

## SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Green, Blue and Social Finance Framework

SCB X Public Company Limited

4 July 2025

### VERIFICATION PARAMETERS

Types of instruments contemplated

- Sustainable finance instruments

Relevant standards

- Green Bond Principles, ICMA, June 2021 (with June 2022 Appendix 1)
- Social Bond Principles, ICMA, June 2023 (with June 2023 Appendix 1)
- Sustainability Bond Guidelines, ICMA, June 2021
- Green Loan Principles, LMA, February 2023
- Social Loan Principles, LMA, February 2023

Scope of verification

- SCBX's Green, Blue and Social Finance Framework (as of July 2, 2025)
- SCBX's eligibility criteria (as of July 2, 2025)

Lifecycle

- Pre-issuance verification

Validity

- Valid as long as the cited Framework remains unchanged

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## SCOPE OF WORK

SCB X Public Company Limited (“the Issuer,” “the Bank” or “SCBX”) commissioned ISS-Corporate to assist with its sustainable finance instruments by assessing three core elements to determine the sustainability quality of the instruments:

1. SCBX’s Green, Blue and Social Finance Framework (as of July 2, 2025), benchmarked against the International Capital Market Association’s (ICMA) Green Bond Principles (GBP), Social Bond Principles (SBP) and Sustainability Bond Guidelines (SBG), and the Loan Market Association’s (LMA) Green Loan Principles (GLP) and Social Loan Principles (SLP).
2. The eligibility criteria — whether the project categories contribute positively to the United Nations Sustainable Development Goals (U.N. SDGs) and how they perform against proprietary issuance-specific key performance indicators (KPIs) (see Annex 1).
3. Consistency of sustainable finance instruments with SCBX’s sustainability strategy, drawing on the key sustainability objectives and priorities defined by the Issuer.

## SCBX OVERVIEW

SCB X Public Co. Ltd. operates as a bank holding company. It operates by investing in other companies, and has the Siam Commercial Bank PCL, as a subsidiary operating main business. The company was founded on Sept. 15, 2021, and is headquartered in Bangkok.

### *ESG risks associated with the Issuer’s Industry*

SCBX is classified in the commercial banks and capital markets industry, as per ISS ESG’s sector classification. Key sustainability issues faced by companies<sup>1</sup> in this industry are business ethics, labor standards and working conditions, sustainability impacts of lending and other financial services/products, customer and product responsibility, and sustainable investment criteria.

This report focuses on the sustainability credentials of the issuance. Part III of this report assesses the consistency between the issuance and the Issuer’s overall sustainability strategy.

<sup>1</sup> Please note that this is not a company specific assessment but rather areas that are of particular relevance for companies within that industry.

## ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION <sup>2</sup>
<p><b>Part I:</b></p> <p><b>Alignment with the GBP, SBP, SBG, GLP and SLP</b></p>	<p>The Issuer has defined a formal concept for its sustainable finance instruments, encompassing the use of proceeds, processes for project evaluation and selection, management of proceeds, and reporting. This concept aligns with the GBP, SBP, SBG, GLP and SLP.</p>	<p><b>Aligned</b></p>
<p><b>Part II:</b></p> <p><b>Sustainability quality of the eligibility criteria</b></p>	<p>The sustainable finance instruments will (re)finance the following eligible asset categories:</p> <p>Green categories: Renewable Energy, Green Buildings, Clean Transportation, Energy Efficiency, Pollution Prevention and Control, and Sustainable Management of Living Natural Resources and Land Use.</p> <p>Blue categories: Marine Ecosystem Management; Fisheries, Aquaculture, and Seafood Value Chain; Sustainable Aquatic and Marine Tourism; Sustainable Water Management; Sustainable Wastewater Management; and Sustainable Shipping and Port Logistics Sectors.</p> <p>Social categories: Affordable Basic Infrastructure, Access to Essential Services, Employment Generation, Affordable Housing, and Socioeconomic Advancement and Empowerment.</p> <p>Product and service-related use of proceeds categories<sup>3</sup> individually contribute to one or more of the following SDGs:</p>	<p><b>Positive</b></p>

<sup>2</sup> The evaluation is based on SCBX’s Sustainable Finance Framework (July 2, 2025), on the analyzed eligibility criteria as received on July 2, 2025.

<sup>3</sup> Renewable Energy, Green Buildings, Clean Transportation, Energy Efficiency, Pollution Prevention and Control, Sustainable Management of Living Natural Resources and Land Use, Marine Ecosystem Management, Sustainable Aquatic and Marine Tourism, Sustainable Water Management, Affordable Basic Infrastructure, Access to Essential Services, Employment Generation, Affordable Housing, Socioeconomic Advancement and Empowerment.

SPO SECTION	SUMMARY	EVALUATION <sup>2</sup>
	 <p>Other use of proceeds categories improve the operational impacts of SCBX’s borrower(s) and mitigate potential negative externalities of their sectors on one or more of the following SDGs:</p>  <p>The environmental and social risks associated with the use of proceeds categories and the financial institution are managed.</p>	
<p><b>Part III:</b></p> <p><b>Consistency of sustainable finance instruments with SCBX’s sustainability strategy</b></p>	<p>The Issuer clearly describes the key sustainability objectives and the rationale for issuing sustainable finance instruments. All project categories considered align with the Issuer’s sustainability objectives. As of the date of publication, and leveraging ISS ESG research, no controversy involving the Issuer has been identified.</p>	<p><b>Consistent with Issuer’s sustainability strategy</b></p>

## SPO ASSESSMENT

### PART I: ALIGNMENT WITH GBP, SBP, SBG, GLP AND SLP

This section evaluates the alignment of SCBX’s Green, Blue and Social Finance Framework (as of July 2, 2025) with the GBP, SBP, SBG, GLP and SLP.

GBP, SBP, SBG, GLP AND SLP	ALIGNMENT	OPINION
<p><b>1. Use of proceeds</b></p>	<p>✓</p>	<p>The use of proceeds description provided by SCBX’s Green, Blue and Social Finance Framework is <b>aligned</b> with the GBP, SBP, SBG, GLP and SLP.</p> <p>The Issuer’s green, blue and social categories align with the project categories proposed by the GBP, SBP, SBG, GLP and SLP. Criteria are defined in a clear and transparent manner. Disclosure of an allocation period and a commitment to report by project category have been provided, and environmental and social benefits are described.</p> <p>The Issuer has defined a look-back period of three years, in line with best market practice.</p> <p>However, potential negative externalities exist for social categories due to the increased interest rate offered to underserved individual borrowers as they are considered to be of higher lending risk if no mitigation measures are in place to limit the interest rate.</p>
<p><b>2. Process for project evaluation and selection</b></p>	<p>✓</p>	<p>The process for project evaluation and selection described in SCBX’s Green, Blue and Social Finance Framework is <b>aligned</b> with the GBP, SBP, SBG, GLP and SLP.</p> <p>The project selection process is defined and structured in a congruous manner. ESG risks associated with the project categories are identified and managed appropriately. Furthermore, the selected projects align with the Issuer’s sustainability strategy and clearly demonstrate the intended benefit to the relevant</p>

GBP, SBP, SBG, GLP AND SLP	ALIGNMENT	OPINION
		<p>population. The Issuer defines exclusion criteria for harmful project categories.</p> <p>The Issuer identifies the alignment of its Green, Blue and Social Finance Framework and its green, social, blue and sustainability projects with official or market-wide taxonomies and references any green, social and sustainability standards or certifications used, in line with best market practice.</p>
<p><b>3. Management of proceeds</b></p>	<p>✓</p>	<p>The management of proceeds provided by SCBX’s Green, Blue and Social Finance Framework is <b>aligned</b> with the GBP, SBP, SBG, GLP and SLP.</p> <p>Net proceeds collected will equal the amount allocated to eligible projects. These net proceeds are tracked appropriately and managed on an aggregated basis for multiple green, social and sustainable bonds (portfolio approach). Furthermore, the Issuer discloses the temporary investment instruments for unallocated proceeds and confirms that each loan tranche will be clearly labeled as green, social or blue. Where a multi-tranche facility is being considered, only those tranches of such a facility whose proceeds will be allocated according to the green, social or blue eligibility criteria of this framework will be labeled accordingly.</p>
<p><b>4. Reporting</b></p>	<p>✓</p>	<p>The allocation and impact reporting provided by SCBX’s Green, Blue and Social Finance Framework is <b>aligned</b> with the GBP, SBP, SBG, GLP and SLP.</p> <p>The Issuer is committed to disclosing the allocation of proceeds transparently and reporting with appropriate frequency. This reporting will be available to the institutions participating in the loan. SCBX has disclosed the type of information that will be reported and clarified that the expected level of reporting will be at an aggregate level. Furthermore, the Issuer commits to reporting annually until the proceeds have been fully allocated. Additionally, the Issuer</p>

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GBP, SBP, SBG, GLP AND SLP	ALIGNMENT	OPINION
		<p>confirms that it will follow the same reporting frequency and process as the loan portfolio for deposits and confirms it will disclose the aggregated number of deposits in the report.</p> <p>The Issuer has defined impact reporting indicators, in line with best market practices. The Issuer is committed to having the allocation report audited by an external party, in line with best market practices.</p>

## PART II: SUSTAINABILITY QUALITY OF THE ELIGIBILITY CRITERIA

### A. CONTRIBUTION OF THE SUSTAINABLE FINANCE INSTRUMENTS TO THE UN SDGs<sup>4</sup>

Companies can contribute to the achievement of the SDGs by providing specific services/products that help address global sustainability challenges, and by being responsible corporate actors, working to minimize negative externalities in their operations along the entire value chain. This section assesses the SDG impact of the use of proceeds (UoP) categories financed by the Issuer in two different ways, depending on whether the proceeds are used to (re)finance:

- Specific products/services
- Improvements to operational performance


#### 1. Products and services

The assessment of UoP categories for (re)financing in products and services is based on a variety of internal and external sources, such as the ISS ESG's SDG Solutions Assessment, a proprietary methodology designed to assess the impact of an Issuer's products or services on the U.N. SDGs, as well as other ESG benchmarks (the EU taxonomy Climate Delegated Act, the Green/Social Bond Principles and other regional taxonomies, standards and sustainability criteria).

The assessment of UoP categories for (re)financing in specific products and services is displayed on a three-point scale:





Each of the sustainable finance instruments' use of proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS (PRODUCTS/SERVICES) FOR GREEN PROJECTS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<b>Renewable Energy — Electricity Generation</b>  <i>Projects aiming at developing the generation and use of electricity from renewable energy such as:<sup>5</sup></i>	<b>Contribution</b>	

<sup>4</sup> The impact of the UoP categories on U.N. SDGs is assessed with proprietary methodology and may therefore differ from the Issuer's description in the Framework.



<sup>5</sup> The review is limited to the examples of projects spelled out in the Framework.

USE OF PROCEEDS (PRODUCTS/SERVICES) FOR GREEN PROJECTS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<ul style="list-style-type: none"> <li>Solar energy (PV and CSP with a minimum of 85% electricity generated from solar power)<sup>6</sup></li> </ul> <p><b>Renewable Energy — Electricity Generation</b></p> <p>Projects aiming at developing the generation and use of electricity from renewable energy such as:<sup>7</sup></p> <ul style="list-style-type: none"> <li>Wind energy (onshore and offshore)</li> <li>Hydro energy                             <ul style="list-style-type: none"> <li>Generating less than 25 MW or run-of-river, and</li> <li>If the facility is in operation before 2020: life-cycle emissions less than 100 gCO<sub>2</sub>e/kWh or power density &gt;5 W/m<sup>2</sup></li> <li>If the facility commences operation in 2020 or after: life cycle emissions less than 50 gCO<sub>2</sub>e/kWh or power density &gt; 10 W/m<sup>2</sup>)</li> </ul> </li> <li>Geothermal energy for electricity generation (limited to direct emissions of &lt; 100 gCO<sub>2</sub>e/kWh)</li> <li>Fuel cell and other energy storage systems for renewable energy projects/assets</li> <li>Green hydrogen production, storage and refueling infrastructure by electrolysis that is 100% powered by renewable energy sources.</li> </ul>	<p style="text-align: center;"><b>Contribution</b></p>	
<p><b>Renewable Energy — Electricity Generation</b></p> <p>Projects aiming at developing the generation and use of electricity from renewable energy such as:<sup>8</sup></p> <p>Bioenergy production facilities using</p>		

<sup>6</sup> The Issuer confirms alignment with the Climate Bonds Initiative’s [Solar Sector Criteria](#) exclusively for onshore solar projects.

<sup>7</sup> The review is limited to the examples of projects spelled out in the Framework.

<sup>8</sup> Ibid.


USE OF PROCEEDS (PRODUCTS/SERVICES) FOR GREEN PROJECTS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p><i>biofuel/biomass</i><sup>9</sup></p> <ul style="list-style-type: none"> <li>Electricity production: GHG emission intensity &lt;50 gCO<sub>2</sub>e/kWh.<sup>10</sup></li> <li>Heating/cooling and co-generation facilities using biomass: Biofuel/biomass being used to meet energy efficiency threshold of 16.0 CO<sub>2</sub>e/MJ and the facilities to achieve energy conversion efficiency of 80%.<sup>11</sup></li> </ul>	<p>Contribution</p>	
<p><b>Renewable Energy-Related Infrastructure and Supply Chain</b></p> <ul style="list-style-type: none"> <li>Facilities dedicated to manufacturing key components for eligible facilities (e.g., solar panel or wind turbine manufacture)</li> </ul>		
<p><b>Renewable Energy-Related Infrastructure and Supply Chain</b></p> <ul style="list-style-type: none"> <li>Technologies supporting renewable energy storage capacity, including batteries, capacitors, compressed air storage and flywheels.<sup>12</sup></li> <li>Activities that improve efficiency in transmission and distribution of renewable energy:                             <ul style="list-style-type: none"> <li>Construction, expansion, upgrading or operation of infrastructure such that it is a dedicated connection to a power production plant eligible under the low carbon power threshold (100 gCO<sub>2</sub>/kWh)</li> </ul> </li> </ul>		

<sup>9</sup> Per CBI Taxonomy: (i) biomass/fuel derived from sources of high biodiversity that competes with food sources or depletes carbon pools is excluded; (ii) all feedstock types are eligible, except wood (all woody biomass), algae and biodegradable municipal solid waste (MSW), including sewage sludge and food waste; and (iii) feedstocks used for bioenergy production should be verified through certification systems such as the International Sustainability and Carbon Certification (ISCC and/or ISCC Plus), Bonsucro (Better Sugarcane Initiative), the Forest Stewardship Council, the Sustainable Biomass Partnership, the Roundtable on Sustainable Biomass, the Round Table on Responsible Soy, the Programme for the Endorsement of Forest Certification, or equivalent systems.




<sup>10</sup> The Issuer confirms alignment with the Climate Bonds Initiative’s [Electrical Utilities Criteria](#). The emission intensity threshold incorporates emissions produced during the processing and transportation of the biomass.

<sup>11</sup> The Issuer confirms alignment with the Climate Bonds Initiative’s [Bioenergy Criteria](#).

<sup>12</sup> The Issuer confirms alignment with the Climate Bonds Initiative’s [Electrical Grids and Storage Criteria](#).

USE OF PROCEEDS (PRODUCTS/SERVICES) FOR GREEN PROJECTS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p><i>measured on a LCE basis, and a substation, network or storage facility, located on a system with a grid factor at or below 100 gCO<sub>2</sub>/kWh measured on a PCF basis, over a rolling five-year average period. The infrastructure is located on a system for which at least 67% of its newly connected generation capacity in the last five years falls below the low carbon power threshold measured on a PCF basis, over a rolling five-year average period.<sup>13</sup></i></p>	<p style="text-align: center;"><b>Contribution</b></p>	
<p><b>Green Buildings</b></p> <p><i>Projects aiming at the construction, acquisition and operation of new and existing buildings in the commercial and residential real estate sector that have achieved or are expected to achieve any of the below or equivalent certifications and/or criteria:</i></p> <ul style="list-style-type: none"> <li>▪ <i>LEED V4.0 or V4.1 (Gold, Platinum)</i></li> <li>▪ <i>BREEAM (Excellent, or Outstanding)</i></li> <li>▪ <i>BCA Green Mark GoldPlus or better</i></li> <li>▪ <i>NABERS 4.5 stars or better</i></li> <li>▪ <i>IFC's EDGE (EDGE Certified, EDGE Advanced, Zero Carbon)</i></li> <li>▪ <i>Thai's Rating of Energy and Environmental Sustainability Gold or better</i></li> </ul>		
<p><b>Green Buildings</b></p> <p><i>Projects aiming at the construction, acquisition and operation of new and existing buildings in the commercial and</i></p>		

<sup>13</sup> Ibid.

USE OF PROCEEDS (PRODUCTS/SERVICES) FOR GREEN PROJECTS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p><i>residential real estate sector that have achieved or are expected to achieve any of the below or equivalent certifications and/or criteria:</i></p> <ul style="list-style-type: none"> <li>▪ Green Globes (3 or 4 Globes)</li> <li>▪ Data centers with a design average annual power usage effectiveness at or below 1.4<sup>14</sup></li> </ul>	<p><b>Contribution</b></p>	
<p><b>Clean Transportation</b></p> <p><i>Projects aiming at developing/manufacturing/fleet replacement to low-carbon passenger and freight transportation/infrastructure:</i></p> <ul style="list-style-type: none"> <li>▪ Passenger non-public transportation (e.g., passenger cars and commercial vehicles): Zero direct (tailpipe) emissions</li> <li>▪ Passenger public transportation (e.g., light rail transit, metro, tram, trolleybus, bus and rail): Zero direct (tailpipe) emissions</li> <li>▪ Freight transport by rail: Zero direct (tailpipe) emissions</li> <li>▪ Freight transport by road freight: Zero direct (tailpipe) emissions</li> <li>▪ Development, manufacturing, recycling of rechargeable batteries and fuel cell for clean transportation.</li> </ul>	<p><b>Contribution</b></p>	
<p><b>Clean Transportation</b></p> <p><i>Projects aiming at developing/manufacturing/fleet replacement to low-carbon passenger and freight transportation/infrastructure:</i></p> <ul style="list-style-type: none"> <li>▪ Sea and coastal water transport in accordance with the Climate Bond Initiative's Green Shipping Criteria</li> </ul>	<p><b>Contribution</b></p>	

<sup>14</sup> The Issuer references the [Climate Neutral Data Centre Pact](#).

USE OF PROCEEDS (PRODUCTS/SERVICES) FOR GREEN PROJECTS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p><sup>15</sup></p> <ul style="list-style-type: none"> <li>Inland water transport: Zero direct (tailpipe) emissions.<sup>16</sup> <ul style="list-style-type: none"> <li>For passenger inland water transport, until 31 December 2027, hybrid and dual fuel vessels derive at least 50% of their energy from zero direct (tailpipe) CO<sub>2</sub> emission fuels or plug-in power for their normal operation.</li> </ul> </li> </ul> <p><b>**Exclusions:</b> Transportation, infrastructure and systems dedicated to the transportation of fossil fuels.</p>	<p style="text-align: center;"><b>Contribution</b></p>	
<p><b>Pollution Prevention and Control</b></p> <p>Projects aiming at developing/manufacturing infrastructure, equipment and technology for:</p> <ul style="list-style-type: none"> <li>Recycling of materials, including the prevention, collection, treatment and processing of waste<sup>17</sup></li> </ul>		<p style="text-align: center;"><b>Contribution</b></p>
<p><b>Pollution Prevention and Control</b></p> <p>Projects aiming at developing/manufacturing infrastructure, equipment and technology for:</p> <ul style="list-style-type: none"> <li>Reuse of materials, including refurbishing or repairing products for reuse<sup>18</sup></li> </ul>	<p style="text-align: center;"><b>Contribution</b></p>	

<sup>15</sup> The Issuer confirms alignment with the Climate Bonds Initiative’s [Shipping Criteria](#) and compliance with the exclusions detailed in Table 2 of that document.

<sup>16</sup> The Issuer confirms alignment with the Thailand Taxonomy.


<sup>17</sup> Plastic recycling will be performed mechanically.


<sup>18</sup> In alignment with the Criteria for Recycling and Reuse under the Climate Bonds Initiative’s Waste Management Criteria. Assets to be covered include: (i) facilities processing recyclable waste fractions into secondary raw materials, where these secondary raw materials (such as steel, aluminum, glass and plastics) cease to be waste and are sold for use as secondary raw materials; and (ii) facilities collecting, sorting, cleaning, refurbishing, reconditioning and/or repairing products, where the products are returned to their original use without requiring further pre-processing. Specifically for waste electrical and electronic equipment, only products covered by an ecolabeling scheme and meeting the three lowest energy use categories are eligible.

USE OF PROCEEDS (PRODUCTS/SERVICES) FOR GREEN PROJECTS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p><b>Pollution Prevention and Control</b></p> <p>Projects aiming at developing/manufacturing infrastructure, equipment and technology for:</p> <ul style="list-style-type: none"> <li>Waste management (excluding landfills) such as waste prevention, waste reduction and energy/emission-efficient co-processing with emission abatement technologies.</li> </ul>	<p><b>Contribution</b></p>	
<p><b>Pollution Prevention and Control</b></p> <p>Projects aiming at developing/manufacturing infrastructure, equipment and technology for:</p> <ul style="list-style-type: none"> <li>Projects to capture biogas from closed landfill facilities, with high gas capture efficiency of 75% or more</li> </ul>		 
<p><b>Pollution Prevention and Control</b></p> <p>Projects aiming at developing/manufacturing infrastructure, equipment and technology for:</p> <ul style="list-style-type: none"> <li>Procurement of waste or recycled material as an input, of at minimum 90% of the final product. If the materials are bio-based raw materials (excluding bio-based plastics), they need to be sourced from sustainable sources or crops.<sup>19</sup></li> </ul>		
<p><b>Pollution Prevention and Control</b></p> <p>Projects aiming at developing/manufacturing infrastructure, equipment and technology for:</p> <ul style="list-style-type: none"> <li>Production of products with at least 90% or more of input is recycled and/or bio-based input.<sup>20</sup></li> </ul>		



<sup>19</sup> The Issuer confirms that the bio-based materials referenced here refer solely to bio-waste and do not compete with food production or forestry.

<sup>20</sup> Ibid.

USE OF PROCEEDS (PRODUCTS/SERVICES) FOR GREEN PROJECTS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p><b>Sustainable Management of Living Natural Resources and Land Use</b></p> <p><i>Projects and investments aiming at:</i></p> <ul style="list-style-type: none"> <li>▪ Sustainable agriculture practices, including but not limited to the following activities:                             <ul style="list-style-type: none"> <li>▪ Environmentally sustainable agriculture certified by USDA Organic or EU Organic</li> <li>▪ Climate-smart agriculture methods aligned to U.N. FAO that that improve efficiency or GHG emissions reduction by 20% as compared to existing baseline or market average, such as <sup>21</sup> hydroponics or aeroponics.</li> </ul> </li> </ul>	<p><b>Contribution</b></p>	



USE OF PROCEEDS (PRODUCTS/SERVICES) FOR BLUE PROJECTS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p><b>Marine Ecosystem Management</b></p> <p><i>Projects and investments aiming at:</i></p> <ul style="list-style-type: none"> <li>▪ Conserving, improving and restoring marine and coastal ecosystems</li> <li>▪ Marine Protected Areas established, or management strengthened</li> <li>▪ Critical ecosystems (e.g., mangrove forests, coral reefs, seagrass meadows, coastal wetlands, river embankments, or salt marshes) sustainably managed, conserved or restored</li> </ul> <p><i>**Exclusion: Equipment dependent on fossil fuel; and systems or measures that provide water for fossil fuel operations, fracking and mining.</i></p>	<p><b>Contribution</b></p>	

<sup>21</sup> The review is limited to the examples of projects spelled out in the Framework.


USE OF PROCEEDS (PRODUCTS/SERVICES) FOR BLUE PROJECTS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS	
<p><b>Sustainable Aquatic and Marine Tourism<sup>22</sup></b></p> <ul style="list-style-type: none"> <li>Licensed/certified sustainable tourism in the vicinity of marine conservation areas, within less than 20 kilometers from the marine-protected areas and internationally recognized areas, with inclusive livelihood elements and business opportunities.                             <ul style="list-style-type: none"> <li>Biosphere tourism</li> </ul> </li> </ul>	<p><b>Contribution</b></p>		
<p><b>Sustainable Aquatic and Marine Tourism<sup>23</sup></b></p> <ul style="list-style-type: none"> <li>Licensed/certified sustainable tourism in the vicinity of marine conservation areas, within less than 20 kilometers from the marine-protected areas and internationally recognized areas, with inclusive livelihood elements and business opportunities.                             <ul style="list-style-type: none"> <li>Preferred by Nature</li> <li>Green Destination</li> <li>Green Globe</li> </ul> </li> </ul>		<p><b>Contribution</b></p>	
<p><b>Sustainable Water Management</b></p> <p>Projects aiming at developing/manufacturing infrastructure, equipment and technology for:</p> <ul style="list-style-type: none"> <li>Sustainable infrastructure for clean and drinking water, including:                             <ul style="list-style-type: none"> <li>Desalination plants with average carbon intensity used for desalination at least or below 100 gCO<sub>2</sub>e/kWh</li> <li>Water distribution systems</li> <li>Water recycling systems</li> </ul> </li> </ul>			<p><b>Contribution</b></p>



<sup>22</sup> Tourism sites must adhere to the following requirements: (i) a clearly defined set of activities designed to avoid direct negative impacts on biodiversity, including an analysis of the area’s carrying capacity; (ii) partnership agreements with conservation management entities, local NGOs or communities to support conservation efforts; (iii) a biodiversity information and awareness plan linked to specific impacts arising from tourism activities; and (iv) a clearly defined framework for the continuous monitoring and measurement of conservation effectiveness.


<sup>23</sup> Ibid.



USE OF PROCEEDS (PRODUCTS/SERVICES) FOR BLUE PROJECTS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<ul style="list-style-type: none"> <li>▪ <i>Projects that reduce, reuse or recycle water</i> <ul style="list-style-type: none"> <li>▪ <i>Water treatment plants</i></li> <li>▪ <i>Rainwater harvesting systems</i></li> <li>▪ <i>Water efficiency management to reduce leaks, reduce urban runoff</i></li> </ul> </li> </ul>		
<p><b>Sustainable Water Management</b> <i>Projects aiming at developing/manufacturing infrastructure, equipment and technology for:</i></p> <ul style="list-style-type: none"> <li>▪ <i>Sustainable infrastructure for clean and drinking water, including:</i> <ul style="list-style-type: none"> <li>▪ <i>Water purification treatment</i></li> <li>▪ <i>Water filtration systems</i></li> <li>▪ <i>Drinking water treatment</i></li> </ul> </li> </ul>	<p><b>Contribution</b></p>	
<p><b>Sustainable Water Management</b> <i>Projects aiming at developing/manufacturing infrastructure, equipment and technology for:</i></p> <ul style="list-style-type: none"> <li>▪ <i>Sustainable urban drainage systems and other forms of flooding mitigation.<sup>24</sup></i> <ul style="list-style-type: none"> <li>▪ <i>Stormwater warning systems, floodwater warning systems, dam failure warning systems, storm water management systems, heavy rain drainage system, flood management or flood prevention such as wetlands, retention, berms, lagoons, sluice gates, flood mitigation tools such as storm/flood water warning systems, development of</i></li> </ul> </li> </ul>	<p><b>Contribution</b></p>	

<sup>24</sup> Projects financed under this activity will have a vulnerability assessment and adaptation plan in place.


USE OF PROCEEDS (PRODUCTS/SERVICES) FOR BLUE PROJECTS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p><i>floodplain mapping and flood forecasting models etc.</i></p> <p><b>Sustainable Management</b></p> <p><b>Wastewater</b></p> <p><i>Projects aiming at developing/manufacturing infrastructure, equipment and technology for:</i></p> <ul style="list-style-type: none"> <li>Wastewater treatment – especially wastewater on a large scale, and technologies, systems or facilities that increase the efficiency of wastewater processing.</li> </ul> <p><i>** Exclusion: wastewater treatment for fossil fuel operations and/or carbon intensive sectors.</i></p>	<p><b>Contribution</b></p>	



USE OF PROCEEDS (PRODUCTS/SERVICES) FOR SOCIAL PROJECTS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p><b>Affordable Basic Infrastructure</b></p> <p><i>Projects and investments aiming at:</i></p> <ul style="list-style-type: none"> <li>Construction, operation or upgrading of basic sanitation infrastructure, such as clean drinking water and sewers for communities from rural areas.</li> </ul> <p><i>**Target population: rural communities, remote areas, unconnected or underdeveloped regions.</i></p>	<p><b>Contribution</b></p>	
<p><b>Affordable Basic Infrastructure</b></p> <p><i>Projects and investments aiming at:</i></p> <ul style="list-style-type: none"> <li>Construction, operation or upgrading of basic sanitation infrastructure, such as sanitation for communities from rural areas.</li> </ul> <p><i>**Target population: rural communities, remote areas, unconnected or underdeveloped regions.</i></p>	<p><b>Contribution</b></p>	

USE OF PROCEEDS (PRODUCTS/SERVICES) FOR SOCIAL PROJECTS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p><b>Affordable Basic Infrastructure</b>  <i>Projects and investments aiming at:</i></p> <ul style="list-style-type: none"> <li>Development and expansion of transmission and distribution infrastructure that provides energy for target populations in areas where there is no access or access to energy is substantially inadequate (less than 50%).</li> <li>Telecommunication services and infrastructure that improves connectivity for target populations and underserved communities. Provision of free or subsidized/discounted internet to target populations.</li> </ul> <p><i>**Target population: rural communities, remote areas, unconnected or underdeveloped regions.</i></p>	<p><b>Contribution</b></p>	
<p><b>Access to Essential Services</b>  <i>Loans to the following essential services in Thailand:</i></p> <ul style="list-style-type: none"> <li>Healthcare (including affordable/generic medicines)                             <ul style="list-style-type: none"> <li>Hospitals, clinics or healthcare centers providing free or subsidized care</li> <li>Facilities providing programs which support the well-being of vulnerable and disadvantaged communities, such as elderly/disabled care homes or hospices</li> </ul> </li> </ul> <p><i>**Target population: rural communities, remote areas, underdeveloped regions, vulnerable individuals with medical issues and/or disabilities, the elderly, the unemployed.</i></p>	<p><b>Contribution</b></p>	
<p><b>Access to Essential Services</b>  <i>Loans to the following essential services in Thailand:</i></p> <ul style="list-style-type: none"> <li>Healthcare (including affordable/generic medicines)</li> </ul>	<p><b>Contribution</b></p>	

USE OF PROCEEDS (PRODUCTS/SERVICES) FOR SOCIAL PROJECTS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<ul style="list-style-type: none"> <li>Development of and supply of equipment to any facilities for community health service providers<sup>25</sup></li> </ul> <p><i>**Target population: rural communities, remote areas, underdeveloped regions, vulnerable individuals with medical issues and/or disabilities, the elderly, the unemployed.</i></p> <p><b>Access to Essential Services</b> Loans to the following essential services in Thailand:</p> <ul style="list-style-type: none"> <li>Healthcare (including affordable/generic medicines)                             <ul style="list-style-type: none"> <li>Pharmaceutical manufacturers (minimum 80% of revenues to generic medicines), distributors and traders, drugstores</li> <li>Sale of affordably priced or subsidized medicines on the World Health Organization essential medicines list</li> </ul> </li> </ul> <p><i>**Target population: rural communities, remote areas, underdeveloped regions, vulnerable individuals with medical issues and/or disabilities, the elderly, the unemployed.</i></p>	<p>Contribution</p>	
<p><b>Access to Essential Services</b> Loans to the following essential services in Thailand:</p> <ul style="list-style-type: none"> <li>Education                             <ul style="list-style-type: none"> <li>Operation of schools and universities in underdeveloped areas</li> </ul> </li> </ul> <p><i>**Target population: rural communities, remote areas, underdeveloped regions, vulnerable individuals with medical issues and/or disabilities, the elderly, the unemployed.</i></p>	<p>Contribution</p>	




<sup>25</sup> The Issuer confirms that equipment includes enhanced accessibility features such as accessible toilets, ramps, handrails, hearing aids, tactile paving or strips, and disabled parking spaces; as well as R&D related to healthcare provision, such as laboratory and screening tests. The Issuer also confirms that community health service providers include hospitals, clinics and community care centers for the general public.

USE OF PROCEEDS (PRODUCTS/SERVICES) FOR SOCIAL PROJECTS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p><b>Access to Essential Services</b> Loans to the following essential services in Thailand:</p> <ul style="list-style-type: none"> <li>Education                             <ul style="list-style-type: none"> <li>Development of schools and universities in underdeveloped areas</li> <li>Development and operation of, or supply equipment and training to public or affordable education programs, facilities, platforms including digital platforms, and institutions for vocational training.</li> </ul> </li> </ul> <p><i>**Target population: rural communities, remote areas, underdeveloped regions, vulnerable individuals with medical issues and/or disabilities, the elderly, the unemployed.</i></p>	<p><b>Contribution</b></p>	
<p><b>Employment Generation</b> Loans to micro, small and medium enterprises (MSMEs) as defined by the Ministry of Industry, including but not limited to those that promote women entrepreneurship. Microfinancing and/or nanofinancing.</p> <p><i>**Target population: MSMEs, underserved individuals.</i></p>	<p><b>Contribution</b></p>	
<p><b>Employment Generation</b> Loans to MSMEs as defined by the Ministry of Industry, including but not limited to those that promote women entrepreneurship. Microfinancing and/or nanofinancing.</p> <p><i>**Target population: women-owned MSMEs.</i></p>	<p><b>Contribution</b></p>	
<p><b>Affordable Housing</b> Projects and investments aiming at:</p> <ul style="list-style-type: none"> <li>Loans that enable and improve access to housing for underserved purchasers including offering affordable mortgages, house improvement loans to eligible purchasers of Thailand's National</li> </ul>	<p><b>Contribution</b></p>	

USE OF PROCEEDS (PRODUCTS/SERVICES) FOR SOCIAL PROJECTS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p><i>Housing Authority's affordable housing units under the SMART strategy 20-Year Master Plan for Housing Development B.E. 2560 – 2579.<sup>26</sup></i></p> <p><i>**Target population: Low-income households eligible for affordable housing as per the definition of the Thailand's NHA SMART strategy 20-Year Master Plan for Housing Development B.E. 2560 – 2579.</i></p> <p><b>Affordable Housing</b> Projects and investments aiming at:</p> <ul style="list-style-type: none"> <li>Loans that enable and improve access to housing for underserved purchasers including offering affordable mortgages, house improvement loans to eligible purchasers of Thailand's National Housing Authority's affordable housing units under the SMART strategy 20-Year Master Plan for Housing Development B.E. 2560 – 2579.<sup>27</sup></li> </ul> <p><i>**Target population: Middle-income households eligible for affordable housing as per the definition of the Thailand's NHA SMART strategy 20-Year Master Plan for Housing Development B.E. 2560 – 2579.</i></p>	<p>Contribution</p>	<div style="text-align: center;">  </div>
<p><b>Affordable Housing</b> Projects and investments aiming at:</p> <ul style="list-style-type: none"> <li>Development of new or retrofitting of existing NHA's affordable housing units under the SMART strategy 20-Year Master Plan for Housing Development B.E. 2560 – 2579.</li> </ul> <p><i>**Target population: Low-income and middle-income households eligible for affordable housing as per the definition of</i></p>	<p>Contribution</p>	<div style="text-align: center;">  </div>

<sup>26</sup> The National Housing Authority (NHA) is a state-owned enterprise under the purview of Thailand's Ministry of Social Development and Human Security. The 20-Year Housing Development Master Plan B.E. 2560-2579 (2017-2036) was formulated to promote equitable access to adequate housing for all members of society. Under this plan, the NHA is responsible for providing affordable housing, particularly for the 2.27 million low- to middle-income earners.


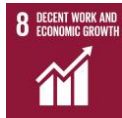

<sup>27</sup> Ibid.

USE OF PROCEEDS (PRODUCTS/SERVICES) FOR SOCIAL PROJECTS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p><i>the Thailand's NHA SMART strategy 20-Year Master Plan for Housing Development B.E. 2560 – 2579.</i></p>		
<p><b>Socioeconomic Advancement and Empowerment</b></p> <ul style="list-style-type: none"> <li>Loans to the following disadvantaged social groups                             <ul style="list-style-type: none"> <li>Minority: Single mothers, women entrepreneurs</li> </ul> </li> </ul> <p><i>**Target population: Low-income households, MSMEs, women owned MSMEs, women with low income, disadvantaged female groups,<sup>28</sup> people with disabilities.</i></p>	<p><b>Contribution</b></p>	
<p><b>Socioeconomic Advancement and Empowerment</b></p> <ul style="list-style-type: none"> <li>Loans to the following disadvantaged social groups                             <ul style="list-style-type: none"> <li>Minority: Individuals with disabilities</li> <li>Low-income individuals and/or households<sup>29</sup></li> </ul> </li> </ul> <p><i>**Target population: Low-income households, MSMEs, women owned MSMEs, women with low income, disadvantaged female groups, people with disabilities.</i></p>	<p><b>Contribution</b></p>	
<p><b>Socioeconomic Advancement and Empowerment</b></p> <ul style="list-style-type: none"> <li>Loans to the following disadvantaged social groups                             <ul style="list-style-type: none"> <li>Underserved individuals who lack bank accounts or formal pay slips<sup>30</sup></li> </ul> </li> </ul> <p><i>**Target population: Low-income households, MSMEs, women owned MSMEs, women with low income, disadvantaged</i></p>	<p><b>Contribution</b></p>	

<sup>28</sup> The Issuer confirms that disadvantaged female groups include single mothers, sex workers, women from rural low-income communities, and women from minority groups.

<sup>29</sup> The Issuer confirms that two thresholds are defined for low income: (i) low income for the target population under the Access to Essential Services category is defined as less than THB 100,000 THB per year, according to the Thai government's definition; and (ii) the low-income threshold for affordable housing is defined by the National Statistical Office's Housing and Population Census, where a household's gross monthly income is under the 60th percentile of the income distribution bracket, as specified by the [NHA](#).

<sup>30</sup> The Issuer confirms that applicants must demonstrate sources of income for credit appraisal purposes. The Issuer further confirms it will verify whether applicants are listed in the government database of state welfare recipients to determine low-income status. The Issuer collects pay stubs, bank statements and welfare documentation as supporting evidence.

USE OF PROCEEDS (PRODUCTS/SERVICES) FOR SOCIAL PROJECTS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p><i>female groups, people with disabilities.</i></p> <p><b>Socioeconomic Advancement and Empowerment</b></p> <ul style="list-style-type: none"> <li>Loans to entities which improve access to financial services for minority, underserved, and low-income individuals.<sup>31</sup></li> </ul> <p><i>**Target population: Low-income households, women with low income, disadvantaged female groups, people with disabilities.</i></p>	<p>Contribution</p>	
<p><b>Socioeconomic Advancement and Empowerment</b></p> <ul style="list-style-type: none"> <li>Loans to entities which improve access to financial services for minority, underserved, and low-income MSMEs.<sup>32</sup></li> </ul> <p><i>**Target population: MSMEs, women owned MSMEs.</i></p>	<p>Contribution</p>	
<p><b>Socioeconomic Advancement and Empowerment</b></p> <ul style="list-style-type: none"> <li>The development, distribution and expansion of digital services aiming at increasing access to financial services for minority, underserved, and low-income individuals or MSMEs.<sup>33</sup></li> </ul> <p><i>**Target population: Low-income households, MSMEs, women owned MSMEs, women with low income, disadvantaged female groups, people with disabilities.</i></p>	<p>Contribution</p>	

**2. Improvements to operational performance (processes)**

<sup>31</sup> The Issuer confirms that financial services include cost-saving digital financial solutions and related infrastructure designed to serve currently financially excluded and underserved populations. These services encompass: credit infrastructure (alternative credit scoring and analysis, systems/platforms that support seamless collection of transaction data or credit history for alternative credit assessment); digital non-bank financial institutions, such as digital lenders, digital leasing companies and digital insurers; digital financial literacy service providers; and e-wallets.


<sup>32</sup> Ibid.

<sup>33</sup> The Issuer confirms that financial services encompass cost-saving digital financial solutions and related infrastructure designed to serve currently financially excluded and underserved populations. These services include: credit infrastructure (alternative credit scoring and analysis, systems/platforms that support seamless collection of transaction data or credit history for alternative credit assessment); digital non-bank financial institutions, such as digital lenders, digital leasing companies and digital insurers; digital financial literacy service providers; e-wallets; and digital lending services targeted to underserved groups.

The following assessment qualifies the direction of change (or “operational impact improvement”) resulting from the operational performance projects (re)financed by the UoP categories, as well as the related U.N. SDGs impacted. The assessment demonstrates how the UoP categories mitigate exposure to the negative externalities relevant to the Issuer’s business model and sector.

SCBX finances operations/processes in third-party sectors that are not listed in its Framework. As such, ISS ESG is unable to display the exposure to negative externalities linked to the sector of the operations/processes financed. Negative externalities, if present, may impact the overall sustainability quality of the issuance.

The table below displays the direction of change resulting from the operational performance improvement projects. The outcome displayed does not correspond to an absolute or net assessment of operational performance.

USE OF PROCEEDS (PROCESSES)	OPERATIONAL IMPACT IMPROVEMENT <sup>34</sup>	SUSTAINABLE DEVELOPMENT GOALS
<p><b>Green Buildings</b></p> <p><i>Projects aiming at operation of existing buildings in the commercial and residential real estate sector that have achieved or are expected to achieve any of the below or equivalent certifications and/or criteria:</i></p> <ul style="list-style-type: none"> <li>▪ LEED V4.0 or V4.1 (Gold, Platinum)</li> <li>▪ BREEAM (Excellent or Outstanding)</li> <li>▪ BCA Green Mark Gold Plus or better</li> <li>▪ NABERS 4.5 stars or better</li> <li>▪ IFC’s EDGE (EDGE Certified, EDGE Advanced, Zero Carbon)</li> <li>▪ Thai’s Rating of Energy and Environmental Sustainable Gold or better</li> </ul>		




**Green Buildings**

*Projects aiming at the operation of existing buildings in the commercial and residential real estate sector that have achieved or are expected to achieve any of the below or equivalent certifications and/or criteria:*

- Green Globes (3 or 4 Globes)



<sup>34</sup> Limited information is available on the scale of the improvement as no threshold is provided. Only the direction of change is displayed.

USE OF PROCEEDS (PROCESSES)	OPERATIONAL IMPACT IMPROVEMENT <sup>34</sup>	SUSTAINABLE DEVELOPMENT GOALS
<p><b>Green Buildings</b></p> <p>Projects aiming at the acquisition and operation of existing buildings in the commercial and residential real estate sector that have achieved or are expected to achieve any of the below or equivalent certifications and/or criteria:</p> <ul style="list-style-type: none"> <li>Data centers with a design average annual power usage effectiveness at or below 1.4</li> </ul>		
<p><b>Green Buildings</b></p> <p>Renovation/retrofitting of existing residential and commercial buildings leading to energy savings of at least 20% in comparison to the baseline performance of the building and/or carbon emission reduction or energy efficiency after retrofit is within the top 15% of the national building stock.</p>		
<p><b>Energy Efficiency</b></p> <p>Projects aiming at developing/manufacturing infrastructure, equipment and technology which yield an energy efficiency improvement of minimum 20% as compared to existing baseline or market average:</p> <ul style="list-style-type: none"> <li>Battery facilities that result in substantial GHG emission reductions in transport, stationary and off-grid energy storage and other industrial applications grid energy storage and other industrial applications</li> <li>Zoned thermostats, smart thermostat systems and sensing equipment, e.g., motion and daylight control</li> <li>Building Energy Management Systems (BEMS) and Energy Management Systems (EMS), Smart meters for households and replacement of boilers to improve energy performance.</li> </ul> <p><b>** Exclusion: Products or technology that improve the energy efficiency of fossil fuel.</b></p>		

USE OF PROCEEDS (PROCESSES)	OPERATIONAL IMPACT IMPROVEMENT <sup>34</sup>	SUSTAINABLE DEVELOPMENT GOALS
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**Energy Efficiency**

*Projects aiming at developing/manufacturing infrastructure, equipment and technology which yield an energy efficiency improvement of minimum 20% as compared to existing baseline or market average:*

- *Energy storage facilities that result in reduction of GHG emissions by:
 
  - *Enabling the connection of renewable energy;*
  - *Reduce the curtailment of and*
  - *Facilitate lower carbon sources of electricity generation during charging/storage compared to fossil fuel options.**
- *Smart grids technologies*
- *Waste heat recovery technologies<sup>35</sup>*
- *Energy management systems (such as improved chillers, transition to fiber networks, improved lighting technology and reduced power usage in manufacturing operations)*
- *Building technologies such as LED lighting*
- *Fiber optic connection lines in replacement of legacy copper technologies for broadband networks<sup>36</sup>*



**\*\* Exclusion:** *Products or technology that improve the energy efficiency of fossil fuel production, carbon intensive sectors and/or result in carbon lock-in.*

**Sustainable Management of Living Natural Resources and Land Use**

*Projects and investments aiming at:*

- *Sustainable agriculture practices,*



<sup>35</sup> Including aquifer thermal energy storage systems or related innovative cooling systems and Organic Rankine Cycle technology, which aids in waste heat recovery.

<sup>36</sup> The Issuer confirms that the financing will be used for the project to replace the copper lines (existing infrastructure).

USE OF PROCEEDS (PROCESSES)	OPERATIONAL IMPACT IMPROVEMENT <sup>34</sup>	SUSTAINABLE DEVELOPMENT GOALS
<p><i>including but not limited to the following activities:</i></p> <ul style="list-style-type: none"> <li>▪ <i>Climate-smart agriculture methods aligned to U.N. FAO that improve efficiency or GHG emission reduction by 20% as compared to existing baseline or market average, such as<sup>37</sup> green organic fertilizers (microbial fertilizers). Organic fertilizers (alternatives to synthetic fertilizers)<sup>38</sup> that improve soil nutrients and crop resistance, with no pollution and GHG emissions, such as Biochar and related Biochar systems, biopesticides.</i></li> </ul>		

**Sustainable Management of Living Natural Resources and Land Use**

*Projects and investments aiming at:*

- *Sustainable agriculture practices, including but not limited to the following activities:*
- *Climate-smart agriculture methods aligned to U.N. FAO that improve efficiency or GHG emission reduction by 20% as compared to existing baseline or market average, such as bio stimulants (substances that contain living micro-organisms that help plants to better absorb nutrients and improve plant health, which reduces reliance on fertilizers).*



**Sustainable Management of Living Natural Resources and Land Use**



<sup>37</sup> The review is limited to the examples of projects spelled out in the Framework.

<sup>38</sup> The Issuer confirms the exclusion of the following fertilizers from financing: nitrogen-based fertilizers, phosphate-based fertilizers, catalytic fertilizers, nitrogen and phosphate-based fertilizers, additives for nitrogen-based and/or phosphate-based fertilizers, and water-polluting pesticides. Specifically excluded pesticides include WHO Class IA/IB pesticides such as aldicarb (IA) and carbofuran (IB), as well as WHO Class II or higher pesticides such as atrazine, alachlor, chlorothalonil, ethylene dibromide, DCPA, and 1,2-dichloropropane.

USE OF PROCEEDS (PROCESSES)	OPERATIONAL IMPACT IMPROVEMENT <sup>34</sup>	SUSTAINABLE DEVELOPMENT GOALS
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*Projects and investments aiming at:*

- Sustainable agriculture practices, including but not limited to the following activities:
  - Climate-smart agriculture methods aligned to U.N. FAO that improve efficiency or GHG emission reduction by 20% as compared to existing baseline or market average such as agricultural robots.<sup>39</sup>

**Sustainable Management of Living Natural Resources and Land Use**

*Projects and investments aiming at:*

- Sustainable agriculture practices, including but not limited to the following activities:
  - Climate-smart agriculture methods aligned to U.N. FAO that improve efficiency or GHG emission reduction by 20% as compared to existing baseline or market average, such as vertical farming.<sup>40</sup>



**Sustainable Management of Living Natural Resources and Land Use**

*Projects and investments aiming at:*

- Sustainable agriculture practices, including but not limited to the following activities:
  - Sustainable crop yield intensification methods such as expansion or management of facilities such as RE powered hydroponic greenhouses.



<sup>39</sup> Including crop harvesting robots, crop monitoring robots, weeding and mowing robots, aerial imagery drones, and seed planting drones. SCBX confirms that these technologies will be powered by grid electricity and renewable energy on a best-effort basis. SCBX also anticipates a 20% improvement in GHG reduction, resource efficiency (reduced water consumption and energy consumption for the same crop scale, etc.), and enhanced yield output for the same inputs.

<sup>40</sup> SCBX confirms that only vertical farms powered exclusively by renewable energy will be labeled as green and considered eligible for financing under this Framework.

USE OF PROCEEDS (PROCESSES)	OPERATIONAL IMPACT IMPROVEMENT <sup>34</sup>	SUSTAINABLE DEVELOPMENT GOALS
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**Sustainable Management of Living Natural Resources and Land Use**

*Projects and investments aiming at:*

- Sustainable agriculture practices, including but not limited to the following activities:
  - Management of soil and biomass, erosion control and improved soil health.<sup>41</sup>



**Sustainable Management of Living Natural Resources and Land Use**

*Projects and investments aiming at:*

- Sustainable protein and fats such as production of plant-based, fermented or cultivated proteins and feed supplements with evidence of life cycle GHG emissions being lower than their meat counterparts, and production that procures raw materials from certified sustainable sources.









**Sustainable Management of Living Natural Resources and Land Use**

*Projects and investments aiming at:*

- Environmentally sustainable forestry including afforestation or reforestation, and preservation or restoration of natural landscapes that meet the following criteria:
  - Reforestation/afforestation should use tree species that are well adapted to the site conditions.
  - With sustainable management plan in place, certified with FSC/PEFC/SFI.
- Rehabilitation, restoration and conservation of ecosystems from a degraded state and rewilding projects.



<sup>41</sup> Including growing crops and crop rotation to mitigate soil erosion and enhance soil fertility, encompassing sequential or simultaneous cultivation of diverse crops within the same area, intercropping, and implementing rotational grazing.

USE OF PROCEEDS (PROCESSES)	OPERATIONAL IMPACT IMPROVEMENT <sup>34</sup>	SUSTAINABLE DEVELOPMENT GOALS
<p><b>Marine Ecosystem Management</b>  <i>Projects and investments aiming at:</i></p> <ul style="list-style-type: none"> <li>▪ <i>Information systems, technology and instruments deployed for measuring, tracking and reporting physical and chemical indicators of the water body<sup>42</sup></i> <ul style="list-style-type: none"> <li>▪ <i>Wireless sensor network to monitor physical and chemical water characteristics in remote areas</i></li> <li>▪ <i>Nanosensors such as metal oxide semiconductor (MOS) sensors and IoT sensors</i></li> </ul> </li> </ul> <p><i>**Exclusion: Equipment dependent on fossil fuel; and systems or measures that provide water for fossil fuel operations, fracking and mining.</i></p>		
<p><b>Fisheries, Aquaculture, and Seafood Value Chain</b>  <i>Projects and investments aiming at achieving improvement in fisheries sourced from sustainable sources by a minimum of 20% from existing baseline or market average:</i></p> <ul style="list-style-type: none"> <li>▪ <i>Developing traceability systems to ensure sustainability of operations, facilities and supply chains in the fishing industry.</i> <ul style="list-style-type: none"> <li>▪ <i>Traceability systems employed to increase farm origin and supply chain data transparency; including software that digitally capture and convey key data from ASC certified farms and feed sources. Such financing will ensure fishery supply is traceable to prevent unecological friendly fishing and abused of human rights.</i></li> </ul> </li> </ul>		
<p><b>Sustainable Water Management</b>  <i>Projects aiming at developing/manufacturing infrastructure, equipment and technology for:</i></p>		

<sup>42</sup> SCBX explains that it is financing part of an existing conservation project, with the financing aimed at providing enhanced conservation capabilities.

USE OF PROCEEDS (PROCESSES)	OPERATIONAL IMPACT IMPROVEMENT <sup>34</sup>	SUSTAINABLE DEVELOPMENT GOALS
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- *Prevention of water pollution<sup>43</sup>*
  - *Water quality monitoring systems or products to enable early detection and intervention to prevent pollution of water sources*

**Sustainable Water Management**

*Projects aiming at developing/manufacturing infrastructure, equipment and technology for:*

- *Increase of water-use efficiency by at minimum 20% from existing baseline or market average such as digital water metering, smart control center, leakage prevention and irrigation system to promote water saving recovery*
- *Measuring water use efficiency, detecting supply pipe leakage, distribution leakage etc. and plumbing losses, pinpointing location, facilitating early intervention and enabling conservation activities*



**Sustainable Water Management**

*Projects aiming at developing/manufacturing infrastructure, equipment and technology for:*

- *Increase of water-use efficiency by at minimum 20% from existing baseline or market average such as digital water metering, smart control center, leakage prevention and irrigation system to promote water saving recovery*
- *Precision irrigation technologies (e.g., drip water)*
- *Subsurface irrigation*
- *Sprinkler irrigation system*
- *Gravity fed canal systems*
- *Pumped canal*



<sup>43</sup> SCBX confirms this activity is part of existing measures aimed at improving the existing water monitoring systems to enable early detection of water pollution and facilitate intervention.

USE OF PROCEEDS (PROCESSES)	OPERATIONAL IMPACT IMPROVEMENT <sup>34</sup>	SUSTAINABLE DEVELOPMENT GOALS
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**Sustainable Shipping and Port Logistics Sectors**

Projects and investments aiming at:

- Research, design, development and implementation of water and waste management and reduction measures in shipping vessels, shipping yards and ports
- Investments in ballast water treatment and shipping vessels to comply with the International Convention for the Control and Management of Ships' Ballast Water and Sediments (BWM Convention) to avoid spread of invasive alien species (e.g., ISO standard 11711).



**Sustainable Shipping and Port Logistics Sectors**

Projects and investments aiming at:

- Research, design, development and implementation of water and waste management and reduction measures in shipping vessels, shipping yards and ports
- Investments in bilge water treatment in shipping vessels.
- Investments in shipping vessels to reduce their contribution to maritime air and noise pollution.







**Sustainable Shipping and Port Logistics Sectors**

Projects and investments aiming at:

- Research, design, development and implementation of water and waste management and reduction measures in shipping vessels, shipping yards and ports
- Solid waste receiver facilities at ports and terminals for the collection of garbage.<sup>44</sup>



<sup>44</sup> SCBX confirms that collected waste is subsequently sorted and separated for reuse or recycling operations.

USE OF PROCEEDS (PROCESSES)	OPERATIONAL IMPACT IMPROVEMENT <sup>34</sup>	SUSTAINABLE DEVELOPMENT GOALS
<p><b>Sustainable Shipping and Port Logistics Sectors</b></p> <p><i>Projects and investments aiming at:</i></p> <ul style="list-style-type: none"> <li>▪ <i>Water treatment in shipping vessels<sup>45</sup></i></li> <li>▪ <i>Improvement of oil (fuel) spill prevention, risks safeguard, and recovery facilities</i></li> </ul>		
<p><b>Sustainable Shipping and Port Logistics Sectors</b></p> <p><i>Projects and investments aiming at:</i></p> <ul style="list-style-type: none"> <li>▪ <i>Water treatment equipment and facilities for all blackwater and greywater generated from ports and shipping and cruising vessels<sup>46</sup></i></li> </ul>		

<sup>45</sup> The Issuer confirms that this activity references the International Finance Corporation’s Guidelines for Blue Finance (2022).

<sup>46</sup> Ibid.

## B. MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS ASSOCIATED WITH THE FINANCIAL INSTITUTION AND THE ELIGIBILITY CRITERIA

The table below evaluates the eligibility criteria against issuance-specific KPIs. The vast majority of the assets are and will be located in Thailand, Laos, Cambodia and Vietnam.

### ASSESSMENT AGAINST KPIs

#### Integration of ESG guidelines into the financing process

SCBX has defined a set of guidelines under the [Sustainable Finance and Advisory Statement](#) to incorporate into its financial services processes. These guidelines are designed to identify, manage, monitor and mitigate environmental and social risks related to its financing activities. SCBX is also a signatory of the [Equator Principles](#) (EP) and has incorporated the Equator Principles due diligence process for projects meeting EP criteria into its financing process.

Before providing any corporate financial services, SCBX conducts a screening process to ensure customers are not included on the Exclusion List defined by SCBX. Any activities listed on the Exclusion List will be excluded from further consideration, and SCBX will terminate the transaction. Potential transactions not on the Exclusion List are then categorized as either Equator Principles-eligible projects or non-Equator Principles-eligible projects.

SCBX [conducts](#) an environmental and social risk evaluation for transactions that meet the project finance criteria as outlined in the Equator Principles. Siam Commercial Bank's Corporate Sustainability Department, with support from the Group Sustainability Office of SCBX, assesses and categorizes the environmental and social risks in line with the Equator Principles categorization (A, B, C). Specifically, for projects falling under categories A and B of the Equator Principles, actions to address identified issues are included in the financial contract, obligating the borrower to comply. For Category A projects, annual monitoring is conducted by independent environmental and social specialists in accordance with Equator Principles requirements. For Category B projects with medium-high risks or above, annual independent monitoring is conducted by independent E&S specialists. For all Category B projects, SCBX confirms that it will conduct internal monitoring of environmental and social conditions as stipulated in the loan agreement, in accordance with the Equator Principles. SCBX states that conditions are primarily determined on a case-by-case basis and therefore there is no specific checklist. SCBX confirms that Category C projects are considered an open category and that it currently does not have additional monitoring requirements for projects in Category C.

For projects not subject to the Equator Principles, SCBX conducts an ESG risk and opportunity analysis based on compliance with local environmental law, environmental risk analysis, its [Statement on Fossil Fuel Financing](#), engagement with the customer and its transition plan,

and incentive pricing. SCBX considers compliance with local environmental laws to be the minimum standard for all transactions.

Based on the analysis of these factors, SCBX determines whether escalation is required to obtain approval from relevant authorities. Businesses associated with environmental risks are classified as loans requiring careful consideration. Loans granted to projects with the potential to cause significant social, environmental and health impacts on the community, where environmental impact reports are legally required, undergo special consideration depending on the project type. Loans carrying ESG risks that may pose potential reputational risks are subject to the approval process in line with the Bank's internal reputation risk management procedures. Projects that do not fall under the Equator Principles are also required to acquire environmental impact assessments before loan drawdown.

SCBX borrowers are required to meet SCBX's screening criteria and to continue to meet the specified conditions after receiving the loan. Covenants are included, giving SCBX the right to suspend disbursements or recall credit if the borrower fails to fulfill the specified conditions.

After the loan is granted, ESG risks associated with individual debtors are monitored through the customer review process and portfolio-level monitoring. During the annual customer review process, Relationship Managers (RMs) are assigned to assess basic ESG risks, categorize projects into A, B and C using an auto-calculated form, track performance, and adjust the credit strategy. SCBX confirms that RMs are required to receive training in the Equator Principles, IFC Performance Standards and EHS Guidelines, and other EHS risk management practices. SCBX confirms that it arranges ESG workshops and masterclasses for RMs. This training is conducted through coordination with internal and external ESG specialists. Portfolio-level monitoring is conducted by setting and monitoring industry concentrations and conducting internal stress tests to initially assess how physical risks from climate change in pre-identified vulnerable areas would impact SCBX's portfolio.

### **Integration of ESG guidelines into the financing process for most sensitive sectors<sup>47</sup> financed under the Framework**

As part of SCBX's risk assessment, environmental and social risks are considered for its corporate financing. SCBX incorporates its general ESG guidelines into financing processes, as defined under the [Sustainable Finance and Advisory Statement](#) outlined above. SCBX considers compliance with host countries' environmental and social regulations as the minimum requirement when financing any projects. However, SCBX does not have specific policies for assessing ESG risks for financing projects in most sensitive sectors, including projects related to forestry, agriculture, agriculture involving animals, and fisheries.

### **Labor, health and safety**

<sup>47</sup> The categorization of a sector as "most sensitive" follows an evaluation of the number of controversies prevalent in the context of the financing operations of a financial institution.

The Issuer is a signatory to the Equator Principles. It has established an Internal Equator Principles Compliance Process, with specific steps and details publicly disclosed on its [website](#). The Issuer confirms that health and safety and labor practices are key aspects addressed in its Internal Equator Principles Compliance Process. The Issuer also maintains an [Occupational Health, Safety, and Environment Policy](#) that outlines health and safety-related management guidelines. These include health and safety-related training on occupational health, safety and environment topics; promotion of work environment management and employee health; and measures regarding fire prevention, fire drills, fire evacuation and emergency management.

The policy also emphasizes safety risk management from both internal operations and external parties, stating that safety processes designed to determine, review and verify designs, construction, renovations, and installation or modification of systems within the organization must be in place. These processes ensure compliance with applicable legal requirements and international standards to maintain safety for employees, customers, visitors, external parties, communities, and the environment in both the short and long term. The policy further stipulates that a process to manage external parties using the services or working on the Issuer's premises to remove and minimize pertinent risks must be implemented.



SCBX confirms that, under the policy, all workers conducting work with occupational health and safety (OHS) risk will be evaluated and trained in SCBX or its applicable subsidiaries' OHS procedures and requirements. For high-risk projects, SCBX requires suppliers and clients to follow ISO 45001. For projects not classified as high risk, SCBX requires suppliers and clients to adhere to Thai OHS requirements. SCBX also commits to including health and safety checks in the credit approval process for all projects included under this Framework, and requires its borrowers to address any non-compliance within a defined timeframe. SCBX will consider terminating financing if the issues remain unresolved.

Regarding labor standards, the Issuer's [Human Rights Policy](#) outlines guidelines concerning labor practices for employees, customers, suppliers, contractors, and business partners, covering areas such as equal opportunity, freedom of association and collective bargaining, privacy and information security, and customer rights. The Issuer's [Supplier Code of Conduct](#) establishes labor practices-related terms and requirements for its suppliers. The Supplier Code of Conduct communicates the expectation of respect for human rights, including non-discrimination, protection of child labor, women workers, and migrant workers, prohibition of unforced labor, and provisions for wages and benefits, work hours, and dismissal practices. For high-risk projects, SCBX

requires suppliers and clients to commit to complying with all ILO conventions before engagement. For projects not classified as high risk, SCBX requires suppliers and clients to comply with local regulations.

For its borrowers, SCBX conducts due diligence for high-risk projects applicable to the Equator Principles to identify environmental and social risks in their supply chain, including mitigation measures, if needed. For all its borrowers under this Framework, SCBX commits to conducting labor standard checks to ensure the following are addressed:

- a. No negative news related to illegal or child labor
- b. Policies that support employee engagement in corporate social responsibility projects
- c. Policies ensuring employees are informed of their rights (including the freedom of association and collective bargaining to their employees)
- d. No major labor disputes or litigation in the past three years
- e. Mechanisms for employees and customers to submit complaints or feedback

### **Biodiversity**



The Issuer is a signatory to the Equator Principles and has established an Internal Equator Principles Compliance Process. This process, including specific steps and details, is publicly disclosed on the Issuer's [website](#). The Issuer confirms that biodiversity is a key aspect addressed within its Internal Equator Principles Compliance Process. SCBX confirms that external advisors are required if a project potentially poses a biodiversity risk (e.g., located in or adjacent to a biodiversity-protected area or critical habitat). Environmental impact assessments are also required for all projects before loan disbursement. SCBX further confirms that, for Equator Principles-eligible projects, it complies with Performance Standards 4 and 6 of the International Finance Corporation's [Performance Standards on Environmental and Social Sustainability](#).

SCBX also relies on national legislation to ensure respect for biodiversity. These national regulations include the [Wild Animal Reservation and Protection Act](#) and the [Wildlife Conservation and Protection Act](#).

### **Community dialogue**



The Issuer is a signatory to the Equator Principles and has established an Internal Equator Principles Compliance Process, with specific steps and details publicly disclosed on its [website](#). The Issuer commits to conducting public hearings prior to project execution. SCBX also confirms its efforts to ensure that Category A projects fulfill the requirements outlined in International Finance

Corporation Performance Standard 1 and Performance Standard 4, including the implementation of a grievance mechanism. SCBX confirms it maintains internal procedures to ensure community dialogue is conducted for the projects it finances.

The Issuer confirms that community dialogue is a key aspect addressed in its Internal Equator Principles Compliance Process. The Issuer’s [Human Rights Policy](#) specifies its management approach to promoting respect for human rights through procedures including human rights due diligence, remedy, engagement and communications. Furthermore, the Issuer confirms its adherence to the Public Consultation Law of Thailand, which mandates the topics to be included in public hearing processes, including:

- Feasibility of the Project: Public hearings may be conducted during the study for the feasibility of the project. This involves assessing the practicality and potential success of the proposed project.
- Study for Alternatives: Alternatives to the proposed project are studied and discussed in the public hearing. This ensures that all possible options are considered before a decision is made.
- Impact of the Project: The potential impacts of the project, including environmental, social, and economic impacts, are a crucial part of the public hearing. An environmental impact assessment is required by law.
- Public Participation: The structure of the process, participation, management, and resources required by the process are also important topics in public hearings. The public hearing process should be designed to promote active public participation and conflict resolution.
- Legal Requirements: If a project or activity possesses characteristics or scope as specified by the Ministerial Regulations, public consultation is required by law.
- The public hearing process is organized by an ad hoc Committee nominated by the Minister or Provincial Governor. One-third of the members of this committee should not be government officers, members of the Parliaments, members of City council, or City administration. This ensures a balanced and fair representation in the public hearing process. It should be noted that these are general topics, and the specific requirements may vary depending on the nature and scope of the project.

**Inclusion**



The Issuer has confirmed that action plans are in place to ensure that vulnerable or disadvantaged populations have access to essential and basic services financed by this transaction, with the aim of ensuring the following:<sup>48</sup>

<sup>48</sup> As outlined in SCBX’s [Annual Report 2023](#).

- Products have fair terms and conditions.
- Marketing and selling activities and materials are clear, correct and comprehensive.
- Comprehensive credit assessments are based on customer affordability and do not encourage excessive borrowing.
- Collection activities are collaborative, using frequent communication with debtors; allow flexibility and restructuring in repayment conditions for both pre-non-performing loan (NPL) and NPL customers, and involve collaboration in pre-litigation processes.

The Issuer's [Financial Inclusion Policy](#) outlines the definitions of underserved and vulnerable groups, as well as its commitments and management approach toward financial inclusion. The Issuer also has a [Human Rights Policy](#) that states the Group provides services to customers without discrimination on any basis.

### Data protection and information security

✓ The Issuer has policies and measures in place to systematically ensure that the minimum requirements for data and information security, and data security in outsourced data processing, are met. SCBX confirms that Siam Commercial Bank, a subsidiary of SCBX accounting for more than 80% of revenue, has adopted ISO 27001. The Group has specified privacy incident management procedures as guidelines for employees to handle and respond to privacy breaches, improve productivity, and maintain consistency with SCBX's internal Group Security Incident Response and Management Standard. This standard is designed for the Security Operation Center (SOC) Team to address specific security incidents. SCBX confirms that the Playbook contains a predefined set of actions to contain specific security incident types, such as malware infection, violation of security policies, or DDoS attacks. The Group also seeks to increase employee awareness through regular training, communication and internal activities.

The Group has also established the SCBX internal Information and Cybersecurity Policy, which requires employees, including those in probationary periods and on temporary contracts, as well as all suppliers and consultants, to follow IT security practices based on the concept of the Confidentiality-Integrity-Availability triad. Duties and responsibilities related to the development, adoption and compliance with the Information Security Policy are stated in the policy. The Technology Committee performs roles and responsibilities in reviewing and evaluating the Bank's cybersecurity systems to ensure that the systems in place are adequate to support the Bank's strategies. In addition, an audit function, performed by external parties, provides audits of SCBX's cybersecurity performance and makes recommendations for further improvement. SCBX has also established a Data Governance Framework, which

sets out the roles and responsibilities of the different levels of SCBX. The board of directors is responsible for specifying policies relating to the risk management of personal data and has delegated the Risk Management Committee with roles and responsibilities in governing the overall risk of the Group, with appropriate processes and monitoring mechanisms.

### **Responsible treatment of customers experiencing debt repayment problems**



The Issuer maintains measures to ensure responsible treatment of customers facing debt challenges regarding assets financed under this Framework. These measures include proactive steps to prevent client debt repayment issues. Specifically, the Issuer evaluates total debt in relation to a customer's income and net disposable income after existing debt obligations. The Issuer closely monitors debt status, provides counseling services and offers debt restructuring programs without incurring additional fees. Furthermore, customers receive comprehensive information, opportunities for negotiation, and appropriate repayment terms. The Issuer confirms that credit assessments are based on customer affordability, preventing excessive borrowing. Collection activities involve regular communication with debtors, affording flexibility and restructuring options for both pre-NPL and NPL customers, as well as collaboration in pre-litigation processes. The Issuer also provides counseling services and debt restructuring programs, such as extensions and interest payment adjustments, and offers pathways to debt resolution without incurring additional fees.

### **Sales practices**



The Issuer maintains systematic measures to ensure responsible sales practices for assets financed under this Framework. The Issuer confirms its compensation structure aligns with fairness principles, rewarding employees based on the accuracy, clarity, and fairness of product terms, rather than solely on sales performance. Key performance indicators incorporate both sales and non-sales factors, such as complaint resolution and service quality, to mitigate misselling and unethical promotional practices.

Furthermore, the Issuer provides comprehensive communication and training to sales staff and agents at all levels, emphasizing the importance of market conduct and equipping them with the knowledge and skills necessary for practical application. The Issuer prioritizes customer privacy and ensures the provision of complete and accurate information to support informed decision-making, avoiding exaggeration or distortion to ensure client satisfaction. Monitoring measures are implemented during and after sales to verify that

customers receive products or services aligned with their needs and financial capabilities.

The Issuer rigorously audits all sales and service systems to ensure compliance with market conduct standards, relevant laws and regulatory requirements, maintaining audit independence under the “Three Lines of Defense” principle, encompassing internal control, oversight functions and independent audits. A complaint management system is also [in place](#) to address customer concerns effectively.

In accordance with the [Bank of Thailand's requirements](#), employees responsible for sales presentations, including those responsible for quality control of sales presentations, receive compensation commensurate with the quality of service, not solely based on sales KPIs.

**Responsible marketing**

The Issuer systematically ensures responsible marketing practices for assets financed under this Framework. The Issuer’s published policy commits to providing accurate, easily understandable and non-misleading marketing information. Furthermore, the Issuer confirms its marketing and selling activities are clear, correct and comprehensive, ensuring accurate pricing and the absence of hidden costs.<sup>49</sup>



SCBX’s internal Responsible Lending Policy mandates that advertisements contain accurate, clear, unbiased and complete content, providing customers with sufficient information to compare terms, interest rates and fees with other loan products for informed decision-making. In addition, advertisements for all retail loan products must not create a sense of urgency or encourage hasty decisions. The policy also states that the sales process must ensure customers receive complete, undistorted and sufficient explanations or documentation of relevant information for informed decision-making and accurate understanding.

**Exclusion criteria**

The Issuer maintains a [policy](#) refraining from providing credit or financial services to customers or businesses engaged in activities that pose a risk of violating the law. Furthermore, the Issuer reserves the right to recall credit facilities should such information come to light subsequently. The Issuer does not finance or invest in entities or activities that are not aligned with SCBX’s [Environmental, Social, and Governance Risk Management Policy](#).

<sup>49</sup> As outlined in SCBX’s [Annual Report 2023](#).

Specifically, the excluded activities include:

- Businesses involved in the exploitation of forced labor or child labor that is detrimental to physical and mental development.
- Businesses engaged in the manufacturing or sale of weapons of mass destruction, including chemical, biological, and radioactive weapons.
- Project finance and financial services that fall within the scope of the Equator Principles but do not comply with or demonstrate a commitment to adherence to these principles.
- Businesses related to fossil fuels: The Issuer will not provide financial support (including credit lines, lending activities, investment, corporate finance, acting as an arranger or underwriter of fixed income products, and infrastructure finance/project finance) to companies conducting business in the following activities: coal financing and unconventional oil and gas financing<sup>50</sup>

In addition, the Issuer complies with the Bank's [Responsible Investment Advisory Policy](#) and all applicable laws and regulations. The Bank will not advise clients to invest directly, whether in equity or fixed-income securities, in companies — either local or international — that generate the majority of their revenue from the following excluded activities: the manufacturing, maintenance, or trading of weapons of mass destruction; the manufacturing, maintenance, or trading of significant components of anti-personnel land mines and cluster munitions; the trading of endangered species listed under the Convention on International Trade in Endangered Species; and operations in countries sanctioned by the United Nations.

The Issuer's [Sector Specific Guide](#) excludes sectors with negative environmental and societal impacts, such as those in alternative energy, dam construction, infrastructure, and thermal power plants.

<sup>50</sup> As outlined in SCBX's [Statement on Fossil Fuel Financing](#) and on pages 9-10 of its [Sustainable Finance and Advisory Statement](#).

## PART III: CONSISTENCY OF SUSTAINABLE FINANCING INSTRUMENTS WITH SCBX'S SUSTAINABILITY STRATEGY

*Key sustainability objectives and priorities defined by the Issuer*

TOPIC	ISSUER APPROACH
<p><b>Strategic ESG objectives</b></p>	<p>The Issuer prioritizes sustainability through the implementation of a four-pillar framework. This framework encompasses Planting Digital Seeds, Enriching Lives, Growing Economic Resilience, and Achieving Climate Neutrality, and operates under the mission of "Opportunities for Everyone, Possibilities Everyday." These sustainability pillars have been defined through a materiality assessment conducted under the Global Reporting Initiative Standards. In 2022, SCBX identified 123 material sustainability issues, which were subsequently categorized into 31 topics. Based on these materiality topics, 12 were selected to formulate SCBX's sustainability strategy framework.</p>
<p><b>ESG goals/targets</b></p>	<p>To achieve its strategic ESG objectives, SCBX Group has established three-year sustainability targets (2023-2025) under four sustainability pillars of the framework. Under the "Reaching Climate Neutrality" pillar, SCBX has set a target to achieve net-zero emissions within company operations by 2030 and within the lending and investment value chain by 2050. Regarding operational eco-efficiency, SCBX targets a 50% reduction of Scope 1 and Scope 2 emissions by 2027. For climate transition, SCBX has set targets to reach net zero in its own operations (Scope 1 and 2) by 2030 and net zero in financed emissions (Scope 3) by 2050. SCBX pursues Science Based Targets initiative-aligned goals to mitigate GHG emissions for a low-carbon economy. These goals are public, and progress is reported annually through SCBX's sustainability report.</p>
<p><b>Action plan</b></p>	<p>The Issuer has planned measures to reduce GHG emissions through the implementation of energy-efficient systems, installation of HVAC systems in buildings, increased renewable energy use, transformation to electric vehicles, and implementation of the Work from Anywhere policy to achieve its net-zero emissions goal. To reduce Scope 3 Category 15 (financed emissions), SCBX adheres to Partnership for Carbon Accounting Financials standards, which measure GHG emissions for each industry within the Bank's credit portfolio and customize action plans accordingly. SCBX assesses highly impacted industries and sectors, such as power generation, and focuses on minimizing its GHG impact with the Sector Decarbonization Approach and Implied Temperature Rise approach.</p>

TOPIC	ISSUER APPROACH
	<p>SCBX has established a sustainability governance structure that specifies the roles and responsibilities of the board of directors and portfolio companies to ensure sustainability across its operations.</p> <p>SCBX also provides financial and advisory support to businesses and projects aimed at mitigating climate change impact and facilitating climate change adaptation. By 2025, SCBX aims to provide THB 100,000 million in funding to clients engaging in low-carbon transition and promoting SDGs. SCBX is also investing in global funds and companies focusing on climate tech, with an initial value of USD 200 million.</p>
<p><b>Climate transition strategy</b></p>	<p>As part of its net-zero strategy and climate risk assessment, SCBX is implementing GHG emission reduction measures with the following objectives:</p> <ul style="list-style-type: none"> <li>▪ Become a net-zero fintech</li> <li>▪ Empower customers through transformation</li> <li>▪ Support the technology ecosystem of the future</li> <li>▪ Increase transparency through adoption of international standards</li> </ul> <p>SCBX intends to enhance climate mitigation through renewable energy installations, electric vehicle adaptation, energy-efficient and low-carbon building infrastructure, and the implementation of green procurement criteria. These efforts contribute to the medium-term goal of minimizing GHG emissions from its own operations by 50% by 2027 and the long-term goal of achieving net-zero emissions by 2030. Furthermore, SCBX intends to promote green finance and invest in climate technology for climate adaptation by implementing the Alternative Energy Development Plan 2018-2037 and adhering to the National Electric Vehicle Policy Committee guidelines. SCBX also intends to allocate THB 100,000 million to finance green businesses and activities, such as electricity generation from renewable sources, EV ecosystem development, the transition to R32 air refrigerants, and investments in solar power to enhance energy efficiency.</p> <p>SCBX has established a Group Climate Change and Environmental Stewardship Policy to manage ESG and climate risk. SCBX conducts GHG emission accounting in accordance with the Partnership for Carbon Accounting Financials, aligned with the Science Based Targets initiative. To achieve operational eco-efficiency, SCBX targets a 50% reduction in Scope 1 and 2 GHG emissions by 2027 through resource</p>

TOPIC	ISSUER APPROACH
	management initiatives, including optimized water usage, waste management and enhanced energy efficiency.
<b>Top three areas of breaches of international norms and ESG controversies in the industry<sup>51</sup></b>	Failure to mitigate climate change impacts, layoffs and financial market irregularities.
<b>Breaches of international norms and ESG controversies by the Issuer</b>	As of the date of publication, and based on ISS ESG research, no known controversy exists involving the Issuer.
<b>Sustainability reporting</b>	The Issuer reports on its ESG performance and initiatives annually. This report is prepared in accordance with Global Reporting Initiative Standards and is accessible on the Issuer’s website. SCBX conducts a materiality analysis to identify the most prominent issues for its stakeholders and to map potential impacts, including climate and environmental factors. For net-zero targets and climate change scenarios, SCBX adheres to the methodologies specified by the Science Based Targets initiative and the recommendations of the Task Force on Climate-related Financial Disclosures.
<b>Industry associations, collective commitments</b>	SCBX has been a signatory to the Equator Principles Association since January 2022 and maintains collaborative partnerships with national and global sustainability initiatives, including the Thailand Business Council for Sustainable Development, Thai CAC, Partnership for Carbon Accounting Financials, Climate Action Academy, United Nations Global Compact, Task Force on Climate-related Financial Disclosures, and Science Based Targets initiative. Through ESG-focused collaborative engagement, SCBX has also become a signatory to the Negative List, a set of guidelines on ESG issues.
<b>Previous sustainable or sustainability-linked issuances or transactions</b>	In alignment with its environmental commitments, SCBX provided sustainable loans to corporate and SME customers across 11 key industries in Thailand as of year-end 2023. These industries include the energy sector, tourism and manufacturing. For retail customers, SCBX provided financing for household renewable energy solutions

<sup>51</sup> Based on a review of controversies identified by ISS ESG over a two-year period, the top three issues reported against companies within the commercial banks and capital markets industry are displayed above. Please note that this is not a company-specific assessment but rather areas that can be of particular relevance for companies within this industry.

TOPIC	ISSUER APPROACH
<b>and publication of sustainable financing framework</b>	and electric vehicles. The total value of these initiatives in 2023 amounted to THB 80,125 million.

*Rationale for issuance*

Through the issuance of dedicated-purpose financing instruments, SCBX aims to contribute to the realization of a sustainable society and environment as a responsible issuer. SCBX's Sustainable Financing Framework is designed to promote its sustainability strategy and achieve net-zero greenhouse gas emissions by 2030 for its own operations and by 2050 for its value chain. The Framework encompasses financial intermediary services and investment activities, including lending, debt and equity financing, deposit-taking, and digital platform and technology services for all SCBX's operational geographies.

SCBX's sustainability objectives are organized under a four-pillar approach: Planting Digital Seeds, Enriching Lives, Growing Economic Resilience, and Achieving Climate Neutrality.

**Opinion:** *The Issuer clearly describes the key sustainability objectives and the rationale for issuing sustainable finance instruments. All project categories financed align with the Issuer's sustainability objectives.*

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## ANNEX 1: METHODOLOGY

The ISS-Corporate SPO provides an assessment of labeled transactions against international standards using ISS-Corporate's proprietary [methodology](#).

## ANNEX 2: QUALITY MANAGEMENT PROCESSES

### SCOPE

SCBX commissioned ISS-Corporate to compile a green, social and sustainability bond SPO. The second-party opinion process includes verifying whether the Green, Blue and Social Finance Framework aligns with the Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines, Green Loan Principles and Social Loan Principles, and assessing the sustainability credentials of its green, social and sustainability bonds, as well as the Issuer's sustainability strategy.

### CRITERIA

Relevant standards for this second-party opinion:

- Green Bond Principles, ICMA, June 2021 (with June 2022 Appendix 1)
- Social Bond Principles, ICMA, June 2023 (with June 2023 Appendix 1)
- Sustainability Bond Guidelines, ICMA, June 2021
- Green Loan Principles, LMA, February 2023
- Social Loan Principles, LMA, February 2023

### ISSUER'S RESPONSIBILITY

SCBX's responsibility was to provide information and documentation on:

- Framework
- Selection criteria
- Documentation of ESG risk management at the Framework level

### ISS-CORPORATE'S VERIFICATION PROCESS

Since 2014, ISS Group, which ISS-Corporate is a part of, has built a reputation as a highly reputed thought leader in the green and social bond market and has become one of the first CBI-approved verifiers.

This independent second-party opinion of the green, social and sustainability bonds to be issued by SCBX has been conducted based on proprietary methodology and in line with the Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines, Green Loan Principles and Social Loan Principles.

The engagement with SCBX took place from June 2024 to July 2025.

### ISS-CORPORATE'S BUSINESS PRACTICES

ISS-Corporate has conducted this verification in strict compliance with the ISS Group Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behavior and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

## About this SPO

Companies turn to ISS-Corporate for expertise in designing and managing governance, compensation, sustainability and cyber risk programs that align with company goals, reduce risk and manage the needs of a diverse shareholder base by delivering best-in-class data, tools and advisory services.

ISS-Corporate assesses alignment with external principles (e.g., the Green/Social Bond Principles), analyzes the sustainability quality of the assets and reviews the sustainability performance of the Issuer itself. Following these three steps, we draw up an independent SPO so that investors are as well-informed as possible about the quality of the bond/loan from a sustainability perspective.

Please visit ISS-Corporate's [website](#) to learn more about our services for bond issuers.

For more information on SPO services, please contact: [SPOsales@iss-corporate.com](mailto:SPOsales@iss-corporate.com).

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