

FTSE Russell ESG Scores

The Stock Exchange of Thailand partners with FTSE Russell, a leading global provider of benchmarks and index solutions, to elevate sustainability assessment for Thai listed companies to international standards.

What is FTSE Russell ESG Scores?

- **FTSE Russell ESG Scores** assess environmental, social, and governance performance based on publicly disclosed data. The methodology used for over 8,000 companies in 47 countries includes:
 - 3 Pillars: Environmental, Social, and Governance.
 - 14 Themes: such as Climate Change, Labor Standards, and Anti-Corruption.
 - 300+ Indicators: Covering policies, strategies, processes, targets, and performance tracking, with an average of 125 indicators per company, depending on Subsectors and Geography.

ESG Scores 0.0 - 5.0	Measure of the overall quality of a company's management of ESG issues		
3 Pillars	E Environmental	S Social	G Governance
14 Themes	<ol style="list-style-type: none"> 1. Biodiversity 2. Climate Change 3. Pollution & Resources 4. Water Security 5. Supply Chain (Envi) 	<ol style="list-style-type: none"> 1. Labour Standards 2. Human Right & Community 3. Health & Safety 4. Customer Responsibility 5. Supply Chain (Social) 	<ol style="list-style-type: none"> 1. Anti Corruption 2. Corporate Governance 3. Risk Management 4. Tax Transparency
300+ Indicators	An average of 125 indicators are applied per company		

Benefits Received from FTSE Russell ESG Scores

Listed Companies



- **Transparency & Less Burden:** FTSE Russell assesses Thai listed companies based on publicly disclosed information, enhancing transparency and credibility while reducing the burden on companies as they no longer need to complete questionnaires.
- **Enhanced Visibility:** FTSE Russell is a globally recognized rater, with products used by top asset managers worldwide. Approximately \$15.9 trillion is benchmarked to FTSE Russell indexes. Collaboration with FTSE Russell enhances the visibility and attractiveness of Thai stocks to both domestic and international investors, potentially increasing investment in the Thai capital market.
- **Global Benchmarking:** FTSE Russell uses a detailed methodology by considering 173 Subsectors and Geography, reflecting each business's unique characteristics. This approach aligns Thai companies with global standards, allowing for benchmarking against international peers.
- **Alignment with Global Standards:** FTSE Russell operates in line with international codes of conduct, with its ESG Ratings Model overseen by an independent external committee, comprising experts from the investment community, business, NGOs, unions and academia. This helps ensure diverse stakeholder perspectives in the assessment process.

- **Alignment with Global Standards:** With increasing ESG data and reporting standards, not all investors are equipped to analyze raw ESG data. A global rater like FTSE Russell, with expertise and a dedicated analyst team, helps assess companies' ESG performance, supporting sustainable investment products and trends.
- **Global Benchmarking:** The FTSE Russell ESG scores provide a basis for comparing ESG performance among companies, allowing investors to make more informed investment decisions.

ESG assessment results are an important tool for investment decisions. However, investors should also consider other information, such as financial performance data, and keep up with relevant news to make well-rounded decisions.

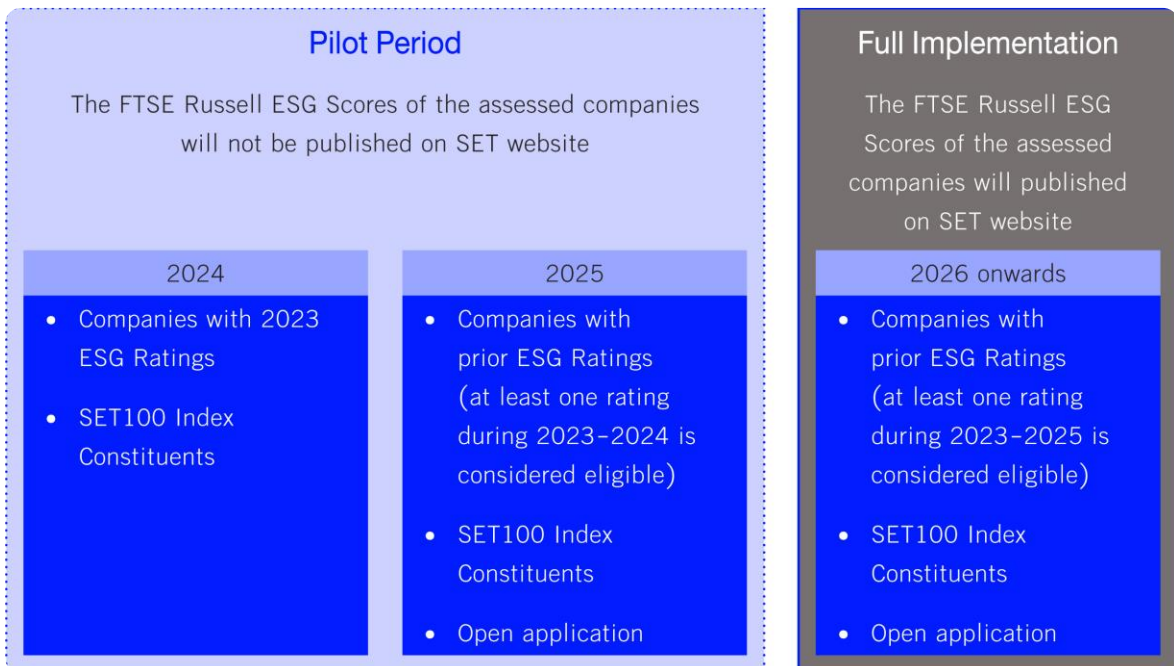
Investors and Analysts



Process of FTSE Russell ESG Ratings

To ensure a smooth transition from SET ESG Ratings to FTSE Russell's ESG Scores, a two-year transition period will be implemented from 2024 to 2025. During this pilot phase, FTSE Russell will conduct assessments, but the ESG Scores of assessed companies will not be publicly disclosed on the SET websites.

Selection criteria for eligible companies

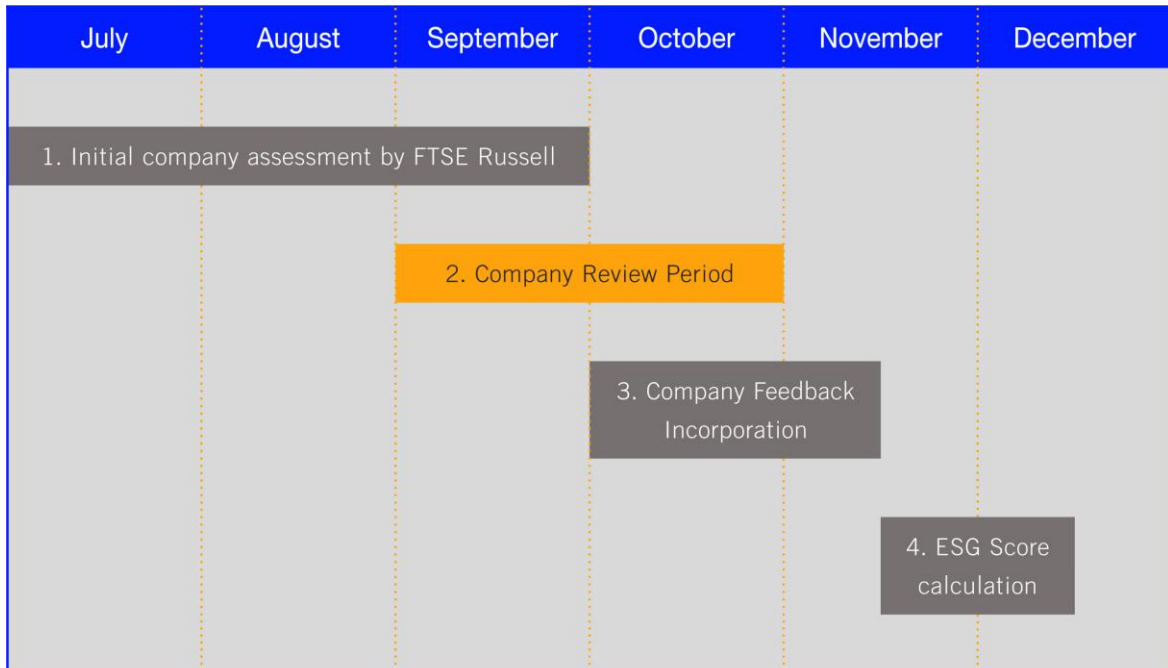


Listed companies eligible to participate in FTSE Russell's ESG Ratings will be selected based on the following criteria:

- Companies with Prior SET ESG Ratings:** For 2024, FTSE Russell's assessment will cover the companies that were included in the SET ESG Ratings from the previous year. In subsequent years, the assessment will include companies that have been part of the SET ESG Ratings at any point in the past.
- SET100 Index Constituents:** All companies in the SET100 Index, regardless of whether they are in the SET ESG Ratings, will be assessed (based on the calculations from the last three rounds of the index).
- Voluntary participation:** Companies not falling under the above categories (1 and 2) but interested in participating in the FTSE Russell's ESG Ratings can apply. This criterion will apply from 2025 onwards.

Timeline of assessment cycle

Companies are assessed once a year within each research cycle. FTSE ESG scores are based on Annual Report, Sustainability Report, Integrated Report or Companies' websites.



FTSE Russell ESG Scores announcement

SET websites: Each company's FTSE ESG Scores will be announced on the following SET websites

- www.set.or.th
- www.setsustainability.com
- www.settrade.com
- www.setsmart.com

FTSE Russell online portal: Assessed companies can view their scores and receive feedback report without any fees.

Contacts

General inquiries about the uplifting of the SET ESG Ratings to FTSE Russell ESG Scores SETsustainability@set.or.th

Inquiries about FTSE Russell ESG Data Model and its online portal FTSE4GOOD@FTSERussell.com.