

SAFEGUARDS AND SOCIAL DIMENSIONS SUMMARY

A. Safeguards

1. In compliance with the Asian Development Bank (ADB) Safeguard Policy Statement (SPS, 2009), the project is classified under category C for impacts on the environment, involuntary resettlement, and indigenous peoples. The proposed loan of up to B1,506 million (or its equivalent in US dollars) will be utilized to finance the rollout and operation of multiple solar photovoltaic installations, with an aggregate capacity of up to 100 megawatts. The installations (subproject), each with a capacity ranging from 400 kilowatts-peak to 10 megawatts-peak, will be located on rooftops or in combination with ground-mounted panels within the premises of existing commercial and/or industrial buildings owned or leased by host companies in Thailand.

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2. The project will be financed using a 'single loan, multiple projects' financing structure, where the financing contemplated will be used to support multiple solar projects on rooftops or combined rooftop and ground-mounted solar photovoltaic system installations, which are traditionally difficult to finance individually owing to their smaller size.

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3. Rooftop and ground-mounted installations of solar energy systems will not have any involuntary resettlement or indigenous peoples impacts. The project will enter into lease or sublease agreements with host companies for the required space, which will be limited to the rooftops or land within the premises of the host companies. Screening criteria will be applied to ensure that each subproject will have no involuntary resettlement or indigenous peoples impacts.

4. The project will have minimal environmental impacts based on its design, location, and technology. Potential risks from the project are primarily from occupational health and safety hazards during the construction and installation works. Thai-Sunseap Asset Company Limited (the borrower) will develop an environment, health, and safety (EHS) plan that identifies all potential EHS impacts associated with solar projects and corresponding preventive measures. This will be aligned with the EHS procedures of the sponsors¹ and ADB SPS requirements, and will be completed before the first disbursement. The EHS plan will also be reviewed and adopted for each subproject so that site conditions are considered. The potential environmental impacts associated with the operations are on water quality from solar panel cleaning and visual impact from the panels. Sunseap Group reported that on average solar panels are cleaned semiannually and use water from the existing facilities' resource. Visual impact is also minimal since the solar panels to be used have reduced reflectivity. The borrower will apply screening criteria to identify subprojects that may trigger category A or B for environment, which will not be funded under the ADB facility. The borrower and its contractors will implement each subproject in accordance with applicable national laws and regulations and ADB's SPS. The borrower will monitor and report its compliance with the SPS, core labor standards, and relevant national laws and regulations in the annual report to ADB.

B. Social Dimensions

5. A grievance mechanism will be established to receive and address concerns related to the operation and construction of the subprojects. The borrower and its contractors will comply with ADB's

¹ Thai-Sunseap Asset Company Limited is a special purpose project company 55% owned by Weng Holding, Sombath Phanichewa and his immediate family members, and 45% by Sunseap Group. Both companies have EHS plans.

Social Protection strategy, and report annually to ADB on their compliance with national labor laws and internationally recognized core labor standards.² The EHS plan will include provisions requiring the borrower and its contractors and subcontractors to comply with national labor laws and regulations consistent with internationally recognized core labor standards. The EHS plan will promote fair, safe, and healthy working conditions during construction and operation.

² ADB. 2003. *Social Protection*. Manila (adopted 2001).