

The logo features the text "SET" in large, bold, black letters, with "ESG Ratings" in white text on an orange rectangular background below it. This is centered within a large, stylized orange and yellow circular graphic that has a 3D effect. The background is decorated with several orange and yellow circles and a large orange and yellow geometric shape in the top right corner.

# SET ESG Ratings

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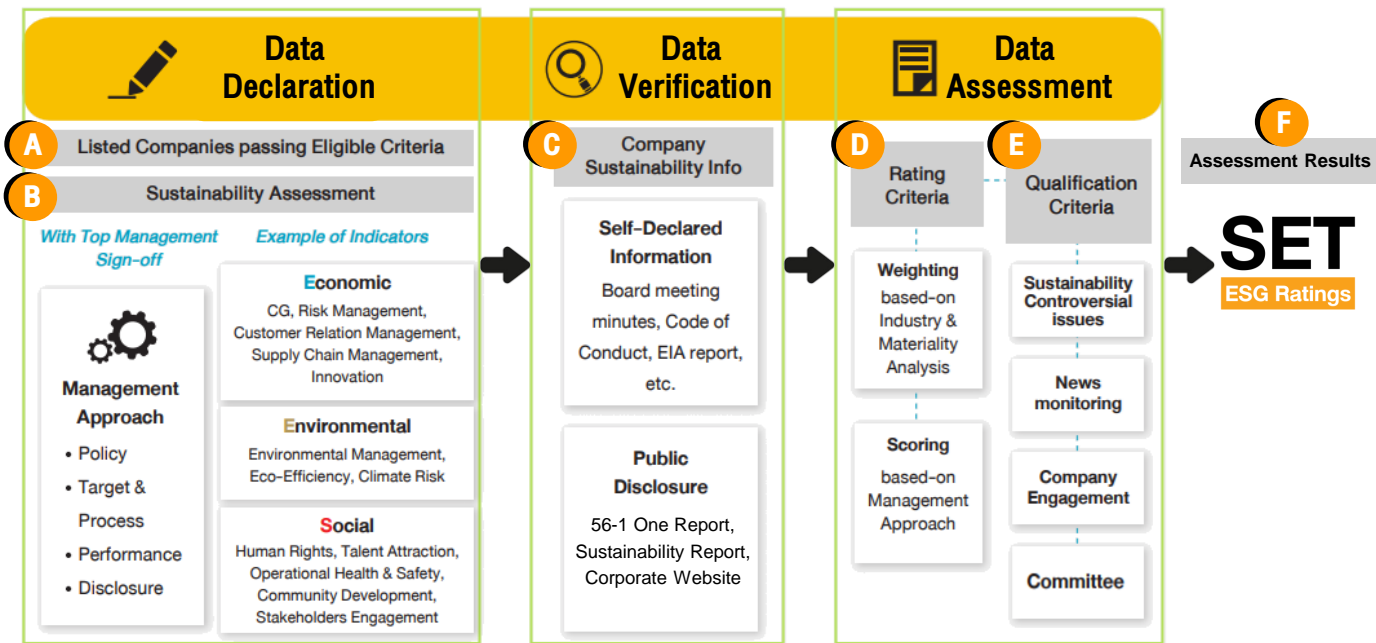
**“Creating Sustainable  
Investment Opportunities”**

## What is SET ESG Ratings?

The Stock Exchange of Thailand (SET) has launched the Thailand Sustainability Investment (THSI) since 2015, which comprises of the listed companies that create long-term returns by valuing their responsibility to society (Social) and the environment (Environmental), and by managing their business with transparency, in line with corporate governance principles (Governance). This serves as another choice for investors who desire to adopt a responsible investment approach.

In 2023, SET changed the name of “Thailand Sustainability Investment (THSI)” to “**SET ESG Ratings**” and announced the SET ESG assessment results in the form of “ESG Ratings” for the first year in order to provide more comprehensive information to support investment decisions.

# SET ESG Ratings Assessment Methodology



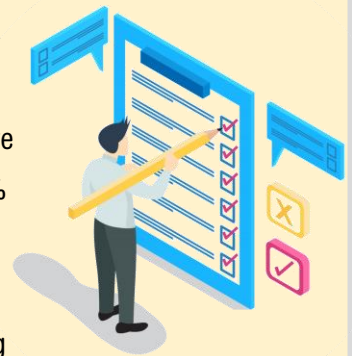
## A Listed companies passing the Eligibility Criteria

Companies are chosen from the selection of listed companies that voluntarily participate in SET's annual Sustainability Assessment, and that pass the Eligibility Criteria.

### Eligibility Criteria

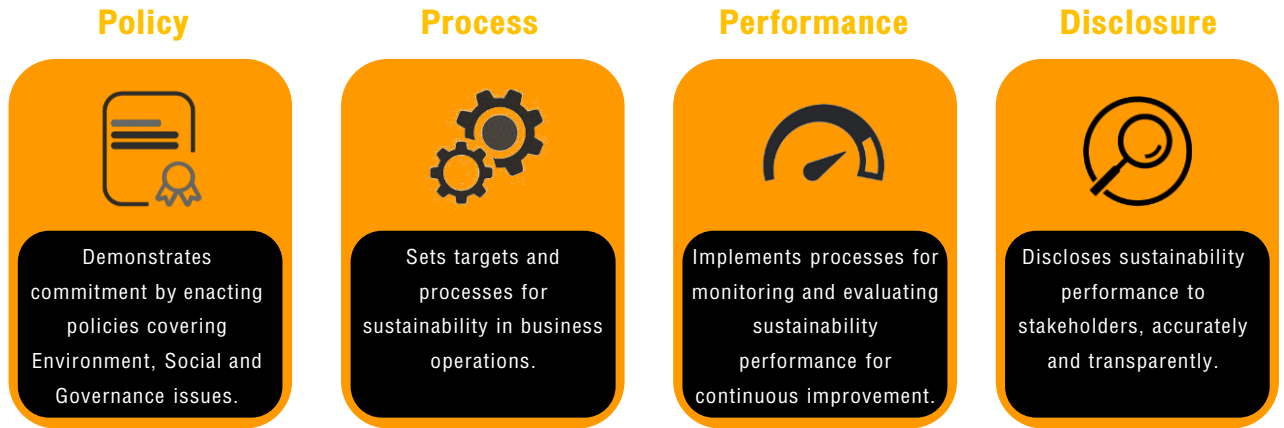
For example:

- Must not be a company that is in the process of delisting.
- Must not be a company that distributes shareholding in a manner where there are fewer than 150 shareholders or total shares of lower than 15% of paid-up capital.
- Must not be a company that received a C (Caution) symbol from SET.
- Must not be a company that SEC announced irregular securities trading behavior exhibited by its board members or executives.



## B Sustainability Assessment

SET will assess a listed company's sustainability performance in 4 aspects:



The Sustainability Assessment Questionnaire covers indicators in three dimensions: 1) Corporate Governance & Economic 2) Environmental, and 3) Social.



The questionnaire includes both general indicators for all industry groups, and industry-specific indicators, which reflect the context and material issues of each industry group (i.e. the 8 industry groups classified by SET). SET conducts an annual review of the indicators in its Sustainability Assessment to ensure that they continue to align with changing sustainability trends at the international and national levels.

## C Company Sustainability Info

To assess a company's sustainability performance, SET reviews in-depth information about company, including its board meeting reports, working committee minutes, operating processes/procedures, code of conduct, business plans, and EIA reports, etc., as well as publicly-disclosed information, such as those in a company's one report, sustainability report, and website.

## D Rating Criteria

Results for the sustainability assessment are calculated based on the weight of each criteria – which differs based on the industry group and its material issues– and on the company's own level of performance in terms of policy, process, performance, and disclosure.

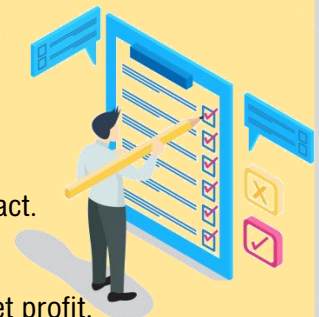
## E Qualification Criteria

Listed companies that are selected for inclusion in SET ESG Ratings must receive a score of at least 50% in each dimension (Corporate Governance & Economic, Environmental, and Social).

### Qualification Criteria

For example:

- Must be a company that received a score of 3 stars and above from the Corporate Governance Report (CGR)
- Must not be a company that has been accused of or formally judged as guilty on matters of corporate governance or social or environmental impact.
- Must not be a company that has shareholder's equity below zero.
- Must not be a company that has fewer than 3 out of 5 years of reported net profit.
- Must not be a company that SEC announced irregular securities trading behavior exhibited by its board members or executives.



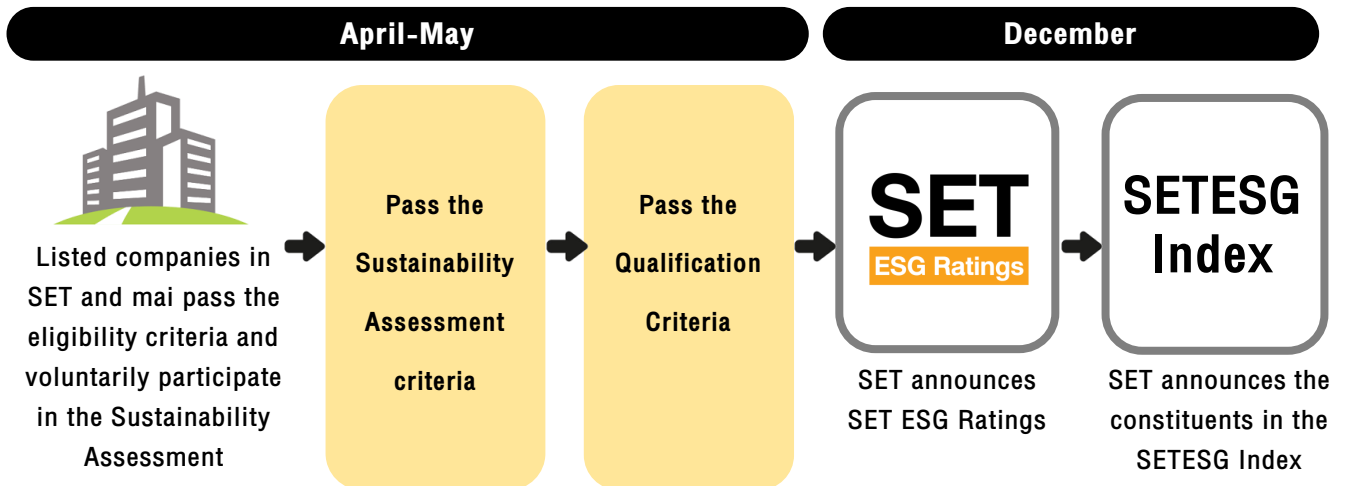
The Working Group on Sustainable Investment, which is comprised of corporate governance and sustainability experts, are responsible for screening and selecting process to ensure that it is transparent and reliable.

## F Assessment Results

Listed companies that have been selected for inclusion in **SET ESG Ratings** will have been announced their ESG ratings in ratings scale as follows:



## Sustainability Assessment Timeline



In addition, SET has developed the “SETESG Index” (changed name from SETTHSI Index), a sustainability index. Listed companies are selected for inclusion in the SETESG Index based on the following criteria:

1. Must be included in SET ESG Ratings in the most recent year, and traded on the SET for at least 6 months.
2. Must have market capitalization (calculated using the average daily price over the last 3 months) of at least THB 5 billion.
3. Proportion of minority shareholders (free-float) should comprise at least 20% of paid-up capital.
4. Must have trading volume of 0.5% of all registered shares for at least 9 out of 12 months

Please refer to: <https://www.set.or.th/th/market/index/setesg/profile>

## Benefits Received from SET ESG Ratings

### Listed Companies



- Use the Sustainability Assessment as a tool for improving and developing business operations to cover corporate governance & economic, environmental, and social issues, and to create opportunities as well as manage risks efficiently in operations.
- Consider the results of sustainability assessment to improve ESG performance by comparing with the results of listed companies' assessment in the same industry.
- Create opportunities for listed companies to attract and be accepted by investors and other stakeholders in order to enhance their competitiveness and access to capital.

### Investors and Analysts

- Use as basic information for comparing the ESG performance of each listed company.
- Use for stock analysis, stock valuation and providing investment advice.
- Use as basic information for developing investment products.
- Use as basic information to monitor and engage with the companies to encourage them to consider ESG issues.

