



Electricity Generating Authority of Thailand Sustainability-Linked Finance Framework

July 2025

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1. Introduction

1.1. About the Electricity Generating Authority of Thailand (EGAT)

The Electricity Generating Authority of Thailand (EGAT) was established by virtue of the EGAT Act, B.E. 2511 (1968) on May 1, 1969. Being a state enterprise under the Ministry of Energy and the Ministry of Finance, EGAT is responsible for generating, acquiring, and supplying electricity to the Metropolitan Electricity Authority (MEA), the Provincial Electricity Authority (PEA), legal power users, and neighboring countries. EGAT is also responsible for power-related activities and services, including producing and selling lignite and its by-products under the EGAT Act, B.E. 2511 (1968) and its amendment, B.E. 2535 (1992).

At present, the operation of EGAT is in accordance with the Electricity Supply Industry whereby, under the supervision of the Energy Regulatory Commission (the Regulator), EGAT is a producer and supplier of electricity, efficiently controlling electricity production and distribution throughout the country to meet consumption demand in parallel with sound environmental management for the benefit of local communities and Thai society as a whole.

EGAT's headquarters is situated in Nonthaburi Province. The Transmission System Operation has five offices: Two are in Nonthaburi Province and one each is in Phitsanulok, Khon Kaen, and Krabi Provinces.



Vision

Innovate power solutions
for a better life



Mission

Be the country's main organization to
secure the power reliability and enhance
competitiveness of the nation through
innovation for Thai happiness

Strategic Positioning



Short/Middle-Term Target (2025-2027)	Long-Term Target (2028-2029)
Develop electric energy innovations for energy transition focusing on the principles of energy <i>security</i> , <i>fairness</i> to all sectors, and <i>environmental</i> conservation	Continue the short/middle-term initiatives based on the strategic positioning from the internal perspective as a creator of electric energy innovations for security and deliver sustainable <i>green energy</i> value to Thai society

Direction

EGAT Strategic Plan 2025-2029



EGAT's Business

EGAT's business consists of electricity generation and related business.

Electricity Generation

- 1) Electricity generation:** As of 2024, EGAT had 54 power plants located in different parts of the country. With a total installed capacity of 16,261.02 megawatts (MW), EGAT's power plants consist of 3 thermal power plants, 6 combined cycle power plants, 30 renewable power plants (hydropower plants), 10 renewable power plants (wind, solar, and geothermal), 4 diesel power plants, and 1 other power plant.
- 2) Electricity purchase:** In 2024, EGAT purchased bulk electricity from (i) 13 Independent Power Producers totaling 19,598.50 MW; (ii) Small Power Producers totaling 9,319.88 MW; and (iii) neighboring countries, namely the Lao People's Democratic Republic and Malaysia, totaling 6,234.90 MW.
- 3) Electricity transmission:** EGAT transmits electricity generated by its own power plants and purchased from other power producers through its grid network

covering all parts of the country. EGAT's transmission lines comprise different voltages, including 500 kilovolts (kV), 230 kV, 132 kV, 115 kV, and 69 kV. EGAT sells electricity to its direct customers and to the MEA and the PEA to distribute to their retail customers countrywide. EGAT also sells electricity to the power utilities of neighboring countries, namely the Lao People's Democratic Republic (via 115 kV and via 22 kV lines) and Malaysia (via 300 kV High-Voltage Direct Current lines).

Related Business

- 1) Engineering and construction of power plants and transmission systems:** EGAT provides engineering and technical consulting services to power plants. EGAT also provides technical consulting services for (i) company mergers and acquisitions, (ii) power purchase agreements, (iii) connection agreements for overseas companies, and (iv) specialized studies concerning electricity generation projects.
- 2) Power plant operation and maintenance (O&M):** EGAT provides services in power plant operation and maintenance to leading local and overseas power plants. It also enhances the capabilities of its personnel to expand the scope of O&M services for renewable power plants.
- 3) Transmission system maintenance:** EGAT provides technical consulting services to power plants connecting to the grid for the first time and to power plants upgrading their connection systems. Moreover, EGAT provides scheduled maintenance services for transmission lines, substation equipment, and the communication and protective system equipment of private power plants, as well as transformer oil collecting and testing services for power plant and industrial plant customers. Other related services includes predictive maintenance and preventive and corrective maintenance.
- 4) Innovative By-products:** EGAT has implemented innovative solutions to optimize resources used in accordance with its strategy for the circular economy, aiming toward "zero waste to landfill." For example, EGAT uses fly ash to substitute for cement, reducing carbon dioxide emissions and the

consumption of synthetic gypsum, which is used in producing cement, fiber cement, and artificial wood.

- 5) Telecommunications:** EGAT provides telecommunication services through fiber optic networking in the high voltage system. The services provided include the (i) Dark Fiber services, (ii) Domestic and International Bandwidth services, and (iii) Internet Protocol-Multiprotocol Label Switching circuit services for both the government and the private sector.
- 6) EGAT smart energy solutions:** The services provided by EGAT include (i) design, installation, administration, and maintenance of solar rooftop systems; (ii) floating solar electricity generation; (iii) energy storage systems; and (iv) an energy management platform called “ENZY” that relies on the Internet of Things to meet user demand by displaying output, allowing user control, and giving recommendations on maximizing efficiency in energy use.
- 7) EGAT EV business solutions:** EGAT provides EV charging stations and accompanying management systems, EV applications, and EV total solution services. As of June 2025, there were 301 “EleX by EGAT” EV charging stations in the “EleXA” network spanning 67 provinces across Thailand.¹

The State of Play in Thailand’s Electricity System

Electricity accounts for 35% of carbon emissions in Thailand’s energy sector. In 2021, natural gas accounted for 66% of Thailand’s electricity generation mix, with coal contributing 17%, and low-carbon sources comprising only 12%. According to the current Power Development Plan, B.E. 2561-2580 (2018-2037), Revision 1, as well as EGAT demand projections conducted in 2022, greenhouse gas (GHG) emissions from the power sector are expected to increase 12% above 2021 levels by 2037. These projections incorporate both the impact of energy efficiency measures being implemented by the government and growing demand for electricity in cooling and transportation, leading to an average annual growth rate for GHG emissions of 4% from 2021 to 2037.²

As a state-owned utility operator, EGAT serves as an enhanced single-buyer,³ overseeing the central planning of electricity generation and transmission in Thailand to ensure

¹ EGAT. [EGAT EV Charging Station Map](#).

² International Energy Agency. [Thailand’s Clean Electricity Transition](#). August 2023.

³ Enhanced single-buyer refers to a vertically integrated utility that purchases electricity from both its own generation assets and independent power producers.

energy security, affordability, and sustainability. This responsibility requires EGAT to balance between ambitious climate goals, the need for energy security, and cost considerations, each of which can have social implications.⁴ While EGAT owns 34.5% of Thailand's total generation capacity, the electricity generation schedules of power plants are determined based on a merit-order system,⁵ except for those generators that have secured Power Purchase Agreements.⁶

As renewable energy technologies advance and their costs decrease, Thailand's forthcoming National Energy Plan, which incorporates five key energy plans: (i) Power Development Plan (PDP), (ii) Alternative Energy Development Plan, (iii) Energy Efficiency Plan, (iv) Gas Plan, and (v) Oil Plan, will aim to increase the share of renewable energy in the country's power generation mix. This will be achieved by rapidly expanding renewable-based power generation capacity, with at least 50% of new power generation capacity expected to come from renewables by 2050. Solar and wind power are projected to account for 65% of total electricity generation by 2060.⁷ In addition, expanding grid interconnections with neighboring countries is expected to enhance power trading within the region, further supporting a transition to a lower-carbon energy mix.

1.2. Sustainability at EGAT

As a key player in Thailand's national electricity system, EGAT is positioned to lead the country's low-carbon transformation. With its pivotal role in accelerating decarbonization in electricity generation, EGAT aims to become the national green energy infrastructure provider by 2026 and a cornerstone of Thailand's green energy future by 2028.

To achieve these aspirations, EGAT has established a robust sustainability management structure overseen by the Board of Directors. The Board is responsible for reviewing and approving significant policies, strategies, objectives, financial targets, corporate governance practices, and social responsibility and environmental protection initiatives and work plans. The Board's Committee on Governance and Sustainability focuses on formulating, reviewing, and approving policies related to governance, ethics and codes of conduct, social responsibility and environmental protection, sustainable

⁴ IIGCC. [Global Sector Strategies: Investor Interventions to Accelerate Net Zero Electric Utilities](#). October 2021.

⁵ The merit-order system is a method used to rank electricity generation sources based on their marginal cost. Under this system, those with the lowest costs are utilized first.

⁶ International Energy Agency. [Thailand's Clean Electricity Transition](#). August 2023.

⁷ Kingdom of Thailand. [Sustainability-Linked Financing Framework](#). October 2024.

development, stakeholder management, customer service, complaint management, and anti-corruption. The implementation and progress of sustainability management will be reported to the Board of Directors on a quarterly basis.

EGAT employs a systematic approach to sustainability management that begins with assessing the organizational context and identifying material topics, formulating policies on sustainability, developing sustainability strategies, implementing the sustainability work plan, and communicating with stakeholders. Each year, EGAT reviews these material topics, ensuring that it addresses the key sustainability issues and any significant negative or positive impacts on related stakeholders throughout the value chain.

EGAT’s Sustainable Development Policy aligns with the 5th strategy of the 20-year National Strategy (2018–2037), which focuses on eco-friendly development and growth, as well as the United Nations’ Sustainable Development Goals. EGAT’s policy is structured around four main dimensions as described in the table below.

Striving for Excellence across Environmental, Social, Economic, and Governance Dimensions		
Promoting energy and environmental conservation—coupled with organizational development toward carbon neutrality—focusing on increasing efficiency in the cost-effective use of energy and natural resources	Pursuing corporate social responsibility and taking human rights into account by implementing occupational health management systems and prioritizing safety throughout all work process, complemented by the development and retention of human resources, as well as the management of relationships with stakeholders and local communities to support sustainable development	Upholding good governance, responding to stakeholder needs with balance and sustainability, ensuring power security, and creating business opportunities through innovations and digital technologies

Alignment with the United Nations' Sustainable Development Goals



Governance

EGAT’s Board of Directors plays an important role in establishing organizational policies and strategy, as well as overseeing and monitoring operational performance—both financial and non-financial—in line with corporate governance guidelines. Its governance framework is designed not only to promote transparency and accountability but also to ensure that EGAT’s operations are environmentally responsible and socially sustainable. Ethical standards are upheld through EGAT’s Code of Conduct and accompanying handbook, with regular assessments conducted to promote awareness, ensure compliance, and reinforce an ethical culture throughout EGAT.

Social

EGAT is committed to corporate social responsibility and sustainable development in accordance with its Sustainable Development Policy and the concepts of “EGAT for All” and “EGAT: Community’s Friend.” EGAT values employees as a key resource in achieving its vision and mission. EGAT’s human resource management focuses on developing smart human capital and building a good, talented, and happy workforce that can drive sustainability efforts. In addition, EGAT continues to encourage strong relationships with all stakeholders through communication, knowledge sharing, community involvement, and initiatives to improve the quality of life and promote sustainable livelihoods.

Environment

EGAT aims to achieve carbon neutrality and become a circular economy organization, ensuring energy security alongside environmental and social sustainability. It also contributes to the development of environmental knowledge and understanding among communities to

promote their participation in high-quality conservation efforts. To fulfill its climate commitments, EGAT prioritizes climate change mitigation as a key strategy for minimizing risks and seizing long-term opportunities.

Climate Change Mitigation

While the electric utilities sector is a key enabler of decarbonization, EGAT, as a state-owned utility, must strike a balance between three critical factors: energy security, affordability, and sustainability. This balance is vital to ensure reliable and cost-effective electricity for people in the country. By recognizing the importance of sustainability and optimizing the mix of electricity generated from fossil fuels and renewable energy, EGAT has set short-term goals of reducing GHG emissions intensity by 30% by 2030 from the 2021 baseline and aiming for carbon neutrality by 2050.

To achieve these goals, EGAT has implemented a set of strategies known as the “Triple S Strategies”:

S1 – Sources Transformation

To increase the share of electricity generated from renewable sources and develop alternative technologies to support renewable energy, EGAT focuses on management at the source to achieve self-reliance through local natural resources and reduced dependence on costly imported fuels. Its related initiatives include the Hydro-Floating Solar Hybrid project, grid modernization, the establishment of the Renewable Energy Forecast Center and the Demand Response Control Center, and enhanced energy storage systems and grid connectivity in the region.

S2 – Sink Co-Creation

To increase carbon sinks, EGAT is in the process of studying the use of Carbon Capture Utilization and Storage (CCUS) with its power plants.

S3 – Support Measures Mechanism

To encourage greater involvement by the Thai people in the reduction of carbon emissions, EGAT implemented the No.5 energy-saving labeling project to promote the use

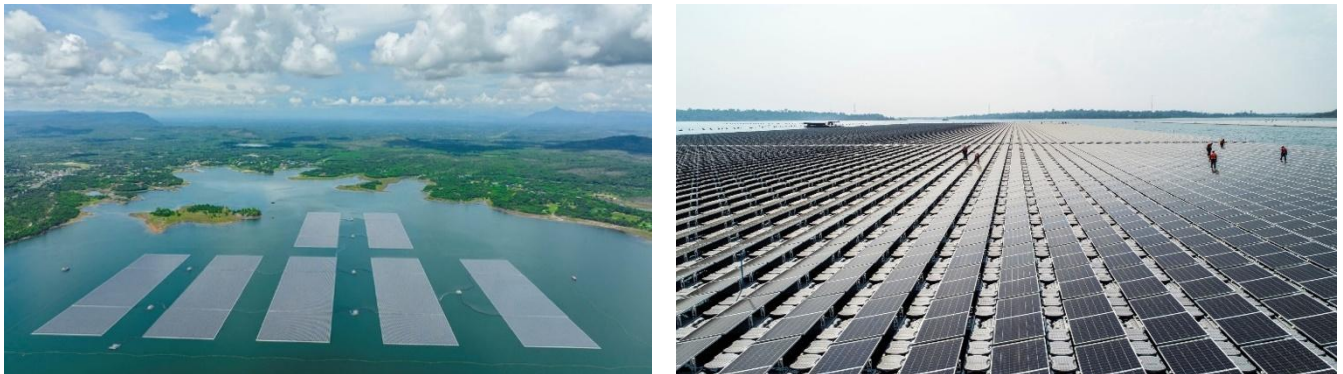
of high-efficiency electrical equipment that saves energy. EGAT also promotes the use of EVs by providing facilities such as charging stations and mobile application platforms.

Examples of Initiatives

The Hydro-Floating Solar Hybrid at Sirindhorn Dam

The 45 MW Hydro-Floating Solar Hybrid Project at Sirindhorn Dam in Ubon Ratchathani, which began operation in 2021, is EGAT's pilot project of a hybrid system of floating solar panels in the reservoir of a hydropower dam. The project is enhancing the security of Thailand's power system and reducing GHG emissions to help mitigate global warming. The project can generate electricity from both solar power during the day and hydropower from the existing dam when there is no sunlight, especially during peak power demand at nighttime. The power plant is controlled by an Energy Management System, along with a Weather Forecast System, which increase the stability of the power system, thereby reducing the limitations of renewable energy and allowing the plant to generate electricity for longer periods.

Picture 1: Hydro-Floating Solar Panels at Sirindhorn Dam in Ubon Ratchathani



The Hydro-Floating Solar Hybrid at Ubol Ratana Dam

The 24 MW Hydro-Floating Solar Hybrid at Ubol Ratana dam in Khon Kaen Province is EGAT's second hydro-floating solar hybrid project developed in accordance with Thailand's Power Development Plan, B.E. 2561–2580 (2018–2037), Revision 1. The project integrates three clean energy sources: solar energy, hydropower, and a Battery Energy Storage System (BESS). It generates electricity from solar energy during daytime and from hydropower during nighttime, with the Battery Energy Storage System supporting uninterrupted electricity generation during the transition between the two energy sources. Moreover, an Energy Management System and a Weather Forecast System are incorporated to enhance the stability of electricity generation by overcoming renewable energy's limitations. By generating electricity from clean energy, the project helps reduce carbon emissions in the generation process, mitigate global warming, and move Thailand toward carbon neutrality.

Picture 2: Hydro-Floating Solar Panels at Ubol Ratana Dam in Khon Kaen



Renewable Energy Forecast Center and Demand Response Control Center

EGAT established the Renewable Energy Forecast Center and the Demand Response Control Center to upgrade Thailand's power system to be more modern and stable, while supporting an increased share of renewable energy in Thailand's energy mix in the future. At present, the Renewable Energy Forecast Center has succeeded in predicting electricity generation from renewable and clean energy sources, including wind and solar energy operated by Small Power Producers. The forecasts are then incorporated with the planned electricity generation of baseload power plants to ensure that the power system can handle the fluctuations and uncertainties of electricity generated from renewable energy.⁸ The Demand Response Control Center serves as the control center for reducing electricity consumption, or load, through a Load Aggregator that manages the demand of power users who agree to reduce their power consumption in exchange for compensation.

Picture 3: Renewable Energy Forecast Center and Demand Response Control Center at EGAT Headquarters in Nonthaburi



⁸ Baseload power plants refers to power plants that operate continuously for a long duration, providing dependable sources of power. Examples of baseload power plants are large-scale coal or hydro-electric power plants.

2. Sustainability-Linked Finance Framework

This Sustainability-Linked Finance Framework (referred to as “the Framework”) has been developed to align with the following principles and standards:

- Sustainability-Linked Bond Principles 2024 (SLBP) developed by the International Capital Market Association⁹
- ASEAN Sustainability-Linked Bond Standards 2022 (ASEAN SLBS) developed by the ASEAN Capital Markets Forum¹⁰
- Sustainability-Linked Loan Principles 2025 (SLLP), jointly developed by the Loan Market Association, Loan Syndications and Trading Association, and Asia Pacific Loan Market Association¹¹

In accordance with the above principles and standards, the Framework was formulated based on the following five pillars:

- 1) Selection of the Key Performance Indicator (KPI)
- 2) Calibration of the Sustainability Performance Target (SPT)
- 3) Financial Characteristics
- 4) Reporting
- 5) Verification

Through this Framework, EGAT may issue sustainability-linked bonds, loans, or any other financing instruments (collectively the sustainability-linked financing instruments) whose financial characteristics are linked with the Sustainability Performance Target. Capital raised from the sustainability-linked financing instruments issued under this Framework will be used for general corporate purposes.

⁹ <https://www.icmagroup.org/assets/documents/Sustainable-finance/2024-updates/Sustainability-Linked-Bond-Principles-June-2024.pdf>

¹⁰ <https://www.theacmf.org/images/downloads/pdf/ASEAN%20Sustainability-linked%20Bond%20Standards.pdf>

¹¹ https://www.lma.eu.com/application/files/2317/4481/8026/Sustainability-Linked_Loan_Principles_-_26_March_2025_.pdf

Pillar 1: Selection of the Key Performance Indicator

The KPI in this Framework has been selected to address the key sustainability challenges facing the electric utilities sector and align with EGAT’s sustainability and business strategies.

Table 1: Key Performance Indicator

KPI: GHG emissions intensity for scope 1 and scope 2 emissions (tCO_{2e}/MWh)	
Definition	This covers EGAT’s scope 1 and scope 2 GHG emissions intensity, measured in tCO _{2e} per MWh, using an international standard or a domestic standard in which operational control approach is selected as the boundary for the GHG inventory. ¹² Currently, EGAT applies ISO14064-1:2018 for GHG accounting and reporting. The collected inventory will be reviewed through internal process and afterward verified by an external assurance provider in accordance with a universally accepted standard (e.g., AA1000AS v.3, ISAE 3000). EGAT will annually disclose such data in its sustainability reports according to a recognized international standard such as the Global Reporting Initiative. The use of emissions intensity allows for comparison with other electricity providers and demonstrates the efficiency of electricity generation within an energy mix, in particular in the context of growing electricity demand and its role as an enabler of economic growth.
Baseline	2021 has been selected as the baseline year to align with EGAT’s target of reducing GHG emissions intensity by 30% by 2030, compared to 2021 level.
Rationale and Materiality	Thailand’s 2 nd Updated Nationally Determined Contribution (NDC) commits to reduce its GHG emissions by 30% by 2030, compared to the business-as-usual scenario, through domestic efforts, and to set the long-term targets of carbon neutrality by 2050 and net-

¹² An operation control approach refers to when a company has operational control over an operation. Under an operational control approach, a company accounts for 100% of emissions from operations over which it or one of its subsidiaries has operational control. (Source: GHG protocol)

zero emissions by 2065. The electric utilities sector plays a crucial role in Thailand's climate strategy as electricity accounts for 34% of GHG emissions in the energy sector.¹³

As Thailand's primary power generator, EGAT recognizes that GHG emissions from electricity production are a significant contributor to climate change. Its sustainability commitment and effective implementation are therefore essential in supporting the greening of industries and value chains, as well as national decarbonization efforts. In addition, stakeholders are increasingly demanding a reduction in carbon emissions from electricity generation and a shift toward a low-carbon energy system, with an emphasis on climate mitigation.

This KPI also underscores EGAT's commitment to reducing carbon emissions in its operations and achieving carbon neutrality by 2050, as well as supporting climate commitments in alignment with Thailand's NDC.

**United Nations
Sustainable
Development
Goals**



¹³ Thailand Biennial Transparency Report (BTR 1). December 2024.

Pillar 2: Calibration of the Sustainability Performance Target

EGAT has set an ambitious Sustainability Performance Target (SPT) for its KPI to mirror EGAT’s sustainability commitments, align with national climate targets, and represent improvement beyond the business-as-usual scenario.

SPT: Reduction of GHG emissions intensity for scope 1 and scope 2 emissions by 30% by 2030, equivalent to 0.3877 tCO₂e/MWh.

With EGAT’s mandate to provide cleaner electricity while maintaining electricity security, achieving the emissions reduction target by 2030 will not only contribute to Thailand’s NDC commitment but also align with the electricity sector’s emissions intensity benchmark for non-OECD regions, which is 0.390 tCO₂/MWh.¹⁴

Baseline: 2021: 0.5538 tCO₂e/MWh

Table 2: EGAT Historical Data and Target Trajectory (tCO₂e/MWh)

Scope 1 and 2 GHG emissions intensity (tCO ₂ e/MWh)	Historical Performance				SPTs					
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	0.5538	0.5358	0.5124	0.5227	0.5261	0.4984	0.4707	0.4430	0.4153	0.3877
Reduction compared to base year (%)					5	10	15	20	25	30

Notes:

- 2021 is the base year.
- Percentage reductions are compared to the base year for illustrative purposes only. For the purpose of assessing the SPT, the evaluation will be based on absolute numbers.

Strategies to achieve the SPTs

- **Grid Modernization for Clean Energy Integration:** Advance the deployment of Smart Grid technologies, including the Renewable Energy Forecast Center (REFC), Demand Response Control Center (DRCC), and digital substations, to enable large-scale renewable energy integration, improve grid stability, and support demand-side flexibility across the power system.

¹⁴ Transition Pathway Initiative. [Carbon Performance Assessment of Electricity Utilities: Note on Methodology](#). October 2024.

- **Phased Reduction of Coal-Fired Power Generation:** Reduce coal consumption at the Mae Moh Power Plant: By 2026, the contracted power generation capacity of Mae Moh Power Plant will decrease from 2,200 MW to 1,200 MW.¹⁵
- **Scaling Up Renewable Energy and Storage Solutions:** Increase electricity generation from renewable energy sources and enhance energy storage system such as increasing the Hydro-Floating Solar Hybrid to 2,725 MW, Solar Power with Battery Energy Storage System to 1,560 MW, and Pumped Storage Hydro Power Plant to 2,480 MW.¹⁶
- **Optimizing Existing Assets for Renewables Integration:** Explore the feasibility of implementing floating solar power or ground-mounted solar systems by utilizing existing infrastructure such as power grids, land, reservoirs, and transmission systems to enhance the integration of renewable energy.
- **Developing a Utility Green Tariff Mechanism:** Study and develop a Utility Green Tariff mechanism to enable corporate access to renewable electricity from EGAT, creating a new revenue stream that can be utilized to support clean energy investment and reduce carbon intensity in the power system.
- **Enhancing Energy Efficiency Across Operations:** Minimize energy consumption in EGAT offices and power plants through energy-saving and energy-efficient measures, such as reducing electricity usage during reserve shutdown and replacing equipment with energy-efficient alternatives in gas turbines.
- **Enhancing Renewable Energy Targets and Regional Grid Integration:** Propose an increase in renewable energy generating capacity in the national power development plan, along with plans to connect transmission connection systems to clean electricity from neighboring countries.
- **Exploration of Emerging Low-Carbon Technologies and Innovation:**
 - Conduct a feasibility study on alternative energy sources such as biomass and hydrogen.
 - Conduct a feasibility study on the installation of CCUS technologies systems at EGAT power plants by 2040.

¹⁵ According to Draft PDP2024. 13 August 2024.

¹⁶ According to Draft PDP2024. 13 August 2024.

- Promote research and development of technologies and innovations aimed at reducing GHG emissions and enhancing climate adaptation.
- **Demand-Side Energy Efficiency Promotion:** Promote electricity saving among customers through the use of energy-efficient products, such as “No. 5 labelling” (an EGAT project that promotes energy-saving electrical appliances).

External key factors beyond EGAT’s direct control that could impact the achievement of the SPT

- **Changes in government policy direction regarding the energy transition:** Policy changes can be influenced by internal and external factors, including changes in technology, economic conditions, and public opinion. The cost efficiency of CCUS and Battery Energy Storage Systems can affect feasibility, leading to the altering of policy trajectories. Externally, geopolitical instability may impact the availability of low-carbon energy sources and increase immediate energy costs for business and retail users. These pressures may lead the government to prolong the use of fossil fuel sources or reverse energy policies.
- **Delays in constructions:** Droughts, floods, extreme weather conditions, and pandemics can cause significant delays in the construction and commercial operation timelines of renewable energy power plants. In addition, for certain projects that require additional regulatory approval for land use permits, an extended review process by the relevant authorities can further delay progress. These factors can hinder the timely delivery of electricity generated from renewable sources.
- **Delays in necessary policy support:** National energy policies aim to increase the use of renewable energy sources for electricity generation. However, Thailand’s new Power Development Plan, which will incorporate updated targets, has yet to be finalized. Furthermore, once the updated targets are established, appropriate policy support and mechanisms will be required to meet these goals (e.g., consideration of environmental and social costs in addition to a merit-order system).

Pillar 3: Financial Characteristics

The sustainability-linked financing instruments issued under the Framework will be linked to the achievement or non-achievement of an SPT. This linkage will result in financial implications, such as a coupon or margin adjustment, a premium payment or purchase of Energy Attribute Certificates, or additional covenants to EGAT – or a combination of these options. The specific financial and structural features and Target Observation Date will be outlined in the documentation for each sustainability-linked financing instrument, including the relevant SPT and the associated changes to the instrument's conditions.

The Target Observation Date is defined as any date on which the KPI performance is assessed against a relevant SPT. The achievement or non-achievement of an SPT will be reported to investors or lenders within 31 May following each relevant Target Observation Date.

Trigger Events

If the KPI does not meet the SPT, or cannot be calculated or reported as defined in the relevant sustainability-linked financing instrument's documentation, it will trigger a change in the financial characteristics of the corresponding instrument, as specified in the respective documentation.

Fallback Mechanisms

The KPI and SPT set out in this Framework will remain valid regardless of any changes to EGAT's sustainability strategy and direction, including EGAT's general sustainability targets or changes in relevant industry standards or benchmarks. Any new or updated sustainability-linked finance framework related to subsequent sustainability-linked financing instruments will not impact the sustainability-linked financing instruments issued under this Framework.

The baseline, KPI, and SPT may be adjusted or recalculated to reflect any substantial changes affecting EGAT, such as mergers and acquisitions, spin-offs, or the sale of companies. Any recalculation will be verified by an independent external reviewer and will be described in the specific documentation.

Pillar 4: Reporting

To ensure that investors, lenders, and other stakeholders have access to updated and comprehensive information regarding the KPI in relation to the respective SPT, EGAT will report such information annually, and in any case for any date or period relevant for assessing SPT performance leading to a potential adjustment of the instrument's financial and/ or structural characteristics as outlined in the instrument documentation. This information will be available in its sustainability report, or any future report that may replace it, and will be accessible on EGAT's website. The information will include:

- up-to-date information on the KPI performance, including baseline where relevant;
- a verification assurance report, based on a limited assurance, confirming the KPI performance level; and
- any relevant information for investors or lenders to monitor the performance of the related KPI and SPT.

Where feasible and possible, the report will include:

- qualitative and/or quantitative explanations of the contribution of the main factors, including merger and acquisition activities and changes to the organization, impacting the evolution of the achievement of the KPI on an annual basis;
- demonstration of the positive sustainability impacts resulting from performance improvements;
- any re-assessments of KPI, restatement of the SPT, and/or pro-forma adjustments of baselines or the scope of the KPI; and
- updates on new or proposed regulations from the regulatory bodies relevant to the KPI and the SPT.

Pillar 5: Verification

Review of the KPI performance against the SPT

To ensure alignment with the SLBP, ASEAN SLBS, and SLLP, EGAT will seek external and independent verification by qualified external reviewer of its actual KPI performance against the relevant SPT. The verification will be conducted annually with limited assurance, and in any case for any date relevant for assessing the SPT performance leading to a potential adjustment of the sustainability-linked financing instruments financial and/or structural characteristics as outlined in the instrument documentation.

Note that in 2024, the KPI performance was verified by SGS (Thailand) Co., Ltd.

Second-Party Opinion

EGAT will obtain a second-party opinion (SPO) from a duly appointed external reviewer to confirm the alignment of this Framework with the SLBP, ASEAN SLBS, and SLLP. The SPO report will be made publicly available on EGAT's website.

Framework Review and/or Amendment

EGAT will review this Framework from time to time to ensure its alignment with the updated version of relevant principles and standards as they become available in the market. Moreover, EGAT may also revisit this Framework in the event of significant changes in the scope, methodology, or recalibration of the KPI and/or SPT. Any material updates will be subject to verification by an SPO provider before publication.