



The Blue Circle

SUSTAINABILITY REPORT 2020



About this Report

As a signatory to the UN Global Compact, The Blue Circle has been reporting on sustainability performance for two years.

We see the program as a valuable platform in order to communicate to our stakeholders on our progress towards sustainability targets and to drive future engagement.

This report sets out our approach towards sustainability, and the important links between the successful delivery of clean and reliable energy in Southeast Asian countries and high environmental, social and governance standards.

In this report we present our performance of the past year 2020 and outline future goals designed to help us achieve our aim of being Southeast Asia's leading renewable energy provider.

Contents

1	About this Report
4	Sustainability Performance Summary
6	Who We Are
12	UN Principles
13	Human Rights
15	Labor
18	Environment
22	Anti-corruption
23	TBC's Presence in SEA
34	IPP Sustainable Model
35	Our response to COVID-19
36	Social Sustainability commitment



Dear Reader,

Sustainability is core to our business. TBC plays a central role in two crucial challenges for our future: the global renewable energy transition and a sustainable planet.

Nowadays, energy accounts for a large share of global greenhouse gas emissions making it a major contributor to the climate crisis. This must change at all costs.

Youth is coming forward demanding change. One of the prime needs is that the global energy supply must fundamentally change the way it produces, distributes, and uses energy. Yet, being renewable energy producers is not enough. Our entire operation needs to be sustainable.

At TBC, we not only harness wind and solar for energy generation, but also maintain an ethical obligation to do so in a sustainable manner for both the people and the biodiversity of our planet.

Although 2020 was a challenging year, we successfully completed the commissioning of the Dai Phong Wind Power Plant (40 MW) in Vietnam, keeping our promise to involve sustainability in whatever we do.

We started the construction of our third wind project in Vietnam, the Hong Phong 1 Wind Power Project with a total capacity of 40MW and currently own the largest pipeline of wind and solar power projects in SEA (3192 MW total pipeline capacity as of September 2020).

Working in strong partnerships with all of our customers, governments, investors, financial institutions, suppliers, communities, and universities is key to develop projects in a sustainable manner.

WE SUPPORT



TBC is therefore involved in several initiatives and projects dedicated to lowering carbon emissions, engaging with the local communities and increase recyclability.

We want to be nimbler and more focused on the operational performance of existing activities while executing some of the new projects with corporate support, stakeholder engagement and environmental and social plan.

Our geographical expansion naturally leads to new initiatives ensuring we contribute positively to the development of local communities.

Therefore, I am pleased to announce that The Blue Circle reaffirms its support of Ten Principles of the United Nations Global Compact Goals involving Human Rights, Labor, Environment and Anti-Corruption.

In this annual report on our progress, we describe our actions to continually improve the integration of the Global Compact Goals and its principles into our strategy, company culture and operations.

We also commit to sharing this information with our stakeholders using our primary channels of communication and would like to thank our team members, customers, suppliers, and partners for their unwavering commitment and support in our overall effort towards sustainability.

Happy Reading.

A handwritten signature in blue ink, appearing to read "O. Duguet".

Olivier Duguet
Chief Executive Officer

Leadership Insights on Sustainability



OLIVIER DUGUET
CEO and Co-Founder

"We need to support the communities who support us. Fighting climate change by implementing clean renewable power plants is not enough. Our impact on life is our core focus."



JEFF PERON
Head of Project Finance
and Co-Founder

"With only 10% of SEA's regional cities meeting the WHO PM2.5 targets in the year 2020, we can confidently say that more sustainable development in the region is needed, and The Blue Circle is committed to it."



HERVE GRILLOT
Chief Operation Officer

"Our team is not just centered around producing soft energy as we carry the larger goal of benefitting people. We not only develop infrastructures but also build a strong connection with our local communities."



PRIYANKA AWASHTI
Chief Sustainable Officer

"Making a contribution to the well-being of the environment & our community is The Blue Circle's way of doing business. Sustainability remains at the heart of every decision we take.."

Sustainability Performance Summary

45,382

metric tons of Carbon Dioxide emissions avoided in 2020



Zero

accident in a safe and healthy work environment assurance



14

internationally recognized commitment



1,560

beneficiaries via our corporate support activities in 2020



Ever

increasing stakeholder engagements



600+

hours of training that includes on-site and e-learning



95%

resolved grievances with 100% safety level, 5% in progress



50.72%

Female employees at The Blue Circle as part of gender equality



Our Mission

To bring clean, renewable, responsible and affordable energy to the world.



Who We Are

Founded in 2013, The Blue Circle identifies, develops, finances, owns and operates renewable energy projects in complex and challenging geographies of the Asia-Pacific region.

The Blue Circle uses the most advanced technology to build responsible and sustainable projects.

With offices in Singapore, Ho Chi Minh City, Bangkok and Phnom Penh, The Blue Circle is the leading renewable energy company in Southeast Asia.

Its team is committed to changing the world one green electron at a time.

However, providing electricity to countries in the Southeast Asia is only part of the equation.

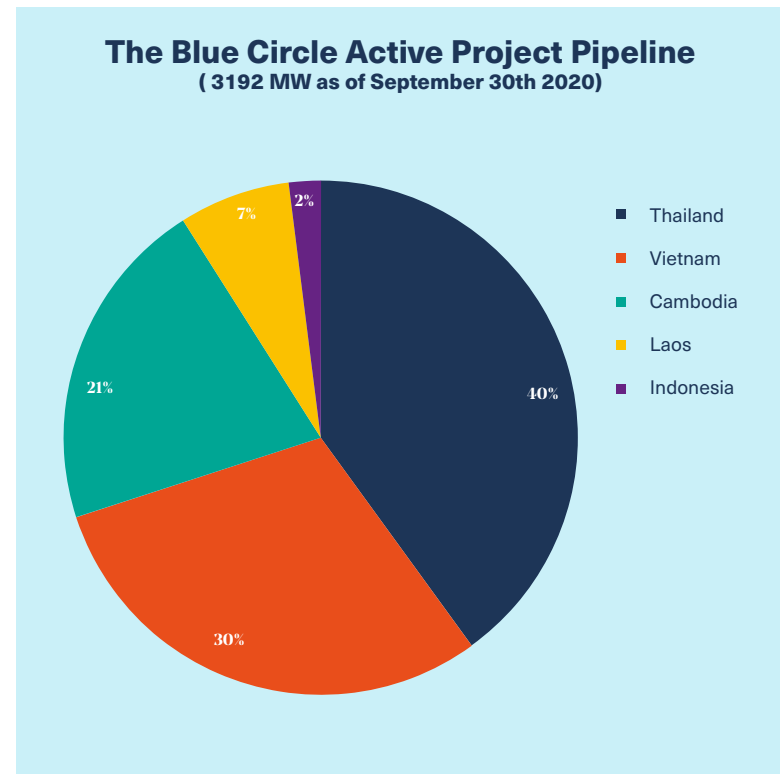
We develop our projects with rigorous environmental, social and governance (ESG) practices to ensure minimal impact.

We also recognize our power and responsibility as a company to deliver transformative benefits. We take an active role in driving the long-term prosperity of the local communities in which we operate.

In every project we develop and operate we aim to make a positive impact lasting for generations. TBC supports local education, health, employment and environmental programs.

These initiatives help create or revive sustainable livelihoods and tackle environmental challenges. This approach is integrated within every project from the earliest stages of development and project acquisition.

To ensure success, we assign a dedicated employee to work together with and empower local communities throughout the project lifespan and beyond.



Our Vision



Renewable electric power will be the ultimate source of energy for all future human activities



A mix of hydro, solar & wind power paired with peaking capacity will be the new standard



Electric transportation will revolutionize how we travel and will be fueled by renewables



We take responsibility for changing the world and educating citizens as well as governments



We are building The Blue Circle as the ultimate 21st century sustainable power utility company

Our Core Values

Responsible

We must treat our partners, our projects' communities and our planet with consideration and respect while building long-term sustainable relationships

Visionary

We are inventing the future of power generation and participating in the energy revolution every day

Professional

We are setting the benchmark for ourselves and our sector at the highest level of environmental, social and governance excellence

Aware

We are driven by higher purposes involving stakeholders' needs and holistic project impact assessments

Company Milestones

The Blue Circle is founded in Singapore.

2013

TBC signs a strategic partnership with AC Energy, the power subsidiary of Ayala Corporation.

2018

2017

First foreign-owned and foreign developed wind power project in Vietnam in 2017 (Dam Nai, Ninh Thuan province).

2020

Dai Phong Wind Power Project (40MW) completes construction phase and transitions to commercial operation on July 23rd 2020.

Construction of the Hong Phong 1 Wind Power Project (40 MW), Vietnam starts in March 2020.

Partnership

Key to sustainability at The Blue Circle is partnerships with our stakeholders, governments, private sectors (i.e., contractors, suppliers), and local communities.

We know that we cannot work alone; it takes more than just technologically advanced wind turbines to bring green, reliable, and affordable energy to the Southeast Asia region.

Thanks to our partners, we can offer wider benefits to the environment and society.

17 PARTNERSHIPS FOR THE GOALS



The Blue Circle is registered as a signatory with the United Nations Global Compact since October 2018. We actively support partnerships and collaborative efforts intended to advance the sustainability agenda.

The Blue Circle innovates and finds new and improved ways of doing business in which we work closely with all of our partners, our communities and our stakeholders. This helps us to understand what their concerns are regarding our business and measure our impacts as well as our performance through a number of stakeholder engagement meetings and social interviews.



AC Energy is the energy platform of Ayala, one of the largest business groups in the Philippines. In 2018, TBC signed a strategic partnership with AC Energy, the power subsidiary of Ayala Corporation.



EREN RE will share, along with The Blue Circle, project development costs and is positioned to invest up to USD 60 million into wind projects.



Siemens Gamesa has been supplying the wind turbines and providing O&M services for TBC's first wind project (Dam Nai) in Vietnam (2017-2018).



Vestas, the world's leading wind turbine manufacturer, signed a collaboration agreement with TBC to develop a project pipeline across SEA.



GE Renewable Energy is the wind turbine supplier for Hong Phong 1 Wind Power Project in Vietnam (2020).



TSV was established in 2003, as a Vietnamese corporation. TSV is the partner of The Blue Circle on the wind projects developed by the company in Ninh Thuan Province of Vietnam.



Funded by UKaid and the German Ministry for the Environment, SCAF is supporting TBC in project pipeline development and project development in low and lower-middle income countries in SEA.



GWEC works closely with international Policy makers to help create better policies and guideline for wind power. The Blue Circle is privileged to be a member and part of this organization.

Global Development Standard

The Blue Circle follows global standards including the IFC Framework, the Equator Principles and World Bank Standards on Environmental, Social, Health and Safety performances.

The Standard give us a competitive advantage assuring lenders and our stakeholders that all projects in mature or emerging markets are designed and developed not only with regionally accepted standards but also to international best practices.

The Standard has been designed to facilitate the efficient deployment of renewable energy projects ensuring attention to detail with meaningful engagement and regular updates to incorporate the best industry practices in wind and solar project development.

The desire to make this world a better place is what most visionaries carry but businesses need an action plan for the world. With the limited resources and planning ideas, reaching the root causes of our planet's woes and acting upon them is no menial task.

We recognize that having a sustainable business with poverty, hunger and climate crisis is not possible. The UN sustainable development goals have not only identified the issues central to human progress but also given us an action plan.

TBC recognizes the importance of the UN's SDGs and has aligned its practices accordingly.



UN Principles

The Blue Circle has endorsed and is committed to the 10 principles of the United Nation Global Compact Goals. We are committed to strengthen our corporate sustainability and take responsible actions to support the relevant identified SDGs.

Human Rights



Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights within their area of influence.

Principle 2

Businesses should make sure that they are not complicit in human rights abuses.

Labour



Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4

Businesses should uphold the elimination of all forms of forced and compulsory labor

Principle 5

Businesses should uphold the effective abolition of child labor.

Principle 6

Businesses should uphold the elimination of discrimination in respect of employment.

Environment



Principle 7

Businesses should support a precautionary approach to environmental challenges.

Principle 8

Businesses should undertake initiatives to promote greater environmental responsibility.

Principle 9

Businesses should encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption



Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery.

Human Rights

We as an organization respect the values and cultures of the people and the communities in which we operate in so that we may serve and leave a positive mark. We believe in creating an inclusive workplace where every employee is valued and respected. This section of the report highlights The Blue Circle's actions to address and monitor human rights principles.

Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.
Principle 2	Businesses should make sure that they are not complicit in human rights abuse.

Relevant Documents

- Code of Conduct
- Human Resource Policy

TBC respects the fundamental principles set out in the UN Universal declaration of human rights and International Labor Organization (ILO) on fundamental principles and rights at work. We believe that all employees are entitled to a safe workplace hence our commitment to continuous improvement in health and safety.


Our code of conduct sets out the behavioral aspect on all platforms. We promote grievance mechanisms internally to report ethical dilemmas or violation of our policies. TBC has taken the opportunity to carve out a code of conduct for third parties that serves as representation for TBC.

Equal Opportunity Policy

Our business always respects the principle of equal opportunity. Employees are selected based on their expertise and ability to do the job and no distinction, exclusion or preference is made on other backgrounds or characteristics.

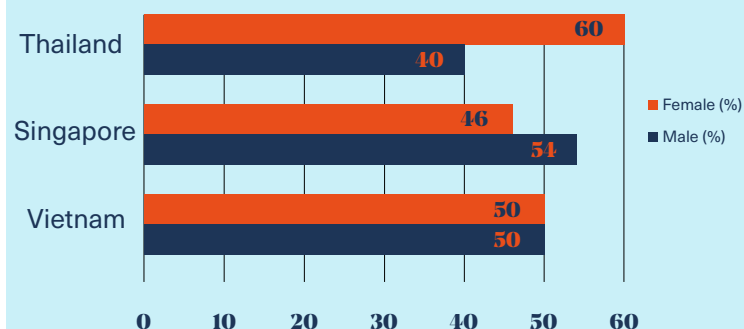
Discriminatory advertisement is forbidden as well as selection according to gender or nationality. The company is also committed to make reasonable adjustments to allow people with disability to work safely and productively.

5 GENDER EQUALITY



Across our business, we are starting to work on diversity and inclusion, including gender. TBC has been developed to be an inclusive energy company where those from all backgrounds and their perspectives are valued and celebrated.

TBC's employee distribution by gender in 2020



Initiatives

- Code of conduct policy.
- Right of self-determination: We design need-specific CSR plans following rigorous brainstorming with the communities themselves.
- We preserve the rights of our people and the people around projects by effective stakeholder management.
- Right to non-discrimination and equality is extended internally and to third parties working with TBC. We meticulously consider equality during recruitments, promotions and overall processes.
- The Human resource manual's latest update details the key principles regarding occupational health & safety, right of association, equal employment opportunity and sustainability. The manual dives deeper into sexual harassment and provides a grievance mechanism. Principles for flexibility in the working place have been introduced in the latest manual update which has been very relevant and useful to adjust to the uncertainties while keeping employees safe during this year of the Covid-19 pandemic.
- The Employee leave policy per country has been updated at the beginning of 2020 to reinforce and harmonize rights to parental leave, wedding leave and compassionate leave. A long service recognition program was introduced to reward loyal employees with additional days of leave based on their seniority.

- A detailed recruitment procedure was implemented to provide guidelines and tools and standardize the recruitment process with a focus on the employee onboarding and integration. It is expected that it will reinforce transparency and be beneficial to the equal opportunity policy.

- The training procedure introduced at the end of the year aims to promote a learning environment where employees are able to develop their skills. It establishes the basis of the training system, with a systematic record of training actions, either internal or external, and individual training plans to be consolidated in a training budget.

These new tools and processes are effectively adopted by the teams.

Targets 2021

Measurement indicators shall be put in place, to monitor the actual progress in employee engagement, safety record, and the training effort.

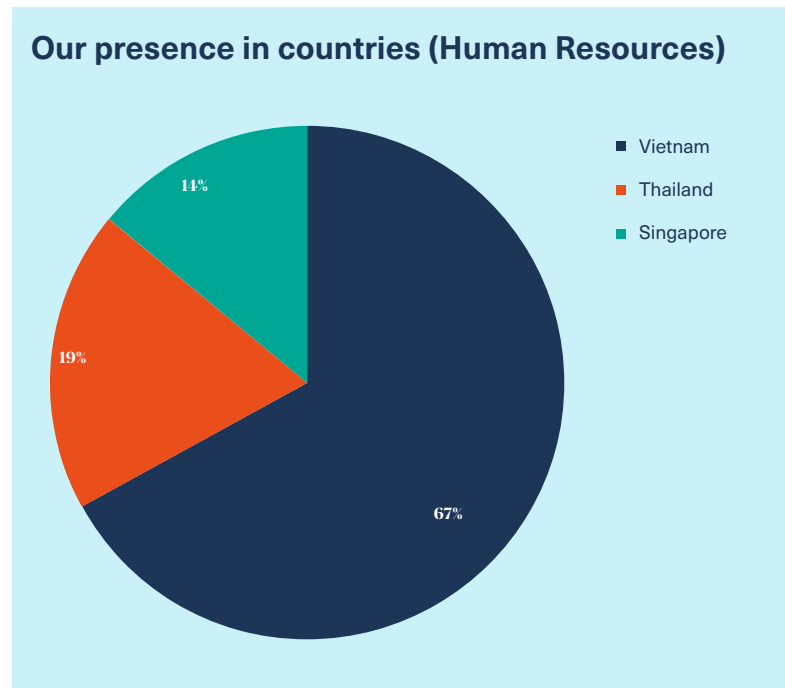
Besides, policies and procedures are to be updated and revised regularly, part of a constant improvement effort.

Labor

Our employees are our company's greatest asset and the key to continuing our journey towards a better world by decarbonizing the energy sector.

It is essential that The Blue Circle has the most passionate minds working across our business. We have thus placed a strong focus on attracting the right people with the right skillsets and keeping those people engaged and motivated.

TBC's HR strategy is designed to ensure that our people thrive and can fulfil their potential.



As an organization, we respect all of the fundamental principles set out in the UN Universal Declaration of the International Labor Organization (ILO) on Fundamental Principles and Rights at Work.

Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
Principle 4	The elimination of all forms of forced and compulsory labour.
Principle 5	The effective abolition of child labour.
Principle 6	The elimination of discrimination in respect of employment and occupation.

Related Policies

- Health and Safety
- Code of Conduct
- HR manual/ Grievance Mechanism
- Group Internship Policy
- Group Business Travel Policy
- Communication & Training
- Equal Opportunity Policy
- Freedom of association

Prioritizing Health and Safety

When we enter agreements with partners and suppliers we make sure that our values are aligned and their management systems reflect our standards. This way, we can effectively monitor and manage our health and safety (H&S) performance across our entire portfolio.

The Blue Circle provides staff, contractors and suppliers with safe working conditions, valuable training and competitive terms of employment. We want to build lasting, mutually beneficial partnerships on trust. In doing so, we form successful teams that deliver well-performing assets.

3 GOOD HEALTH AND WELL-BEING



Our sector requires the most rigorous Health and Safety (H&S) and security practices. We are committed to promoting the well-being, safety and welfare of employees and contractors. We maintain rigorous standards on H&S, fair labour practices, community engagement and the environment.

TBC's H&S Strategy commits to:

- Continuously assess and manage H&S risks
- Maintain safe and clean assets
- Prepare for potential incidents and emergencies
- Provide regular and applicable H&S training
- Actively improve performance

Focusing on Contractors and Employees

At The Blue Circle, we work closely with our subcontractors for civil, electrical and other installation works.

As a part of contract negotiation, we clarify that they need to adhere to national labour laws which hold them accountable to responsible labour practices during the operations.

We pay special attention to the labour practices followed by our subcontractors:

- Daily sidewalk to ensure a safe working environment for all workers.
- The labour contract established by and between our subcontractors and staff is verified by our legal experts.
- The labour contract ensures respect of the national labour laws.
- Audit by the ESG (Environmental, Social and Governance) team. The labour camp is inspected and verified in accordance with the best practices. Any red flags identified are communicated to the subcontractors with a deadline to meet the requirements.
- Labour camp layout and other facilities are monitored to maintain the cleanliness and hygiene for the camp.

Workforce Relations

The Blue Circle respects the right of all employees and contractors to organize collective bargaining and join a trade union. Our workforce has our full support and we commit to participatory engagement with all employees and their representatives.

All employees can access our grievance mechanism, ensuring that any issues our workforce raises are dealt with quickly and transparently. This aids accessibility, accounts for cultural sensitivities, and imposes no cost or retribution on the concerned parties.

Local Employment

We hire locally wherever we can, meaning communities are as involved as possible in the construction and operation of our projects. Similarly, we work closely with our contractors to train workers to participate in construction and operations.

Zero Tolerance For Child & Forced Labour

We have zero tolerance for child labour, forced labour, slavery and human trafficking in any of our operations. Child labor in TBC is not permitted. Underaged candidates will not be hired and high disciplinary measures will be taken otherwise.

TBC has implemented regular office hours and a compensation system for overtime work. All employees get weekly rest days and in the case of exceptional work during the weekend they will receive extra paid leave as compensation. All employees also have annual leaves that are encouraged to be taken in order to ensure good health and mental stability.

Fair Labor Practice

We apply the International Labor Organization Conventions alongside the IFC Performance Standards on environmental and social sustainability. Beyond our top priority of safeguarding our workers, our management policy also extends to nurturing a happy and motivated workforce.

We expect our employees and contractors to match our values and performance and apply fair labor practices across all operations following our Social Policy. This protects the rights of all workers: directly employed, contracted and in our supply chain which links to our aim of advancing human rights.

Our Social Policy commits us to:

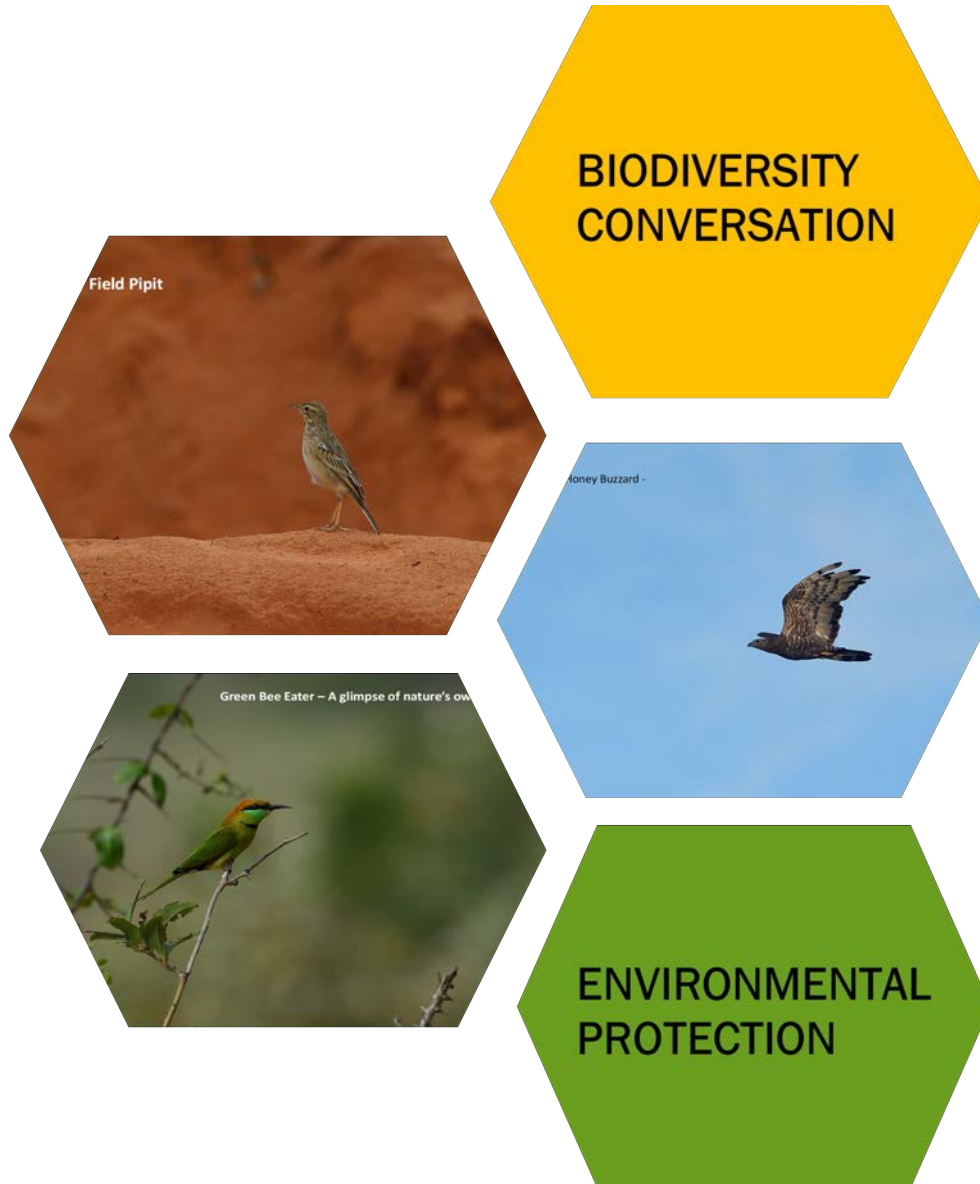
- Promote good worker–management relations
- Protect rights to collective bargaining
- Manage grievances effectively
- Priorities local employment
- Engage with communities
- Recruit based only on job requirements & candidate skills.

Targets 2021

Training for third parties on the Code of conduct and sharing TBC's goals.

Update and improve the related policies and plan.

Environment



This section highlights all of The Blue Circle’s actions to address and monitor its environmental efforts with a focus on the following principles:

Principle 7	Support a precautionary approach to environmental challenges.
Principle 8	Undertake initiatives to promote greater environmental responsibility.
Principle 9	Encourage the development and diffusion of environmentally friendly technologies.

TBC aims to be the market leader in delivering and operating renewable energy projects in Southeast Asia.

Environmental stewardship is integral to achieving this goal and is incorporated at the centre of our strategy from initial project screening to decommissioning. We rigorously identify the negative impacts our operations might have on local landscapes and biodiversity.

To do this we set out an environmental management approach that begins with the project acquisition. TBC proactively responds to environmental risks and works to mitigate any impact from construction to operation.

We want to demonstrate the very best environmental performance practice and to deliver net environmental benefits to local communities and ecosystems.

The Blue Circle's achievements towards Sustainable Development Goals in 2020

7 AFFORDABLE AND CLEAN ENERGY



We substantially increased the share of renewable energy in the global energy mix.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



We made infrastructure and industries sustainable with increased resource-efficiency and use of clean technology.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



We had zero serious environmental incidents.
We achieved sustainable management and efficient use of natural resources.

13 CLIMATE ACTION



45,382 metric tons CO₂ were avoided by TBC's wind power projects in 2020.

We strengthened resilience and adaptive capacity to climate-related hazards and natural disasters.

15 LIFE ON LAND



We reduced degradation of natural habitats, halted the loss of biodiversity and upheld IFC Performance Standard 6.

We undertook avifauna monitoring at both Dai Phong and Hong Phong1 wind farms.

Delivering clean, reliable energy

The Southeast Asia's future will be defined by its path to securing sufficient energy for all. The challenge associated with the provision of affordable, reliable power is a recurring theme across the continent and lack of access to energy is considered a significant growth constraint.

The Blue Circle believes that this challenge can be met by using the potential of the continent's extensive renewable resources.

With the continued improvements in wind technology, we are determined to harness this energy to help secure Southeast Asia's path to sustainable growth.

Carbon emission reduction

Wind power is a low-carbon energy source. When a wind turbine generates electricity, it produces zero carbon emissions. The development of clean wind energy avoids significant carbon dioxide (CO₂) pollution.

In 2020, the total carbon dioxide emissions avoided by our operational Dai Phong wind farm (Vietnam) reached **45,382 metric tons**.

Managing our environmental impact

As we conceptualize a wind project, our planning process includes an assessment of the proposed location and how the project could potentially impact the surrounding environment. In the country of operation, we do a very detailed environmental impact assessments harmonized with national and international standards.

We undertake the environmental assessment and develop the environmental management system for the wind power plant. We work closely with our suppliers and contractors throughout every stage of the project.

Best environmental stewardship practice extends beyond complying with environmental regulations. It includes adherence to internationally recognized performance standards such as those developed by the IFC as well as those set out by our own policies and commitments.

Through our principles of governance and partnership we pursue the maintenance of these standards across our entire field of operations with our direct employees, our contractors and our suppliers.

To minimize our environmental impact and achieve our aim of delivering a net benefit to communities and the environment, we have set out two main priorities:

- Ensure effective resource management during construction.
- Implement actions that facilitate effective management of environmental issues.

Lifecycle impacts and construction

We recognize that the most significant stage regarding the wind farm's lifecycle environmental impacts is the construction phase. These impacts arise from the use of raw materials – particularly concrete, steel and aluminum – which are resource-intensive to produce.

We are seeking, with our construction contractors, methods to reduce our construction footprint in order to minimize the environmental impact of our projects.

Water and construction

The regions in which we operate are often arid with limited quality and quantity of water supply. From the onset of construction, we use water in a manner that does not negatively impact people or the environment.

Our environmental management systems ensure that each asset is guided by a water management plan throughout construction and operations. Afterwards our wind farms will have no material demand for water.

Low water consumption provides many benefits:

- Operations and maintenance costs have relative long-term stability compared with non-renewable sources
- Operations are unlikely to impact the needs of other water users, even under significant changes in regional supply or enhanced demand from other users
- Operations will not impact the natural water table or local biodiversity through water withdrawals.

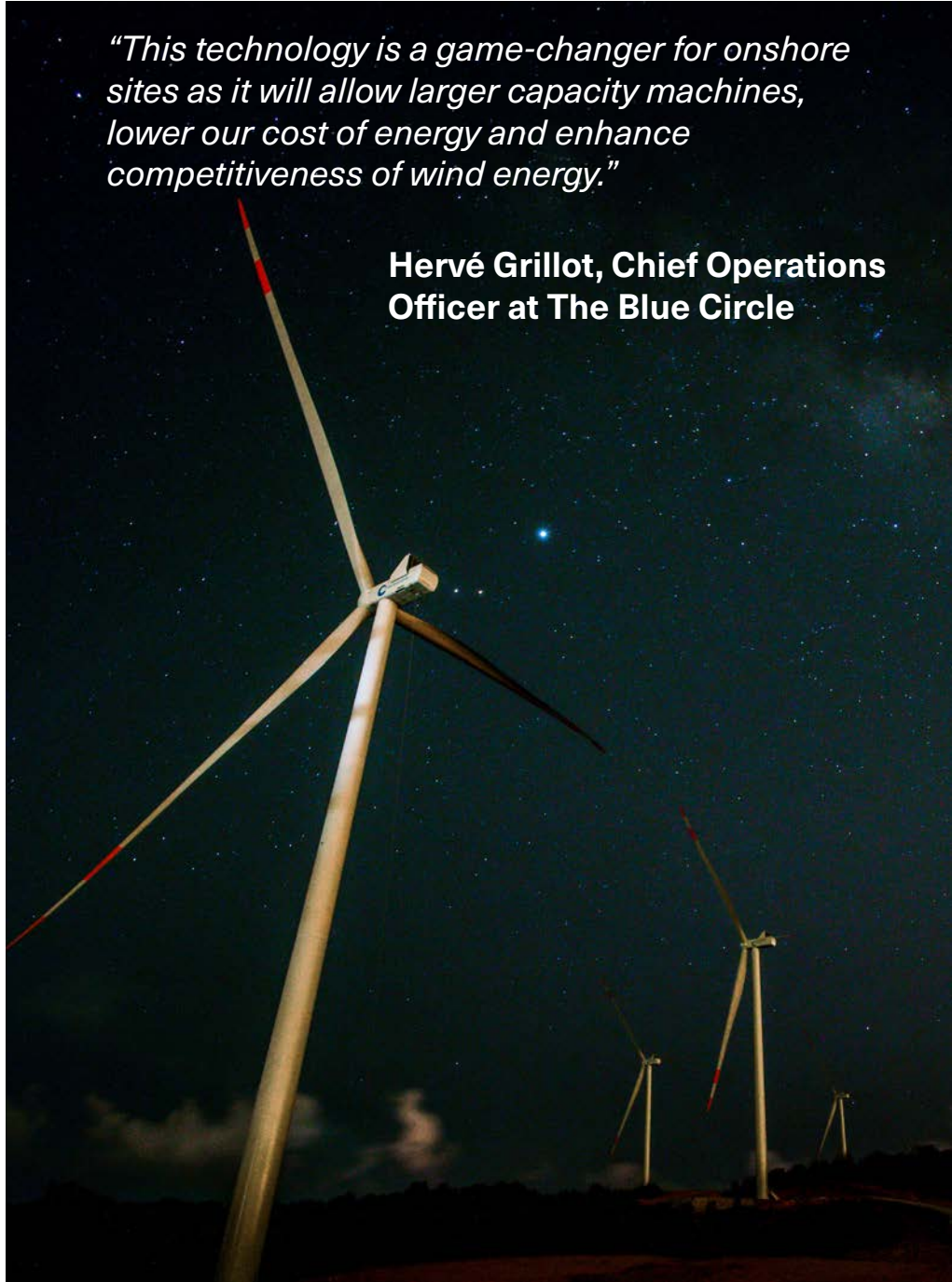
Biodiversity preservation

For all of The Blue Circle's wind power projects, we have been monitoring migration patterns to understand whether our wind farms will have any adverse impact on ecological environment, particularly bird and bat species, and what measures can be implemented to mitigate any potential impacts.

We commit to ensuring that these projects can be operated with no net loss to biodiversity and as such, we are allocating significant resources to research and develop a mitigation approach that preserves the region as a safe transit corridor for birdlife.

We set the following goals:

- Implementation of the mitigation measure wherever avoidance is not possible.
- More sustainable and environment friendly measures to be taken at project level during construction and operational phase.



"This technology is a game-changer for onshore sites as it will allow larger capacity machines, lower our cost of energy and enhance competitiveness of wind energy."

Hervé Grillot, Chief Operations Officer at The Blue Circle

Anti-Corruption

The Blue Circle focuses on maintaining high standards of corporate governance. Our management and Board Members strongly support good business ethics.

Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.

Our Code of Conduct was finalized and published for each country of operations. Its purpose is to clarify basic requirements of full compliance, prevent and elaborate situations of conflict of interest, provide clear directions to secure confidentiality and proper use of company assets, define and forbid bribery acts.

The Code of Conduct includes a policy for business gifts, introduces a whistle-blower policy with a dedicated hotline and clarifies disciplinary actions. Every new employee must sign the Code of Conduct upon joining TBC. This helps us maintaining the highest level of ethical practices.

The next step is to implement a similar code of conduct with contractors and third parties. The code of conduct is complemented by the updated HR policy manual.

16 PEACE, JUSTICE
AND STRONG
INSTITUTIONS



In 2020, TBC is developing Third Parties Ethical Standards to conduct business with honesty and integrity. Through the Policy, each third party is expected to comply with TBC ethical and business conduct standards.

Targets 2021

Trainings and Improvements to the existing policy.

TBC's Presence in SEA

Building the road towards sustainable future takes a lot of effort and patience.

We keep the ESG parameters at heart and sustainability in everything we do. We practice environment sustainability, acknowledge social sustainability and persist with sustainability in governance.

We are committed to strengthen corporate sustainability and are ready to take responsible business action to support sustainable development goals.

Our Commitments

1. Delivering clean, reliable energy

2. Empowering Local Communities

- Engaging with communities.
- Investing in education, health and women.
- Acquiring and developing land responsibly.

3. Protecting the environment

- Helping climate change mitigation and adaption
- Managing our lifecycle impacts.
- Preserving and enhancing biodiversity

4. Focusing on employee engagement

ESG. Create long-term environmental & social benefits through the delivery of clean, reliable energy.

This section maps the Sustainable Development Goals across our operational commitments where we have recognized possible impacts, both positive and negative, on development.

The SDGs outline the numerous challenges that must be addressed to achieve equitably global prosperity.

As a renewable energy providing platform present across Southeast Asia, we recognize the key role and impact we may have on sustainable development.

Our approach is to make this entire process sincerely sustainable which in turn will become the foundation stone to create value for the planet and its people.

With the right strategy, providing reliable, affordable, and clean energy has the potential to deliver multiple development impacts beyond its primary and direct use.

The Blue Circle is fully committed to the international community's sustainable development agenda and has been extending its partnerships to the organizations that support the global goals since October 2018.

We are continuously working towards establishing and improving our plans and policies according to the seventeen sustainable development goals.

Our strategic aims include providing local employment opportunities, improving livelihoods in host communities and leaving a positive impact on the environment.

Where We Are



Vietnam

Dai Phong Wind Farm

The Dai Phong wind farm in the Binh Thuan province, Vietnam is connected to the national grid and has been generating electricity since July 2020.

We are proud to have achieved this construction under the supervision of our inhouse experts. By working all together, we delivered 40 MW of renewable power to Vietnam's grid, on time and on budget.



Hong Phong 1 Wind Farm

Right after the successful completion of Dai Phong windfarm, The Blue Circle continued construction of its third windfarm in Vietnam, the Hong Phong 1 windfarm (40 MW) located in Binh Thuan province, Vietnam.

At present, all eight foundation of the Project's turbines have just been completed and the Project commenced in November 2020.



Empowering local communities

Providing clean power is only part of The Blue Circle's approach. We also take an active role in initiatives that support the long-term prosperity of the communities in which we operate.

Our business model, supported by our participatory approach to engagement, aims to make a positive impact that lasts for generations. This impact may come from the employment opportunities generated during construction and operation, or through TBC's use of local services.

We also focus on building our education, health and environmental initiatives. Our overarching aim is to have a positive, transformative impact on our host communities and further afield in Vietnam, securing our social license to operate now and into the future.



TBC Vietnam's Achievements towards Sustainable Development Goals in 2020

<p>1 NO POVERTY</p> 	<p>WE developed an LRP for the Dai Phong windfarm project (Vietnam) in Dec 2020.</p> <p>There was no resettlement displacement of people while developing our project.</p>
<p>3 GOOD HEALTH AND WELL-BEING</p> 	<p>We conducted a community health care training for the local resident living in the Project site.</p>
<p>4 QUALITY EDUCATION</p> 	<p>Approximately 1,560 participants benefitted from community development through our CSR activities.</p>
<p>5 GENDER EQUALITY</p> 	<p>We supported programs for women empowerment and assistance to poor women.</p>
<p>10 REDUCED INEQUALITIES</p> 	<p>Nearly 90% community grievances were solved.</p> <p>We worked closely with the local governments and built a strong relationship with local communities through traditional festivals organized by our projects' communities.</p>

Stakeholder engagement

We recognize that shared value is best delivered by the continuous and participatory dialogue with the local communities and stakeholders where we operate.

Stakeholder engagement is a valued aspect of The Blue Circle's approach to project development and operations, providing a transparent and inclusive platform to inform our strategy, objectives and values.

By building mutual trust through a two-way dialogue that is timely, transparent, inclusive and participatory, we aim to reduce social risk and optimize the value of positive relations with stakeholders across our project lifecycles.

Employing the principles of partnership, inclusivity, transparency and record-keeping, our engagement process creates a platform for positive and collaborative relations with communities and relevant parties. This approach is underpinned by our commitment to act with integrity in everything we do.

We integrate our engagement process in every project from the earliest stages of project development or project acquisition, dedicating a TBC employee (ESG Team) to work together with and empower local communities.

709

stakeholder engagements in Dai Phong during construction and operation phase.

198

stakeholder engagements in Hong Phong 1 during pre-construction and construction phases.

Grievance Management

We aim to support participatory engagement by deploying effective grievance management systems that can respond to issues raised by project-affected communities.

Every project under construction or in operation has a fully functioning project grievance mechanism to receive, and help resolve, any concerns raised by local communities.

Communities will be kept informed about the mechanism from the outset of the engagement process. Any serious or recurring grievances are presented to and discussed by members of TBC's senior project management team.



Meeting between TBC representatives and Dai Phong project's landowners to solve a grievance related to impacts of construction activities on a cultivation land with the attention of local Thien Nghiep Commune in 2019.

90%

of grievances related to Dai Phong were solved (out of 36 total grievances).

100%

of grievances related to Hong Phong 1 were solved.

Local job creation

When entering new markets and communities, TBC strives to widen our impact on jobs and skills development, no matter the contractual or regulatory requirements.

Every asset we develop will have the capacity to support jobs throughout its lifecycle.

Our participatory approach to development prioritizes local communities and suitably qualified nationals for employment opportunities wherever possible.

- **Construction:** Jobs are provided during construction via sub-contracting the civil and electrical works.

- **Operations:** Renewable energy projects have a projected operating lifespan ranging between 20 and 25 years.

Like with construction, we aim to employ local workers that are suitably qualified as priority via subcontractors. Lower-skilled jobs opportunities have also been created.

Accessing land responsibly & managing our impact

We seek to avoid, and where avoidance is not possible, minimize any adverse impacts that our operations could have on communities and stakeholders.

We achieve this with a precautionary approach, developing projects that have minimal impact on land use, both on physical and economic terms.

At the first opportunity, we employ a dedicated community liaison officer in order to encourage community participation, increase dissemination and transparency of project details and respond to community feedback through establishing Grievance Mechanism Procedure.

In addition, TBC has completely transitional allowances process to compensate land users for any economic disruption that happens before, during and after our projects' construction.

We are planning to implement several schemes to enhance the livelihoods of people and families adversely affected by the project.

The **Livelihood Restoration Plan** has been prepared by Mott MacDonald (international consultancy company) since December 2020, and the Plan is expected to be implemented by March 2021.

We are preparing the LRP to restore and enhance the livelihoods of people and families adversely impacted by its footprint.

Following our standards, and those defined by the IFC, we set out to help families adjust to any disruption from the project, and at a minimum maintain their existing standards of living.

From the middle of 2021, TBC is going to assist around 70 economically impacted families in Dai Phong and Hong Phong 1 Wind Projects.

We offered the following proposed initiatives:

- Diversification of skills/ techniques through advanced training and credit access support
- Small grant start-up business program
- Scholarship provision for affected households to obtain college/ university degrees on electrical engineering/ science.

During construction it was especially challenging for our community team who had to undertake regular communication on ongoing works with many impacted individuals.

As an example, it was important to ensure that none of planted acacia trees, cashew plants or any animal (poultry and cattle) were disturbed within the construction area at risk of being felled.

In the few situations when trees were mistakenly cut, our community team followed up with a timely investigation and provided requisite compensation to those involved.

Although the community development initiatives are now established, The Blue Circle continues to support and engage with the impacted households, alongside running a monitoring and evaluation CSR Plan to help achieve maximum benefits from the initiatives.

Environmental protection at Project sites

Dai Phong and Hong Phong 1 wind farms are located a lowland mountain area where no any a species noted to be in rapid decline on the Vietnam and listed as critically

endangered by the International Union for the Conservation of Nature.

Pre-construction monitoring has forecast that our projects will have a minimal impact on local biodiversity.

In the operation phase of the Dai Phong windfarm, TBC also hired bird and bat specialists so that two seasonal surveys are conducted at the Project sites for each wet and dry season to target species presence in the vicinity.

As a result, we can better characterize resulting impacts and eliminate the possibility of the presence of any listed species on the IUCN Red List and the Vietnam Red Data Book that were not recorded during baseline surveys.

Sightings of bird and bat congregation within the Project site are to be reported as part of our incident monitoring inside of our monthly construction and operational monitoring report.

We also developed our domestic waste disposal scheme as deposits of domestic waste are known to attract many scavenging birds.

Therefore, we have collected domestic waste properly at the project sites which is then transported by licenses waste contractor for further treatment.

Community Development Initiatives

To increase our participation in local communities and deliver shared value, TBC sets aside a portion of our energy revenue for community investment schemes.

We undertook the following initiatives:



1. Lunar New Year Festival

On Lunar New Year we met our local communities exclusively to show our gratitude. We shared gifts, culturally valuable items and other things of use depending on the need and importance. We try our best to support in preserving the cultural values of our communities.



5. Mid-autumn Festival

To bring an enjoyable Mid-autumn festival, we provided a financial support to local authorities for purchasing moon cakes, lanterns and confectionery for local children living in the TBC Project's affected areas, including children with disability in Thien Nghiep and a kindergarten school in Hong.

2. Improving the local infrastructure

We utilized existing dual carriageway of Provincial Road No. 715 to serve as the main access road to our Dai Phong windfarm site for construction vehicles and operations and maintenance activities. After the construction phase was completed, the access road was shared for public use in 2020.



6. Caravan Festival

Through the Caravan Festival organized by the Vietnam Renewable Community in October 2020, Dai Phong provided a donation to Tuy Phong District's authorities for a scholarship program for excellent students who are children of soldiers who are on duty on islands and local fishermen.



3. Improving the roof condition of cultural house

We supported Thien Nghiep Commune to repair the roof of Thien Binh Cultural House, very important to the local community, which was built long over a decade ago and remained in very bad condition. We are happy to provide a roof for which rainwater is not an issue.



7. TBC windfarm student visit

TBC organised and welcomed a group of 30 students and a lecturer from Ho Chi Minh City University of Technology to visit our windfarm in Binh Thuan province. Through the visit, our manager provided a short training to share working experience in developing and operating a windfarm to these students.

4. International Women Day Festival

We participated in the Competition Event of Charming and Talented Women on International Women's Day 2020 in Thien Nghiep Commune. We marked our presence by cheering up participants and making some humble donation on the occasion to support women empowerment.



8. Community Health Training

We cooperated with local Clinic Center to conduct medical training on how to prevent and combat dengue fever and harmful effects of tobacco for around 480 high school students in the affected commune to increase awareness of dengue fever prevention in rain season and negative impacts of smoking.



Integrating Sustainability into Engineering: Embankment Construction

Based on several studies that we undertook on the Dai Phong site conditions, The Blue Circle's Construction team found out the most feasible solution to protect the slope while factoring in environmental sustainability is to use **Geotextile-Reinforced Embankment**.

As per our commitments to the development of a sustainable business, we avoid or mitigate as much as possible using unsustainable material and adverse impact on the project's Carbon Footprint in its lifetime.

Therefore, our priority solution is to utilize the available local material which is also evaluated as a sustainable applicable material in our research.

Particularly, the material will be made by a combination between recycle bag and/or geotextile (with the Site's available sand inside) and natural grass to protect the unstable slope.

We use sandbag and geotextile in order to protect the embankment during the limited period of 3 years. Grass will grow up becoming a coverage layer to replace the sandbag and geotextile's function as a way to protect the embankment thereafter. The grass ecosystem also contributes to the tourist activity of the local vicinity.



Challenges

Our Dai Phong windfarm site is located on a sloping sand hill in a high wind zone which makes it a challenge for wind turbine transportation and construction. We expected risks with the embankment slope, including:

- The sliding of the big slope due to less cohesion force of the soil (mainly red sand instead of clay) under adverse impact from the weather condition. The slope could be broken and cover the site road and prevent transportation activity of any component for maintenance purpose during operation period.
- The sandfly due to high wind speed could also stop the transportation activity of any component for maintenance purpose during operation period.

Benefits of using sustainable material

- High tension capacity (mainly ingredient from jute plant)
- Easy to find at the Project site
- Competitive cost
- Degradable material within 3 years
- Friendly environmental material
- Reduces the Project's Carbon Footprint compared to plastic material use
- Water absorbency ability
- Permeable fabric material with high capacity

Cambodia

Our project under development in Cambodia is of huge strategic importance and is driven by the need to increase the national level of power generation, as the recurring power shortages are a sensitive issue in Cambodia.

The Blue Circle has proposed and is developing a wind power project to contribute to the energy mix and thereby contribute to socio-economic development.

The energy demand in Cambodia is projected to increase 14% annually until 2030. The existing electricity tariffs in Cambodia range between US\$0.13 to 0.17 kWh in Phnom Penh and up to US\$ 0.25 kWh in more rural areas.

The current high cost of electricity creates significant opportunities for power developers who can provide electricity at a lower tariff. In addition, tax incentives are available to qualifying foreign developers investing in Cambodia.

The Council for the Development of Cambodia (CDC) is the primary body which implements these incentives by way of the qualified investment projects (QIP) scheme.

Projects which obtain QIP status may be eligible for a profit tax holiday for up to nine years and import duty exemptions.

We believe by developing renewable energy power projects through a stringent and international best practice would not only help with environment conservation but increase the awareness of both locally and globally.

We hope to set an example for companies seeking business opportunities in Cambodia and that we do not need to compromise on sustainability efforts to derive profits.

At TBC, we believe that sustainable efforts (following IFC PS and Equator principles) and proper care would help to mitigate as much as possible the impact our project could cause to Cambodia's regions.

The Local Gain



80 MW of wind power produces **225 GWh** of clean electricity annually



supplies for **166,000** households and saves **130,000 tons CO2** every year



creates **500** jobs during construction and **35** jobs during operation (25+yrs).



First wind power project with investment in Cambodia

Recognition

In 2020, as the representative for The Blue Circle in Cambodia, Mr. Sophorn Chea was honored to receive the Clean Energy Advocate Award. The Award was nominated by EnergyLab, a nonprofit organisation that supports the growth of the clean energy market and who chose TBC's wind project as the Clean Energy Advocate Award winner.

Clean Energy Week is designed to celebrate the opportunities that clean energy can bring to Cambodia. This year's event was sponsored and supported by the Australian Embassy and the United Nations Development Program as well as a range of other partners.

Our first wind project in Bokor can generate 225 GWh of clean electricity annually which could supply 150,000 households and reduce more than 130,000 tonnes of CO2 emission equivalents a year. This is crucial for Cambodia to meet the 2015 Paris Climate Change commitment and sustainable development goals.



The Blue Circle cambodian windfarm developer – Sophorn Chea (left) is this year's Clean Energy Advocate Award winner. He is receiving his award from Australian Ambassador Pablo Kang.

Thailand

TBC recognizes how important the environment is for us humans and all creatures living on this earth and has been raising the awareness on the environmental protection along with the project development in parallel.

Starting from the local communities where most areas do not have an efficient way of managing the wastes, we decided to organize a Garbage Collection Activity at Phaya Thai Railway Station. Phaya Thai Railway Station is in the city center and one of the busiest stations in Thailand.



Myanmar

We are striving to bring cheap, reliable and clean energy to Myanmar. During the project development phase we ensure communications are established with the local communities and explain the plans we have in mind and their ramifications.

We seek to employ local workforce and engage local companies for various scopes such as hydrology assessment, grid assessment.

IPP Sustainable Model

The Blue Circle is the only regional Independent Power Producer (IPP) with in-house wind and solar engineering teams. Based in Singapore, our engineers are using satellite data to model wind and solar production anywhere on the planet.

Using these independent resource assessments, our team can simulate different project layouts to comply with the site requirements. The Blue Circle is the only regional renewable energy company with an in-house sustainability department.

In charge of community relationship management as well as environmental protection, our CSR team ensures that the highest standards are applied to projects in any geography.

TBC is a renewable energy Independent Power Producer vertically integrated, from the project identification to land acquisition, engineering to permitting, tendering to financing and construction management to asset management.

We will lead the industry in driving down the Cost of Energy through sustainable wind turbine technology, project management, onshore experience and powerful partnerships.

We create optimal value for our stakeholders and ourselves with dedication, passion and integrity. We strive to provide innovative, best-in-class solutions to meet the challenges of our industry.

Our response to COVID-19

For Our People

Beginning in February 2020, a novel coronavirus, COVID-19, began spreading globally from its origins in China and eventually became a global pandemic.

This virus has created a number of implications for The Blue Circle's business and required a considered response to protect the health and safety of all of our employees. Initially, the business moved quickly to manage travel and movement restrictions, establishing work from home measures where possible.

The core parts of our business, including installing and servicing onshore wind turbines, were unable to be performed from home, so our employees involved in each of these areas continued coming to work.

In all of our operations, we implemented a range of safety measures to protect our employees, including through physical distancing protocols in our processes, increased deep cleaning, and amended shift patterns.

Our response closely followed government guidance and was updated daily as additional advice from authorities was handed down. Governments globally had dual obligations, to both protect their citizens as well as ensuring their economies did not collapse.

TBCs strictly followed authorities' guidance on health and safety, while also working hard to ensure our colleagues remained healthy and our society remained resilient beyond the COVID-19 crisis.

For Our Projects' communities

Covid-19 has brought many bigger challenges in front of us and has touched all of us.

Binh Thuan province was facing an unprecedented challenge with communities and economies affected by the growing COVID-19. TBC did not ignore the obstacles and supported the locality accordingly.

From March to April 2020, TBC's Dai Phong Wind Power Project contributed to over 1000 medical masks, more than 100 hand sanitizers to the local Disease Prevention Committee and donated 1,500 ton of rice to the "Rice ATM" located in Mui Ne city and Thien Nghiep Commune to Vice chairman of Phan Thiet PC.



Social Sustainability Commitment

"Thank you for visiting and giving Tet gifts to our family. I found that Dai Phong team made more efforts to collaborate with surrounding local people as well as affected households like my family during developing the Project, compared to other neighboring projects in the local area. I acknowledge and greatly appreciate the Project team's endeavor to surmount obstacles while working here."

Mr. Nguyen Thanh Tung, landowner of Dai Phong Project.

"After selling the land to Dai Phong windfarm Project, I used this compensation to deposit it into the bank's savings fund to earn a monthly profit. Thanks to the project, my family life is less hard. It is pretty nice to know that local people in the area are able to use the Project's access road, which truly makes our transportation more convenient."

Ms. Lam Thi Cuc, affected household of Dai Phong Project.

"To take advantage of land sales to Dai Phong project, I used the money to repair houses and invest in my cattle. Currently my life is quite stable, and I have not encountered any difficulties since selling the land to the Project. Thank you to the Dai Phong Project Team for the visit and giving the Tet's gifts for my family."

Ms. Le Thi Doan, landowner of Dai Phong Project.

"The People's Committee of Thien Nghiep Commune would like to acknowledge the contribution of 500kg of rice to the Commune ATM Rice Machine and the support of Dai Phong Company for poor people, which is considered an important contribution to the locality in combating the Covid-19 pandemic. This is an act of expressing deep human values, traditional beauty of the Vietnamese people with the spirit of solidarity and mutual love."

Mrs. Le Thi Luu, Head of Fartherland Front in Thien Nghiep Commune People's Committee.

"Thank you Dai Phong Project Team for organizing the public hearing. The local authority of Thien Nghiep Commune and residents in Thien Binh Hamlet had an opportunity to have a better understanding of the master plan, activities, environmental & social impacts, benefits from the Project. It also is very helpful when the Project team created a hotline number so that we can directly contact the Dai Phong Project's representatives if there is any project-related concern in the future."

Mr. Diep Xuan Chi, Cadastral Officer in Thien Nghiep Commune.

"I have just been diagnosed with stage three cancer. Therefore, I had to stop all work to focus on medical treatment. Although I no longer have a stable income source as before, but I am fortunate to have the money saved from selling land to the Dai Phong project, it has Helping me a lot in spending and paying hospital fees. Without this amount, I would have struggled a lot. Thank you for Dai Phong Project"

Ms. Le Thi Doan, landowner of Dai Phong Wind Power Project.



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