

# Second-Party Opinion

## Krungsri Women Bond Framework



### Evaluation Summary

Sustainalytics is of the opinion that the Krungsri Women Bond Framework is credible and impactful, and aligns with the four core components of the Social Bond Principles 2018. This assessment is based on the following:



**USE OF PROCEEDS** The eligible categories for the use of proceeds – (i) Employment generation through women-owned SME financing and microfinance for women, and (ii) Socioeconomic advancement and empowerment through financing for low income women and disadvantaged female groups – are aligned with those recognized by the Social Bond Principles. Sustainalytics considers that the Eligible Assets will provide positive social impacts by improving access to finance for underserved segments of women while advancing the UN Sustainable Development Goals, specifically Goal 5, 8 and 10.



**PROJECT EVALUATION / SELECTION** Krungsri's Women Bond Sub-Committee, which consists of representatives from Global Markets Department, Risk Department, Retail and Consumer Banking Department, and Finance Department under the CFO Office, will oversee the project evaluation and selection process. After the initial assessment of Eligible Assets by SME Banking and Retail & Consumer Banking Divisions, the evaluation and selection of shortlisted assets will be conducted by the Krungsri's Women Bond Sub-Committee based on the eligibility criteria. Sustainalytics regards Krungsri's project evaluation and selection as in line with market practice.



**MANAGEMENT OF PROCEEDS** Krungsri's Strategic Assets and Liabilities Management Department will manage the Women Bond proceeds on a quarterly basis. The net proceeds of the Women Bond will be deposited into Krungsri's liquidity management account and earmarked for allocation to Eligible Assets. Pending full allocation funds will be invested in short-term money market investments and government bonds according to Krungsri Treasury's liquidity management procedures. Sustainalytics considers Krungsri's management of proceeds to be in line with market practice.



**REPORTING** Krungsri intends to report annually on the allocation and impact of proceeds on Krungsri's website. Allocation reporting will include information on the total amount of allocated proceeds, total number of facilities financed, and the amount of unallocated proceeds. To the extent available, Krungsri will disclose relevant performance metrics in its impact reporting. Sustainalytics views Krungsri's allocation and impact reporting as aligned with market practice.

<b>Evaluation date</b>	8 October, 2019
<b>Issuer Location</b>	Bangkok, Thailand

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## Introduction

The Bank of Ayudhya Public Company Limited (“Krungsri”, “the Bank”, or “the Company”), is a financial institution which provides a wide range of services such as banking, consumer finance, investment, and asset management. Krungsri was established in 1945, and headquartered in Bangkok, Thailand.

Krungsri has developed the Krungsri Women Bond Framework (the “Framework”) under which it intends to issue women bonds and use the proceeds to finance or refinance, in whole or in part, existing or future projects that improve access to finance for underserved women. The Framework defines eligibility criteria in two areas:

1. Employment generation
  - a. Women-owned SME financing
  - b. Microfinance for women
2. Socioeconomic advancement and empowerment
  - a. Financing for low income women
  - b. Financing for disadvantaged female groups

Krungsri engaged Sustainalytics to review the Krungsri Women Bond Framework, dated September 2019, and provide a second-party opinion on the Framework’s social credentials and its alignment with the Social Bond Principles 2018 (SBP).<sup>1</sup> This Framework has been published in a separate document.<sup>2</sup>

As part of this engagement, Sustainalytics held conversations with various members of Krungsri’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Krungsri’s Women Bond. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of Krungsri Women Bond Framework and should be read in conjunction with that Framework.

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<sup>1</sup> The Social Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/social-bond-principles-sbp/>

<sup>2</sup> The Krungsri Women Bond Framework is available on Krungsri’s website under Investors Relations at: <https://www.krungsri.com/bank/en/InvestorRelations/sustainability>

## Sustainalytics' Opinion

### Section 1: Sustainalytics' Opinion on Krungsri Women Bond Framework

#### Summary

Sustainalytics is of the opinion that Krungsri Women Bond Framework is credible and impactful, and aligns with the four core components of the Social Bond Principles 2018 (SBP). Sustainalytics highlights the following elements of Krungsri's Women Bond Framework:

- Use of Proceeds:
  - The two eligible categories – (i) Employment generation through women-owned SME financing and microfinance for women, and (ii) Socioeconomic advancement and empowerment through financing for low income women and disadvantaged female groups – are recognized as impactful by Social Bond Principles 2018. Sustainalytics considers that Krungsri's use of proceeds will contribute to greater access to finance for underserved women-owned SMEs.
  - Sustainalytics highlights Krungsri's targeted approach of limiting financing to (i) provision of access to finance and/or microfinance<sup>3</sup> to SMEs run by women<sup>4</sup>, and (ii) women with low income, and/or disadvantaged groups of women. Given the importance of increasing access to finance for women in Thailand, Sustainalytics considers the use of proceeds as socially impactful (please refer to Section 3 for further analysis on the impact).
  - Sustainalytics acknowledges the impactful financing target namely underserved women, and views positively the exclusionary criteria which excludes any financing in high risk sectors and activities.
  - Krungsri confirmed to Sustainalytics that it commits to include only new projects in the first two years starting from the first issuance under this Framework. The majority of projects that are to be covered under future issuances will have a look-back period of 5 years, with 7 years being the maximum.
- Project Evaluation and Selection:
  - Krungsri's Women Bond Sub-Committee, consisting of representatives from the Global Markets Group, Risk-related departments, SME Banking, Retail & Consumer Banking Division, and the Finance Department under CFO Office, will oversee the project evaluation and selection process. After the SME Banking and Retail & Consumer Banking divisions initially assess Eligible Assets, Krungsri's Women Bond Sub-Committee will conduct evaluation and selection procedures on shortlisted assets.
  - After the bond issuance, the SME Banking and Retail & Consumer Banking divisions will monitor the portfolio and identify new Eligible Assets on an ongoing basis. Krungsri's Women Bond Sub-Committee will review Eligible Assets quarterly in order to ensure that the net proceeds of Women Bond will be allocated based on the Framework. This process is aligned with current market practice.
  - Krungsri also ensures that the existing women loan portfolio eligible for the use of proceeds exceeds the total bond proceeds.
- Management of Proceeds:
  - Krungsri's Strategic Assets and Liabilities Management Department will be responsible for managing Women Bond proceeds quarterly. The net proceeds of Women Bond will be deposited in Krungsri's liquidity management account and earmarked for allocation to Eligible Assets. Pending full allocation funds will be invested in short-term money market investments and government bonds in accordance to the Krungsri Treasury's liquidity management procedures. Sustainalytics views this process as aligned with market practice.
  - Full allocation funds will be invested in money market instruments with good credit ratings and market liquidity. This process is in line with current market practices.
- Reporting:

<sup>3</sup> Loans less than USD10,000

<sup>4</sup> SME Financing are credit facilities to SMEs for productive purposes with SME criteria defined by Krungsri. Krungsri targeted SMEs are Small and Medium Enterprises with sales turnover of up to 150mio THB run by women

- Krungsri has committed to report annually on the allocation and impact of proceeds on the Bank's website until full allocation of proceeds. Allocation reporting will include the total amount of allocated proceeds, the total number of loans comprising the amount of funds allocated to the proceeds, the total amount of funds allocated to replace or replenish Eligible Assets, and the balance of unallocated proceeds.
- Disclosure of impact reporting includes relevant social impact metrics on subjects such as (i) the year-over-year percentage change in the aggregate value of loans to women-owned SMEs, and (ii) the year-over-year percentage change in the quantity of loans to women-owned SMEs. Sustainalytics views Krungsri's reporting process as aligned with market practice.

### Alignment with Social Bond Principles 2018

Sustainalytics has determined that Krungsri Women Bond Framework aligns to the four core components of the Social Bond Principles 2018. For detailed information please refer to Appendix 1: Social Bond/ Social Bond Programme External Review Form.

## Section 2: Sustainability Performance of the Issuer

### Contribution of the Framework to issuer's sustainability performance

As a commitment to integrate sustainability and social considerations into its business operations and investments, Krungsri established Environmental and Human Rights Disclosure Statements in 2018.<sup>5</sup> In addition, the following highlighted activities further demonstrate Krungsri's commitment to environmental and social causes:<sup>6</sup>

- In accordance to Environmental and Human Rights Disclosure Statements, Krungsri established a Corporate Social Responsibility (CSR) Committee in order to oversee identified practices and ensure their implementation.
- In its Environmental and Human Rights Disclosure Statements, Krungsri commits to disclose all Krungsri Group's business directions, and social and environmental dimensions to all group's stakeholders.
- The Bank committed to improve financial access for Thai people in general through its Responsible Lending Framework. According to the Responsible Lending Framework, Krungsri identified "financial inclusion" as one of the key elements of the Company's operations.
- Krungsri established a Environmental, Social and Governance (ESG) Division that operates under the Corporate Strategy and Planning Group, in order to oversee strategic operations, policies and socially responsible activities. The division ensures the Bank's strategic and operational activities comply with the defined targets and eligibilities under the sustainable banking's framework.
- As part of its fair labor policies, Krungsri has committed to enhance gender inclusion within its operations. In 2018, female employees contributed to 64.8% of Krungsri's total employees which was an increase of 1.48% compared to the previous year.
- With its sustainability performance efforts, Krungsri achieved the following certificates and awards: Certificate of ESG100 Company 2018, Carbon Footprint Organization (CFO) Certificate, Thailand Sustainability Investment (THSI) 2018, and Best Bank for CSR in Thailand in 2018. Moreover, Krungsri's sustainability performance has been highlighted through the inclusion of the Bank in the 2016-2018 Thailand Sustainability Investment (THSI) list, which includes companies with high sustainability performance based on environmental, social and governance dimensions.

Given the Company's efforts in carrying out its social and sustainability commitments, Sustainalytics considers Krungsri to be well-positioned to issue a Women Bond, which will support Krungsri to advance its sustainable and social strategies.

### Well-positioned to address common social risks associated with the projects

While the eligible categories are recognized as impactful by the SBP, Sustainalytics also recognizes that the eligible assets possess potential environmental and social risks. Upon offering lending and financial services,

<sup>5</sup> Krungsri's Sustainability Report 2018: <https://www.krungsri.com/bank/getmedia/c0196f98-6ac0-472b-9578-862dea4e4b6f/Sustainability-Report-2018.aspx>

<sup>6</sup> Idem

banks are exposed to possibilities of financing companies that could have negative environmental and social impacts. Furthermore, social assets in general can possess risks of increasing inequality if not targeted well at the relevant population group. Sustainalytics highlights the following policies and procedures that Krungsri has taken in order to mitigate any potential risks:<sup>7</sup>

- Krungsri follows national and international standards, guidelines and initiatives, such as Enhancement and Conservation of National Environmental Quality Act<sup>8</sup> and Guidelines on Sustainable Banking by Thai Bankers Association.<sup>9</sup> In avoidance of any potential environmental and social risks, the national regulations define guidelines and duties for non-governmental sectors to follow for enhancing national environmental quality which covers natural resources and animals.<sup>10</sup> Thai Bankers Association also requires banks to implement dedicated management from senior level to be responsible of ESG-related financing strategies, as well as disclosures on banks' policies and measurable impacts achieved.<sup>11</sup>
- To avoid engaging with companies that could entail negative social impact, Krungsri conducts Know Your Customer (KYC) and Customer Due Diligence (CDD) processes, in which the Bank identifies and assesses potential risks associated with lending services, such as money laundering or terrorists-related financing.
- Krungsri excludes high-polluting companies from its financing activities and categorizes companies that produce cluster munitions as "credit to be avoided." Furthermore, as part of the Framework, the Bank excludes companies engaging in harmful or exploitative forms of forced labour/harmful child labour, trade in weapons, hazardous chemicals, as well as production or activities that impinge on the lands owned by, or claimed under adjudication without full documented consent of indigenous people.
- Regarding potential social risks, Krungsri sets the "prohibited category" for financing in activities or organizations, such as illegal businesses, cartels, extortionists, political parties, businesses or persons explicitly known to utilize credit for political activities, money laundering and financing of terrorism, and grey businesses with questionable conformity to ethics, social norms, or with objectives violating environmental laws.

Based on the policies and commitments listed above, Sustainalytics is of the opinion that Krungsri is well-positioned to mitigate the relevant environmental and social risks associated with the projects financed by the Women Bond.

### Section 3: Impact of Use of Proceeds

Both Use of Proceeds categories are recognized as impactful by the SBP. Sustainalytics has chosen below listed as where the impact is specifically relevant in the local context.

#### Importance of women-owned SME financing in Thailand

SMEs accounted for 99.7% of all companies in Thailand, and 78.4% of total source of employment in 2017.<sup>12</sup> Similar to those in other OECD countries, SMEs in Thailand are the major source of employment, while their contribution to GDP is moderated at 42.2% in 2017.<sup>13</sup> Whilst looking into gender participation in SMEs, women hold a significant portion in Thailand. Among 49 countries surveyed by Global Entrepreneurship Monitor in 2018, Thailand is one of the six countries which has an equal Total Entrepreneurial Activity (TEA) rate between men and women. This shows the active participation of women in the business sector in Thailand.<sup>14</sup> However, there are still societal factors acting as obstacles for women in business, namely (i) access to finance, (ii) social stigma, (iii) lack of business-related knowledge and skills, (iv) limited access to business-oriented

<sup>7</sup> Idem

<sup>8</sup>The Enhancement and Conservation of National Environmental Quality Act [http://thailaws.com/law/t\\_laws/tlaw0280.pdf](http://thailaws.com/law/t_laws/tlaw0280.pdf)

<sup>9</sup> Sustainable Banking Guidelines Responsible Lending by the Thai Bankers' Association available at: <https://www.tba.or.th/wp-content/uploads/2019/08/Guidelines-ResponsibleLending.pdf>

<sup>10</sup> The Enhancement and Conservation of National Environmental Quality Act [http://thailaws.com/law/t\\_laws/tlaw0280.pdf](http://thailaws.com/law/t_laws/tlaw0280.pdf)

<sup>11</sup> Sustainable Banking Guidelines Responsible Lending by the Thai Bankers' Association available at: <https://www.tba.or.th/wp-content/uploads/2019/08/Guidelines-ResponsibleLending.pdf>

<sup>12</sup> Good Regulatory Practices to Support Small and Medium Enterprises in Southeast Asia, OECD (2018): <https://www.oecd.org/regreform/good-regulatory-practices-to-support-small-and-medium-enterprises-in-southeast-asia-9789264305434-en.htm>

<sup>13</sup> OECD/ERIA (2018), SME Policy Index: ASEAN 2018: Boosting Competitiveness and Inclusive Growth, SME Policy Index: <https://doi.org/10.1787/9789264305328-en>

<sup>14</sup> Global Entrepreneurship Monitor 2018/2019 Global Report: <https://www.gemconsortium.org/report/gem-2018-2019-global-report>

networks and networking opportunities. According to Asia-Pacific Economic Cooperation (APEC), access to finance is considered the main obstacle for women-owned SMEs, with bank loans being one of the key sources of founding and operation of SMEs.<sup>15</sup>

Based on the above, Krungsri's financing to women-owned SMEs, and to low-income women and/or from disadvantaged backgrounds will contribute to the facilitation of financial access for women in Thailand. Therefore, Sustainalytics is of the opinion that the use of bond proceeds under the Framework's proposed investment targets and strategies will contribute to fostering women empowerment in Thai society.

#### Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. This social bond advances the following SDG goals and targets:

Use of Proceeds Category	SDG	SDG target
Employment generation through SME financing and microfinance	5. Gender equality  8. Decent work and economic growth	5.1 End all forms of discrimination against all women and girls everywhere.  8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.
Socioeconomic advancement and empowerment, such as financing to women with low income, or disadvantaged women groups	5. Gender equality  10. Reduced inequalities	5.1 End all forms of discrimination against all women and girls everywhere.  10.3 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status

## Conclusion

Krungsri has developed the Krungsri Women Bond Framework for its issuance of women bonds that will be financing projects focusing on low income or disadvantaged groups of women, and women-run or owned SMEs which will support employment generation and socioeconomic advancement for women in Thailand.

The Framework defines eligibility criteria in two categories, namely – (i) Employment generation through women-owned SME financing and microfinance for women, and (ii) Socioeconomic advancement and empowerment through financing for low income women and disadvantaged female groups.

<sup>15</sup> The Asia Foundation (2013), Access to Trade and Growth of Women's SMEs in APEC Developing Economies: Evaluating Business Environments in Malaysia, Philippines, Thailand: <https://asiafoundation.org/publication/access-to-trade-and-growth-of-womens-smes-in-apec-developing-economies-evaluating-the-business-environment-in-indonesia/>

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Sustainalytics views that, based on the local context of women’s access to finance, the eligible projects described by the Framework will contribute to the empowerment of women in Thailand. Based on the above, Sustainalytics is confident that Krungsri is well-positioned to issue women bonds and that its Women Bond Framework is transparent, robust, and in alignment with the four core components of the Social Bond Principles 2018.

## Appendices

### Appendix 1: Social Bond/ Social Bond Programme -External Review Form Section 1. Basic Information

<b>Issuer name:</b>	The Bank of Ayudhya Public Company Limited (Krungsri)
<b>Social Bond ISIN or Issuer Social Bond Framework Name, if applicable:</b>	The Krungsri Women Bond Framework
<b>Review provider's name:</b>	Sustainalytics
<b>Completion date of this form:</b>	8 October, 2019
<b>Publication date of review publication:</b>	

### Section 2. Review overview

#### SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarize the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds        | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting                                    |

#### ROLE(S) OF REVIEW PROVIDER

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 <sup>nd</sup> opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification   | <input type="checkbox"/> Rating        |
| <input type="checkbox"/> Other ( <i>please specify</i> ):                       |  |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

#### EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (*if applicable*)

Please refer to Evaluation Summary above.

### Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

### 1. USE OF PROCEEDS

Overall comment on section *(if applicable)*:

The two eligible categories – (i) Employment generation through women-owned SME financing and microfinance for women, and (ii) Socioeconomic advancement and empowerment through financing for low income women and disadvantaged female groups – are recognized as impactful by the Social Bond Principles 2018. Sustainalytics highlights Krungsri’s targeted approach of limiting financing to (i) provision of access to finance and/or microfinance to SMEs run by women, and (ii) women with low income, and/or disadvantaged groups of women. Sustainalytics acknowledges the impactful financing target namely underserved women, and views positively the exclusionary criteria which excludes any financing in high risk sectors and activities. Krungsri confirmed to Sustainalytics that it commits to include only new projects in the first two years starting from the first issuance under this Framework.

#### Use of proceeds categories as per SBP:

- |  |  |
|--|--|
| <input type="checkbox"/> Affordable basic infrastructure   | <input type="checkbox"/> Access to essential services  |
| <input type="checkbox"/> Affordable housing  | <input checked="" type="checkbox"/> Employment generation (through SME financing and microfinance) |
| <input type="checkbox"/> Food security   | <input checked="" type="checkbox"/> Socioeconomic advancement and empowerment                      |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with SBP categories, or other eligible areas not yet stated in SBPs | <input type="checkbox"/> Other <i>(please specify)</i> :   |

If applicable please specify the social taxonomy, if other than SBPs:

### 2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section *(if applicable)*:

Krungsri’s Women Bond Sub-Committee, consisting of representatives from Global Markets Group, Risk-related departments, SME Banking, Retail & Consumer Banking Division, and Finance Department under the CFO Office, will oversee the project evaluation and selection process. After SME Banking and Retail & Consumer Banking divisions initially assess Eligible Assets, Krungsri’s Women Bond Sub-Committee will conduct evaluation and selection procedures on shortlisted assets. After the bond issuance, SME Banking and Retail & Consumer Banking divisions will monitor the portfolio and identify new Eligible Assets on an ongoing basis. Krungsri’s Women Bond Sub-Committee will review Eligible Assets quarterly in order to ensure that the net proceeds of Women Bond will be allocated based on the Framework.

#### Evaluation and selection

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Credentials on the issuer’s social objectives                                   | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories    |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Social Bond proceeds | <input type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |

- Summary criteria for project evaluation and selection publicly available       Other (*please specify*):

#### Information on Responsibilities and Accountability

- Evaluation / Selection criteria subject to external advice or verification       In-house assessment
- Other (*please specify*):

### 3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

Krungsri's Strategic Assets and Liabilities Management Department will be responsible for managing Women Bond proceeds quarterly. The net proceeds of Women Bond will be deposited in Krungsri's liquidity management account and earmarked for allocation to Eligible Assets. Pending full allocation funds will be invested in short-term money market investments and government bonds in accordance to the Krungsri Treasury's liquidity management procedures. Sustainalytics views this process as aligned with market practice.

#### Tracking of proceeds:

- Social Bond proceeds segregated or tracked by the issuer in an appropriate manner
- Disclosure of intended types of temporary investment instruments for unallocated proceeds
- Other (*please specify*):

#### Additional disclosure:

- Allocations to future investments only       Allocations to both existing and future investments
- Allocation to individual disbursements       Allocation to a portfolio of disbursements
- Disclosure of portfolio balance of unallocated proceeds       Other (*please specify*):

### 4. REPORTING

Overall comment on section (*if applicable*):

Krungsri has committed to report annually on the allocation and impact of proceeds on the Bank's website until full allocation of proceeds. Allocation reporting will include the total amount of allocated proceeds, the total number of loans comprising the amount of funds allocated to the proceeds, the total amount of funds allocated to replace or replenish Eligible Assets, and the balance of unallocated proceeds. Disclosure of impact reporting includes relevant social impact metrics on subjects such as (i) the year-over-year percentage change in the aggregate value of loans to women-owned SMEs, and (ii) the year-over-year percentage change

in the quantity of loans to women-owned SMEs. Sustainalytics views Krungsri's reporting process as aligned with market practice.

**Use of proceeds reporting:**

- |  |  |
|--|--|
| <input type="checkbox"/> Project-by-project            | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other ( <i>please specify</i> ):        |

**Information reported:**

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Allocated amounts     | <input type="checkbox"/> Social Bond financed share of total investment |
| <input type="checkbox"/> Other ( <i>please specify</i> ): |   |

**Frequency:**

- |   |                                      |
|---|--------------------------------------|
| <input checked="" type="checkbox"/> Annual                | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other ( <i>please specify</i> ): |                                      |

**Impact reporting:**

- |  |  |
|--|--|
| <input type="checkbox"/> Project-by-project            | <input type="checkbox"/> On a project portfolio basis  |
| <input type="checkbox"/> Linkage to individual bond(s) | <input checked="" type="checkbox"/> Other ( <i>please specify</i> ): The year-over-year percentage change in the aggregate value of facilities to Women that meet the Eligibility Criteria; The year-over-year percentage change in the number of facilities to Women that meet the Eligibility Criteria |

**Frequency:**

- |   |                                      |
|---|--------------------------------------|
| <input checked="" type="checkbox"/> Annual                | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other ( <i>please specify</i> ): |                                      |

**Information reported (expected or ex-post):**

- |  |   |
|--|---|
| <input type="checkbox"/> Number of beneficiaries                         | <input type="checkbox"/> Target populations |
| <input type="checkbox"/> Other ESG indicators ( <i>please specify</i> ): |   |

**Means of Disclosure**

- |   |  |
|---|--|
| <input type="checkbox"/> Information published in financial report  | <input type="checkbox"/> Information published in sustainability report  |
| <input type="checkbox"/> Information published in ad hoc documents  | <input checked="" type="checkbox"/> Other ( <i>please specify</i> ): Krungsri's website, available at: <a href="https://www.krungsri.com/">https://www.krungsri.com/</a> |
| <input type="checkbox"/> Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review): |  |

Where appropriate, please specify name and date of publication in the useful links section.

**USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)**

<https://www.krungsri.com/bank/en/InvestorRelations/sustainability>

**SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE**

**Type(s) of Review provided:**

- |  |  |
|--|--|
| <input type="checkbox"/> Consultancy (incl. 2 <sup>nd</sup> opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification / Audit                        | <input type="checkbox"/> Rating        |
| <input type="checkbox"/> Other ( <i>please specify</i> ):            |  |

**Review provider(s):**

**Date of publication:**

**ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP**

- i. **Second Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- ii. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- iii. **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognized external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. **Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialized research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

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