESG) factors are intertwined and complementary. As such they cannot be separated in the assessment of ESG management in any organisation, activity or transaction. In this sense, we provide an opinion on the Issuer's ESG performance as an organisation, and on the processes and commitments applicable to the intended issuance.

Our Second Party Opinions (SPOs) are subject to internal quality control at three levels (Analyst, Project Manager and Quality Reviewer). If necessary, this process is complemented by a final review and validation by the Expertise Committee and Supervisor. A right of complaint and recourse is guaranteed to all companies under our review.

COHERENCE

Scale of assessment: not coherent, partially coherent, coherent

This section analyses whether the activity to be financed through the selected instrument is coherent with the Issuer's sustainability priorities and strategy, and whether it responds to the main sustainability issues of the sector where the Issuer operates.

ISSUANCE

Alignment with the Green and/or Social Bond Principles

Scale of assessment: Not aligned, Partially aligned, Aligned, Best Practices

The Framework has been evaluated by Moody's ESG Solutions according to the ICMA's Green Bond Principles - June 2021 ("GBP") and on our methodology based on international standards and sector guidelines applicable in terms of ESG management and assessment.

Use of proceeds

The definition of the Eligible Projects and their sustainable objectives and benefits are a core element of Green/Social/Sustainable Bonds and Loans standards. Moody's ESG Solutions evaluates the clarity of the definition of the Eligible Categories, as well as the definition and the relevance of the primary sustainability objectives. We evaluate the descriptions of the expected benefits in terms of relevance, measurability and quantification. In addition, we map the potential contribution of Eligible Projects to the United Nations Sustainable Development Goals' targets.

Process for evaluation and selection

The evaluation and selection process is assessed by Moody's ESG Solutions on its transparency, governance and relevance. The eligibility criteria are assessed on their clarity, relevance and coverage vs. the intended objectives of the Eligible Projects.

Management of proceeds

The process and rules for the management and the allocation of proceeds are assessed by Moody's ESG Solutions on their transparency, traceability and verification.

Reporting

The monitoring and reporting process and commitments defined by the Issuer are assessed by Moody's ESG Solutions on their transparency, exhaustiveness and relevance, covering the reporting of both proceeds' allocation and sustainable benefits (output, impact indicators).

Contribution to sustainability

Scale of assessment: Weak, Limited, Robust, Advanced

Our assessment of activities' contribution to sustainability encompasses both the evaluation of their expected positive impacts on environmental/social objectives, as well the management of the associated potential negative impacts and externalities.

Expected positive impact of the activities on environmental/social objectives

The expected positive impact of activities on environmental/social objectives to be financed by the Issuer or Borrower is assessed on the basis of:

- i) the relevance of the activity to respond to an important environmental/social objective for the sector of the activity;¹⁵
- ii) the scope of the impact: the extent to which the expected impacts are reaching relevant stakeholders (i.e. the Issuer, its value chain, local and global stakeholders);
- iii) the magnitude and durability of the potential impact of the proposed activity on the environmental/social objectives (capacity to not just reduce, but to prevent/avoid negative impact; or to provide a structural/long-term improvement);
- iv) for environmental objectives only: the extent to which the activity is adopting the best available option.

ESG risk management for eligible activities

The identification and management of the potential ESG risks associated with the eligible projects/activities are analysed on the basis of Moody's ESG Solutions' ESG assessment methodology, international standards and sector guidelines applicable in terms of ESG management and assessment.

ISSUER

Management of Stakeholder Related ESG Controversies

Moody's ESG Solutions defines a controversy as public information or contradictory opinions from reliable sources that incriminate or make allegations against an Issuer regarding how it handles ESG issues as defined in Moody's ESG Solutions' ESG framework. Each controversy may relate to several facts or events, to their conflicting interpretations, legal procedures or non-proven claims.

We reviewed information provided by the Issuer, press content providers and stakeholders (partnership with Factiva Dow Jones: access to the content of 28,500 publications worldwide from reference financial newspapers to sector-focused magazines, local publications or Non Government Organizations). Information gathered from these sources is considered as long as it is public, documented and traceable.

We provide an opinion on companies' controversies risks mitigation based on the analysis of 3 factors:

- Frequency: reflects for each ESG challenge the number of controversies that the Issuer has faced. At corporate level, this factor reflects on the overall number of controversies that the Issuer has faced and the scope of ESG issues impacted (scale: Isolated, Occasional, Frequent, Persistent).
- Severity: the more a controversy is related to stakeholders' fundamental interests, proves actual corporate responsibility in its occurrence, and have caused adverse impacts for stakeholders and the company, the higher its severity is. Severity assigned at the corporate level will reflect the highest severity of all cases faced by the company (scale: Minor, Significant, High, Critical).
- Responsiveness: ability demonstrated by an Issuer to dialogue with its stakeholders in a risk management perspective and based on explanatory, preventative, remediating or corrective measures. At corporate level, this factor will reflect the overall responsiveness of the company for all cases faced (scale: Proactive, Remediate, Reactive, Non- Communicative).

The impact of a controversy on a company's reputation reduces with time, depending on the severity of the event and the company's responsiveness to this event. Conventionally, our controversy database covers any controversy with Minor or Significant severity during 24 months after the last event registered and during 48 months for High and Critical controversies.

Involvement in Controversial Activities

17 controversial activities have been analysed following 30 parameters to screen the company's involvement in any of them. The company's level of involvement (Major, Minor, No) in a controversial activity is based on:

- An estimation of the revenues derived from controversial products or services.
- The specific nature of the controversial products or services provided by the company.

¹⁵ The importance of a specific social need at country level is assessed on the basis of the country performance on the priority SDG that the project is targeting using data from Sachs, J., Schmidt-Traub, G., Kroll, C., Lafortune, G., Fuller, G., Woelm, F. 2020. The Sustainable Development Goals and COVID-19. Sustainable Development Report 2020. Cambridge: Cambridge University Press.

OUR ASSESSMENT SCALES

Scale of assessment of Issuer's ESG performance or strategy and financial instrument's Contribution to sustainability		Scale of assessment of financial instrument's alignment with Green Bond Principles	
Advanced	Advanced commitment; strong evidence of command over the issues dedicated to achieving the sustainability objective. An advanced expected impact combined with an advanced to robust level of ESG risk management & using innovative methods to anticipate new risks.	Best Practices	The Instrument's practices go beyond the core practices of the ICMA's Green Bond Principles by adopting recommended and best practices.
Robust	Convincing commitment; significant and consistent evidence of command over the issues. A robust expected impact combined with an advance to robust level of assurance of ESG risk management or an advanced expected impact combined with a limited level of assurance of ESG risk management.	Aligned	The Instrument has adopted all the core practices of the ICMA's Green Bond Principles.
Limited	Commitment to the objective of sustainability has been initiated or partially achieved; fragmentary evidence of command over the issues. A limited expected impact combined with an advanced to limited level of assurance of ESG risk management; or a robust expected impact combined with a limited to weak level of assurance of ESG risk management; or an advance expected impact combined with a weak level of assurance of ESG risk management.	Partially Aligned	The Instrument has adopted a majority of the core practices of the ICMA's Green Bond Principles.
Weak	Commitment to social/environmental responsibility is non-tangible; no evidence of command over the issues. A weak expected impact combined with an advanced to weak level of assurance of ESG risk management or a limited expected impact with a weak level of assurance of ESG risk management.	Not Aligned	The Instrument has adopted only a minority of the core practices of the ICMA's Green Bond Principles.

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