



The Guideline to FTSE Russell ESG Scores

(English version)

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1.

FTSE Russell ESG Scores

As the Stock Exchange of Thailand (SET) recognises the importance of fostering a sustainable capital market, it has invited Thai listed companies to voluntarily participate in the SET ESG Ratings for many years. With the growing momentum of ESG initiatives among corporations and the rapid rise in ESG investments, financial performance is no longer the only factor that investors consider; there is an increasing demand for companies' ESG performance as well. Other stakeholders, including customers, employees, regulators, and communities, also closely monitor companies' ESG performances. To address these evolving needs and align with global standards, SET is transitioning from its own SET ESG Ratings to FTSE Russell's ESG Scores. This strategic move is aimed at:

- **Transparency & Less Burden:** FTSE Russell assesses Thai listed companies based on the information they have already publicly disclosed. This ensures that the data used for the assessment is transparent and reliable. Additionally, it reduces the burden on companies as they do not have to fill out assessment forms.
- **Enhanced Visibility:** FTSE Russell is a global rater recognized by institutional investors worldwide. Leading asset managers globally, with approximately \$15.9 trillion benchmarked to FTSE Russell indexes, use FTSE Russell's products. Collaboration with FTSE Russell will enhance the potential of the Thai capital market, making Thai stocks more attractive to both domestic and international investors, thereby attracting more investment into the Thai capital market.
- **Global Benchmarking:** FTSE Russell assesses Thai listed companies using a methodology that considers key ESG issues by dividing industries into as many as 173 subsectors to reflect the specific characteristics of each business more accurately. Furthermore, it considers the geography where each business operates to ensure the assessment aligns with the local context. Importantly, FTSE Russell uses this assessment approach for 8,000 companies in 47 countries worldwide, providing Thai listed companies with an ESG development framework based on international standards. Additionally, FTSE Russell's assessment results can be compared with global peers.

- **Alignment with Global Standards:** FTSE Russell operates in accordance with international Codes of Conduct. The FTSE Russell ESG Ratings Model is overseen by an independent external committee comprising business sectors, investors, NGOs, and academics, among others. This approach and assessment methods reflect the diverse perspectives of various stakeholders.

The **Guideline to FTSE Russell ESG Scores** serve as an introductory guide for Thai companies to understand and apply ESG criteria, ensuring alignment with global standards and best practices. This includes providing practical steps for preparation before the full implementation of FTSE Russell ESG Ratings in 2026.

The key objectives of the Guideline to FTSE Russell ESG Scores include

- **Explain the Transition:** Provide a clear explanation of the transition from SET ESG Ratings to FTSE Russell ESG Ratings, outlining the reasons and benefits behind this change.
- **Overview of Framework:** Offer an overview of the framework used in the FTSE Russell ESG Ratings for assessing Thai listed companies.
- **Selection Criteria for Eligible Companies:** Provide information on the criteria used to determine which companies will be included in the FTSE Russell ESG Ratings coverage.

2.

The transition from SET ESG Ratings to FTSE Russell's ESG Scores

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.

The two-year transition period is designed to:

- **Allow Time for Adjustment:** Companies will have sufficient time to understand and adapt to the new FTSE Russell ESG Rating system.
- **Pilot and Feedback:** Conducting pilot assessments will help identify any potential issues and allow for refinements in the methodology before full implementation in 2026.
- **Capacity Building:** Provide necessary support and training to Thai companies to enhance their ESG practices in alignment with global standards.

Starting in 2026, FTSE Russell will fully implement the FTSE Russell ESG Scores for eligible Thai listed companies, and the FTSE ESG Scores, a cumulative calculation of ESG performance, will be publicly disclosed on SET websites.

This structured approach ensures that by the time full implementation occurs in 2026, companies are well-prepared, and the transition is seamless, enhancing the overall effectiveness and alignment of ESG practices in the Thai capital market with the global standards.

Selection criteria for eligible companies

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

- 1. 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.
- 2. 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).
- 3. 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.

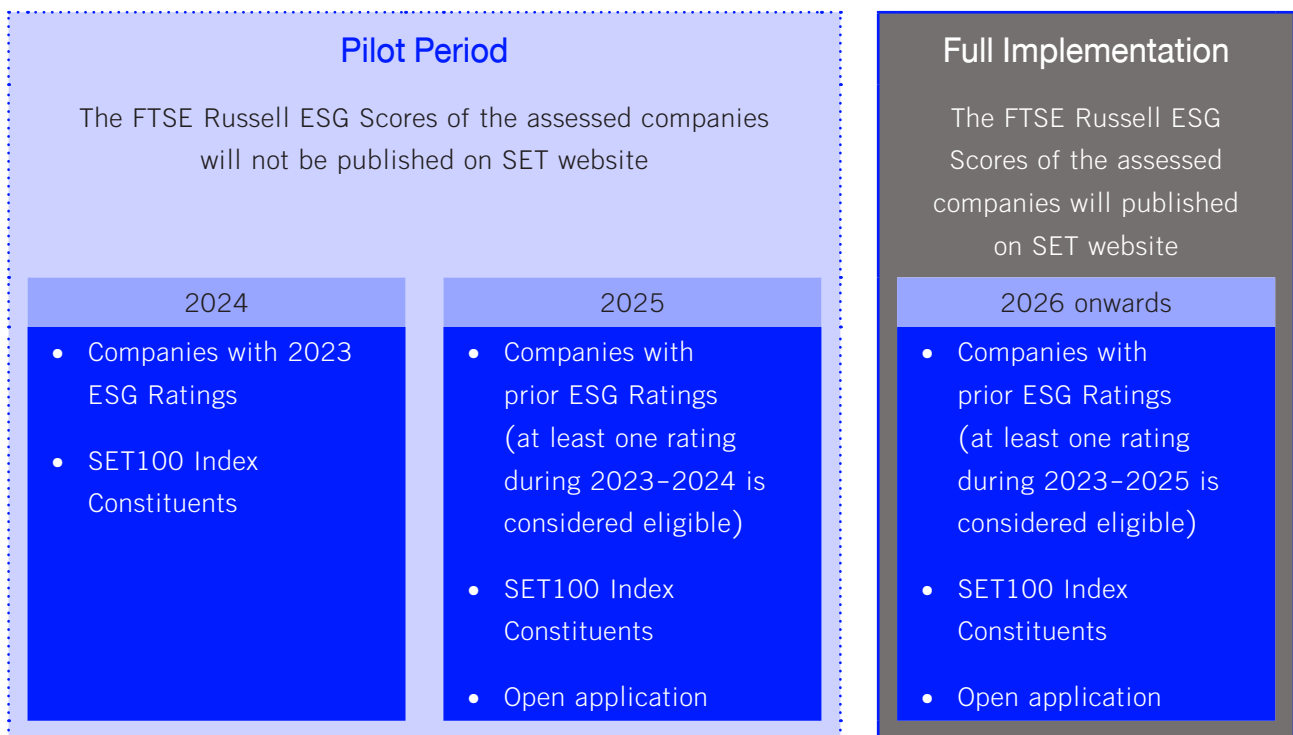


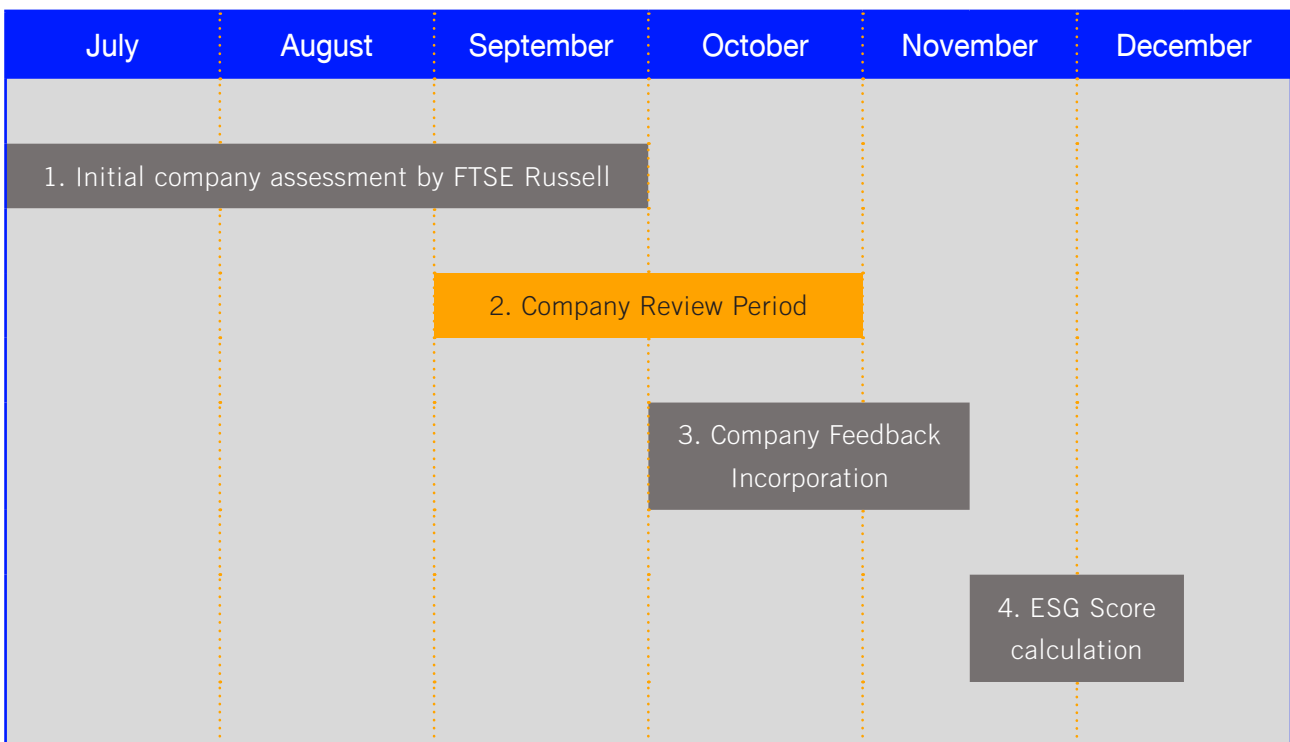
Figure 2.1

The figure illustrates the criteria for selecting companies eligible for the FTSE Russell ESG Ratings during the transition period and full implementation.

4.

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.



- Action by FTSE Russell
- Action by Company

1. **Initial company assessment:** Initial company assessment by analyst following ESG methodology. Only public disclosures will be considered.
2. **Company review:** Companies are given a 4-week period to review their ESG assessments after completion by the analyst. Companies will receive an email from FTSE4GOOD inviting them to review their ESG assessments with their login credentials, a link to the platform and instructions on what to do next.

Companies can then use the login credentials and instructions provided to access the platform. On the platform, detailed instructions are provided for each section of the assessment to support company review process. Companies can provide feedback for each indicator that does not have data collected against it. An analyst will review the feedback following the course of the 4-week company review period.

Companies can freely input comments onto the platform within the 4-week period but will be unable to enter comments after the completion of the 4-week review period.

3. **Incorporation of company feedback:** Once the 4-week company review period ends, an analyst will update the company record as appropriate to the scoring methodology. Companies will be able to view analyst's feedback once the assessment is finalised and published on platform.

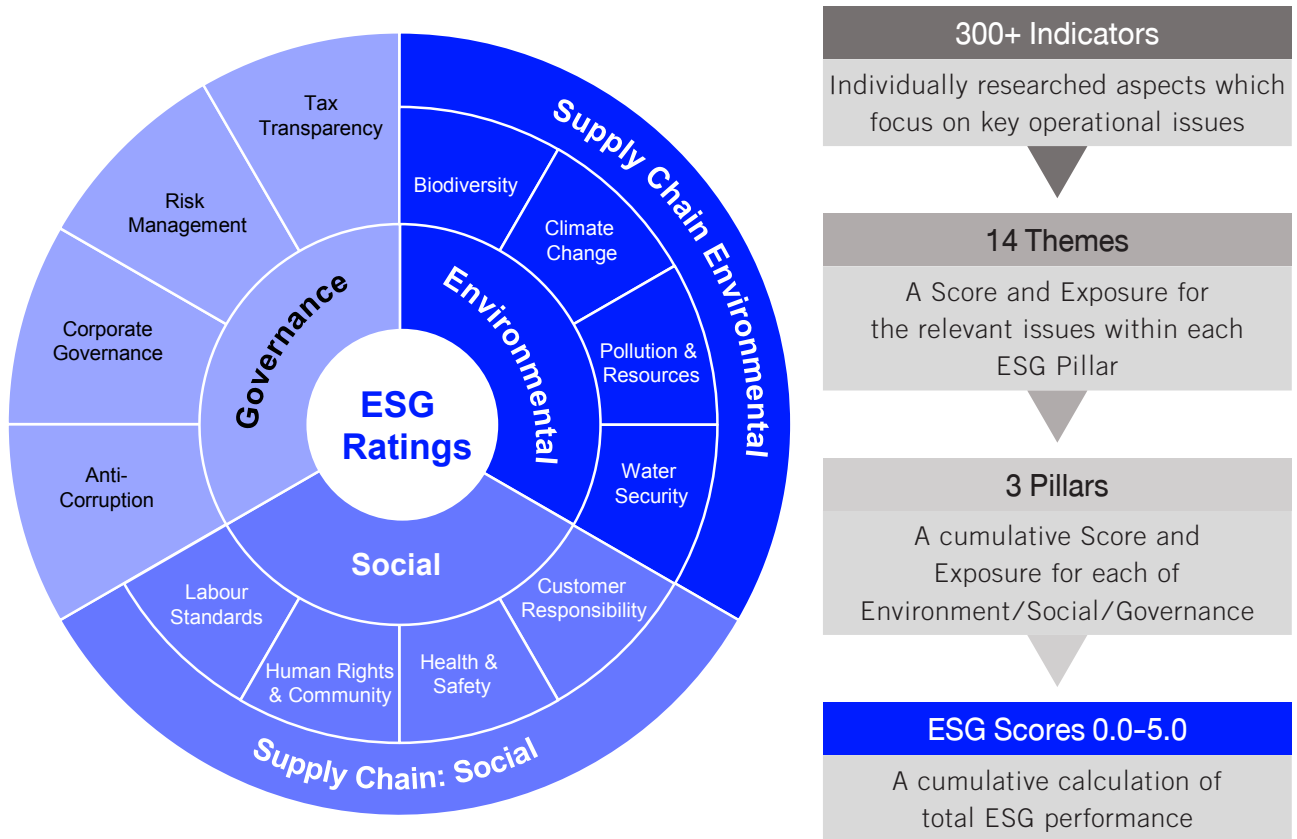
Indicator scores will be adjusted if the evidence provided by company in the comment is relevant and refers to public information. The scores will not be adjusted if the evidence provided in the comment is irrelevant, ambiguous, or private information.

4. **ESG Score calculation:** ESG scores are calculated based on the updated assessment results.

5.

Methodology

Assessment overview



Data source: Based on publicly available data.

Corporate engagement: Companies are given the opportunity to review their initial assessment and provide additional publicly disclosed information should they exist.

Figure 5.1

FTSE Russell ESG Ratings Model

- **FTSE Russell ESG Ratings Model**

The FTSE ESG Scores use a company’s Theme Exposure and Theme level score assessment allowing investors to understand the company’s ESG practices in multiple dimensions. A company’s ESG scoring is the cumulative calculation of total ESG performance. The FTSE Russell ESG Data Model aims to assess corporate ‘ESG exposure and performance’, both in terms of measuring the impact of the scored entity on the external environment (e.g. through theme and pillar Exposures) and measuring the scored entity’s risk exposure or resilience to ESG-related risks (e.g. through pillar and theme Scores).

For each applicable theme, the company will be assigned an Exposure score of High, Medium, Low or Not Applicable. The Exposure score measures the level of exposure the company faces from material ESG risks, typically determined by the ICB Subsector¹ in which the company is active and its presence in specific countries.

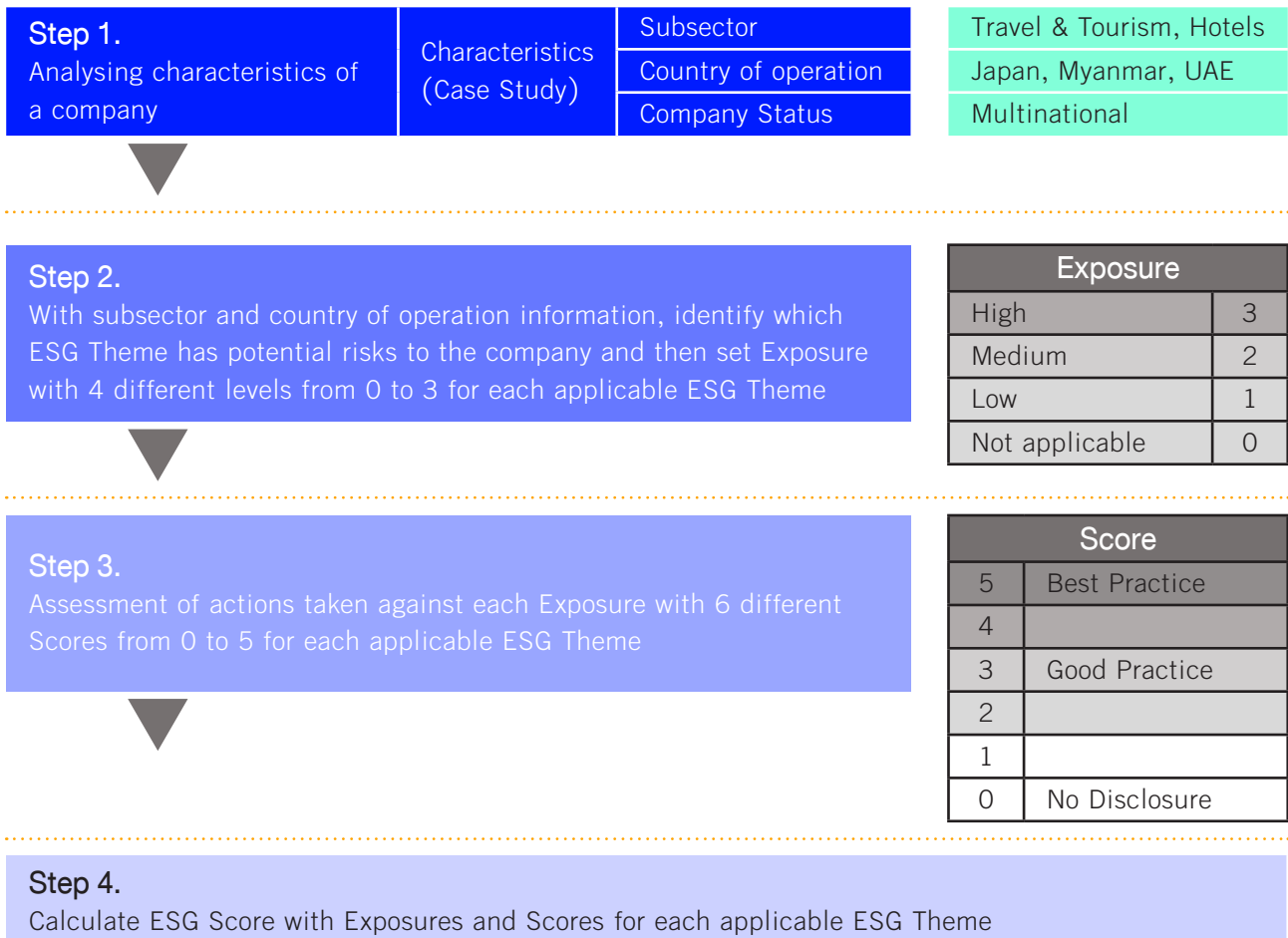


Figure 5.2
FTSE Russell ESG Assessment process

¹ ICB is **Industry Classification Benchmark** which is a comprehensive and rules based, transparent classification methodology based on research and market trends designed to support investment solutions. See more details in the next section on Industry classification and weighting.

- **ESG Scores: data structure**

The ESG Scores and data model allows investors to understand a company’s exposure to, and management of, ESG issues in multiple dimensions. The ESG Scores are comprised of an overall Score that breaks down into underlying Pillar and Thematic Exposures and Scores. The Pillars and Themes are built on over 300 individual indicator assessments that are applied to each company’s unique circumstances.

Data Hierarchy	Score assessment	Exposure assessment
Top Level	1 ESG Score	
Second Level	3 Pillar Scores Environmental, Social, Governance	3 Pillar Exposures Measures the relevance of each of the 3 Pillars to each company
Third Level	14 Theme Scores e.g. Anti-Corruption, Climate Change, Health & Safety	14 Theme Exposures measures the relevance of each of the 14 Themes to each company
Fourth Level	300+ Indicators typically 10-35 per Theme An average of ~ 125 indicators apply per company	Indicator applicability is relative to Theme Exposure

Figure 5.3

FTSE ESG Scoring: Data Structure Overview

Industry classification

Currently, the questionnaire for SET ESG Ratings is designed to align with the context and material issues of each of the 8 industry groups, classified by SET.

For FTSE Russell ESG Scoring, the classification methodology follows Industry Classification Benchmark (ICB), which is a comprehensive and rules based, transparent classification methodology based on research and market trends designed to support investment solutions.

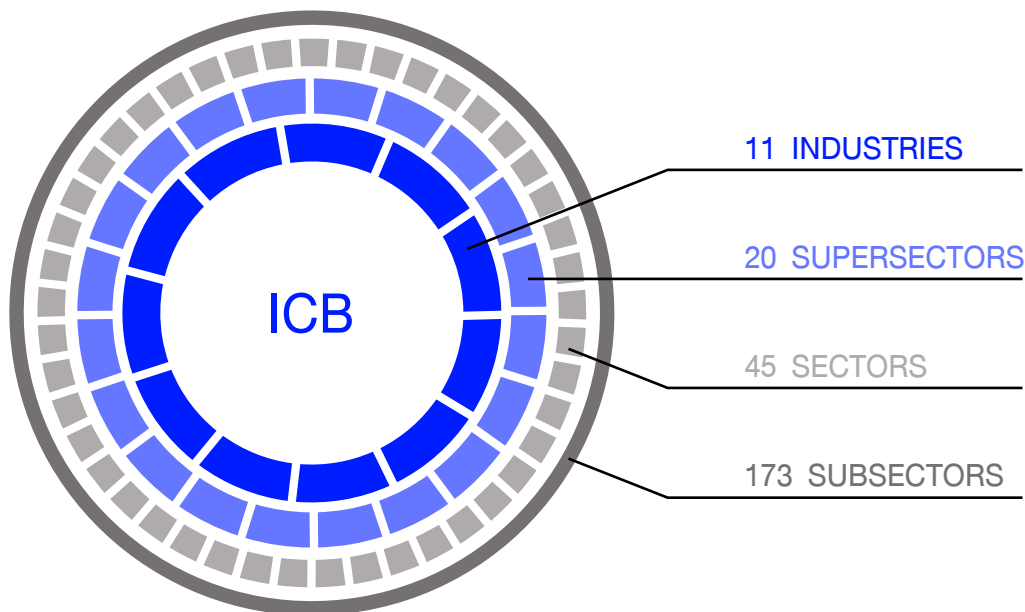


Figure 5.4
ICB overview

The ICB Subsector definitions are used to identify company relevance, and degree of relevance, for a Theme. Companies are allocated to subsectors based on a transparent research process to determine the nature of its business, which includes assessment of revenue source data and other publicly available information. A company will be allocated to that subsector of ICB whose definition most closely coincides with the source of the company’s revenue or the source of the majority of its revenue. The principal source of information used for the classification of a company shall be its audited accounts and directors’ report. Where a company carries out two or more lines of business that differ substantially from each other, FTSE Russell will base its decision on the accounting segmentation published in the audited accounts and directors’ report.

How Themes are assigned to each sector/subsector

For each Theme, a company is categorised as having an Exposure that is High, Medium, Low, or Negligible/ Not Applicable (N/A), depending on how relevant and material the Theme is to the company. The Exposure categorisation is carried out for each company applying a rules-based methodology to assess the Theme materiality. This draws from company fundamentals and characteristics including:

- **Subsector:** The ICB Subsector definitions are used to identify company relevance, and degree of relevance, for a Theme. Diversified companies will also be identified for multiple Subsectors if they have significant operations in more than one subsector.
- **Geography:** This assesses whether the company has operations in countries that are defined as being most relevant to the Theme and hence where the associated impacts are considered greatest. The country lists are developed according to a rules-based methodology which uses publicly available data.
- **Multinational:** This assesses whether a company has over 30% of its revenues derived from outside its domestic region.

See more details on Themes that are relevant to each ICB Subsector in Appendix: Themes for Sectors/ Subsectors

6.

Engagement and communication with assessed companies

How to review assessment results and give feedback to FTSE analysts



Figure 6.1

Company Engagement and Communication Process

When ESG assessment is completed, **company will receive an email** from FTSE Russell with login details and instructions on how to access the platform to view its ESG assessment. Upon login the platform, instructions will be available for each section of the assessment to guide company in providing comments/feedback. Companies have up to four weeks from the date of receiving FTSE Russell **invite to review their ESG assessment**.

Once the four weeks review period ends, companies would not be able to input more comments and **FTSE analyst will start to review and address the comments** from the companies accordingly. The ESG assessment will then be further processed and finalised before **the publication of ESG scores** in December.

ESG Applicability Assessment

This page shows the ICB Subsectors, Country presence, and any specialized Products and Activities your company has been identified as having involvement in. A company's ICB Subsector, Country and Product / Activity involvement is used as a consideration in the all ESG themes and indicators are applied to a company.

*Please use 'General comments' for the whole section(e.g ICB Classification) and 'Comments' for each item.

Review Overview | Review Indicator Research

ICB Classification: Please choose the ICB sub-sectors depending on company's business activities / operations

ICB Subsectors Section Information

ICB Sub-Sector	ESG Micro-Sector	Revenue		Analyst Comments	Reference		Comments
		Proportion	Source		Reference 1	Reference 2	
ICB - 0 85388 - Reinsurance(Nonlife Insurance)	8538885 - Reinsurance: Investment Banking Services Provider	Equal to Or More than 10%	Segment				

General Sector Comments...

Country list: Presence in Primary Impact Countries (Note: only countries present in the rules will be provided for selection)

Country List Section Information

Country	Source Text	Analyst Comments	Reference		Comments
			Reference 1	Reference 2	
Angola			23	-annual-report-2016-finmm1	
Switzerland					

General Country Comments...

Product and Activity

Product and Activity Analysis Section Information

Product/Activity	Level		Analyst Comments	Reference		Comments
	Level 1	Level 2		Reference 1	Reference 2	
No data to display						

General Product and Activity Comments...

Annotations:

- Click to view additional guidance (points to Country List Section Information)
- In this example, the analyst hasn't added any additional subsectors – only the Primary ICB is shown. Additional subsectors would be listed below (points to ICB Sub-Sector table)
- Comments on the listed subsectors, countries or product can be made by clicking the flags. Please include a public URL (and page number) where the information is available. (points to Analyst Comments and Reference columns)
- Comments regarding subsectors or countries you regard as missing can be made using the General Comments boxes (points to General Sector, Country, and Product and Activity Comments boxes)

Figure 6.2

How to provide additional information

ESG Research (90 indicators)

Review Overview | Review Applicability Research

This page lists the 90 indicators that have been assessed for your company.

Please provide additional information only if what is currently recorded is not correct or if you have comments to make against any indicators that are currently blank.

Indicator Review Instructions

Refresh | Clear Grouping | Collapse All | Expand All | Export Data

Theme	Pillar	Type	Indicator	Comments
Theme: Anti-Corruption				
Theme: Corporate Governance				
Theme: Human Rights & Community				
Theme: Labour Standards				
Theme: Risk Management				
Theme: Supply Chain(Social)				
Theme: Tax Transparency				

90 of 90 indicators

Review Overview | Review Applicability Research

Annotations:

- All Themes can be expanded and collapsed to show/hide all related indicators (points to Collapse All and Expand All buttons)
- Download the list of indicator applied to the company (points to Export Data button)
- All Themes applicable to the company are listed. Clicking the arrows will show the indicators within each Theme (points to Theme dropdown menu)

Figure 6.3

How to provide feedback on ESG Theme Assessment

Note: *Industry-specific questions

A and B stand for the Indicator type
A: Qualitative, B: Quantitative.

For **Qualitative** indicators, the analyst's assessment for each sub indicator a) and b) is shown

- **Yes** - information disclosed
- **No** - information not disclosed

In the downloaded file, you can see **Yes / No** in the 'Response' column

Any relevant information the analyst has found from the public domain is quoted here.

You can add any comments you wish to using this button. Please include a public URL (and page number) where the information is available.

Clicking the Review buttons next to each indicator will open the grey box above

Figure 6.4

How to provide feedback on Qualitative indicators

A and B stand for the Indicator type
A: Qualitative, B: Quantitative.

The analyst's assessment is shown

- **Disclosed** - information disclosed
- **Not Disclosed** - information not disclosed

In the downloaded file, you can see **number** in the 'Response' column. If it is blank, you can see **'NULL'**.

Any relevant information the analyst has found from the public domain is quoted here.

You can add any comments you wish to using this button. Please include a public URL (and page number) where the information is available.

Clicking the Review buttons next to each indicator will open the grey box above

Figure 6.5

How to provide feedback on Quantitative indicators

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
	Compa	Theme	Code	Indicator Type	Indicator Code	Indicator Question	Indicator Question	Applicability Flag	Response	Source Text	Reference One	PageNumber One	Reference Two	Page Number Two	Comments From Company	Analyst Justificatio
1	Company	Biodiversi	EBD02	Quantitative				NAP								
2	Company	Biodiversi	EBD05	Qualitative				NAP								
3	Company	Climate	CI	Qualitative	ECC01	Climate ch	ECC01_1	a) Address t	YES	[Option A, Corporate S			22			
4	Company	Climate	CI	Qualitative	ECC01	Climate ch	ECC01_2	b) Reduce	YES							
5	Company	Climate	CI	Qualitative	ECC03			NAP								
6	Company	Climate	CI	Qualitative	ECC05	Initiatives	ECC05_1	a) Company	YES	[Option A, Corporate S			35			
7	Company	Climate	CI	Qualitative	ECC05	Initiatives	ECC05_2	b) Company	YES							
8	Company	Climate	CI	Qualitative	ECC08	Board ovei	ECC08_1	a) Evidence	YES	[Option A, Annual Rep	67		CDP 2018	5,10		
9	Company	Climate	CI	Qualitative	ECC08	Board ovei	ECC08_2	b) Named p	YES							
10	Company	Climate	CI	Qualitative	ECC12	Intensity c	ECC12_1	a) Measurec	YES	[Option A, Annual Rep	37					
11	Company	Climate	CI	Qualitative	ECC12	Intensity c	ECC12_2	b) Reduced	YES							
12	Company	Climate	CI	Quantitative	ECC49	Scope 3 en	ECC49_1	Current Year	YES	2018	[DATA]-Aii Corporate S		33			
13	Company	Climate	CI	Quantitative	ECC49	Scope 3 en	ECC49_2	Purchased g	YES							
14	Company	Climate	CI	Quantitative	ECC49	Scope 3 en	ECC49_3	Capital gooc	YES							
15	Company	Climate	CI	Quantitative	ECC49	Scope 3 en	ECC49_4	Fuel-and-er	YES	500.1 Tonnes CO2e						
16	Company	Climate	CI	Quantitative	ECC49	Scope 3 en	ECC49_5	Upstream tr	YES							
17	Company	Climate	CI	Quantitative	ECC49	Scope 3 en	ECC49_6	Waste gene	YES							
18	Company	Climate	CI	Quantitative	ECC49	Scope 3 en	ECC49_7	Business tra	YES							
19	Company	Climate	CI	Quantitative	ECC49	Scope 3 en	ECC49_8	Employee ct	YES							
20	Company	Climate	CI	Quantitative	ECC49	Scope 3 en	ECC49_9	Upstream le	YES							
21	Company	Climate	CI	Quantitative	ECC49	Scope 3 en	ECC49_9	Upstream le	YES							

Select **YES** to see all applicable indicators for your company

- **Qualitative indicator:** Response shows **Yes** (information disclosed) or **No** (information not disclosed)
- **Quantitative indicator:** Response shows **Number/data** (information disclosed) or **NULL** (information not disclosed)

Any relevant information the analyst has found from the public domain is quoted in 'Source Text'. Name of the document and the page number where the source text was quoted from shows in 'Reference' and 'PageNumber' columns.

Figure 6.6

Downloaded list of indicators applied to the company

7.

Uses of FTSE ESG assessment results

FTSE Russell ESG Scores announcement

SET and FTSE Russell will announce FTSE Russell ESG Scores ranging on SET websites. Main channels that data users can access the FTSE Russell Scores include:

- www.set.or.th
- www.setsustainability.com
- www.settrade.com
- www.setsmart.com
- <https://si.ftserussell.com>

How to use scores

- **Communication of FTSE ESG scores to the public**

Companies are free to publicise their FTSE ESG Scores at their discretion i.e. in annual reports and sustainability reports.

Use of FTSE ESG scores by investors

FTSE ESG scores can be used for integrating ESG into investments, some of which including portfolio management, benchmark construction, and company engagement.

- **Engagement and stewardship:** As part of their stewardship responsibilities, an increasing number of fund managers and pension funds are engaging investee companies regarding their ESG practices. ESG Scores provide an independent and objective measure to identify companies for engagement and to track progress.
- **Alignment with Global Standards:** With increasing ESG data and reporting standards, not all investors are equipped to analyse 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.

8.

Contacts

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

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



Appendix

FAQ

The uplifting of SET ESG Ratings to FTSE Russell ESG Scores

1. When will the FTSE Russell ESG Scoring be implemented, and will the SET ESG ratings still be available after the implementation of the FTSE Russell ESG Ratings?

- In 2024–2025, the Stock Exchange of Thailand (SET) will conduct a pilot assessment project with FTSE Russell, while continuing the SET ESG Ratings alongside it. This dual approach allows all parties time to adjust and prepare.
- During the pilot project, the SET will not publicly announce the FTSE Russell ESG Scores. However, assessed companies will receive their scores through FTSE Russell’s online portal.
- From 2026 onwards, the SET will publicly announce FTSE Russell ESG Scores and discontinue the SET ESG Ratings.

2. How does the uplifting of SET ESG ratings to FTSE Russell ESG Scores benefit Thai 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.

3. How does the uplifting of The SET ESG Ratings to FTSE Russell ESG Scores benefit investors?

- **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.

4. What support is SET providing?

- SET plans continuous communication and education for stakeholders, including training, seminars, and learning materials such as the “Guideline to FTSE Russell ESG Scores” (in Thai and English). Workshops for listed companies, fund managers, and analysts will ensure a thorough understanding of FTSE Russell’s assessment methodology and metrics.

Selection Criteria for Eligible Companies

5. What are the selection criteria for eligible companies?

- **Companies in the previous year’s SET ESG Ratings:** In 2024, FTSE Russell will cover the companies from the previous year’s SET ESG Ratings. In subsequent years, it will include companies previously listed in the SET ESG Ratings.
- **Companies in the SET100 Index:** All companies in the SET100 Index will be assessed, regardless of their presence in the SET ESG Ratings.
- **Voluntary Participation:** Companies not meeting the above criteria but interested in FTSE Russell’s assessment can apply for voluntary assessment starting in 2025.

6. How can companies not covered by FTSE Russell get assessed?

- **Join SET ESG Ratings:** Apply and qualify for the SET ESG Ratings in the following year (2025).
- **Voluntary Participation:** Apply for FTSE Russell ESG Ratings under the voluntary participation quota from 2025 onwards, with details to be announced by SET.

7. Can companies within FTSE Russell's assessment coverage opt out?

- Companies in the previous year's SET ESG Ratings or the SET100 Index must participate in the assessment and cannot opt out.

Process of FTSE Russell ESG Ratings

8. What is the FTSE Russell ESG Scores?

- FTSE Russell ESG Ratings 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.
- FTSE Russell ESG Scores: Ratings from 0.0 to 5.0, where 0.0 indicates no disclosures and 5.0 represents best practices.

9. How do the SET ESG Ratings differ from FTSE Russell ESG Ratings?

	SET ESG Ratings	FTSE Russell ESG Rating
Participation	Voluntary participation	<ul style="list-style-type: none"> Companies in the previous year's SET ESG Ratings and the SET100 Index Voluntary Participation (starting in 2025)
Assessment approach and data sources	Questionnaire using public and self-declared information	Public disclosures only
Assessment Focus	Policies, strategies, processes, and tracking, with a focus on processes	Policies, strategies, processes, and tracking, with a focus on performance tracking.
Number of Indicators	140–150+ <ul style="list-style-type: none"> General indicators: ~90% Specific-industry indicators: ~10% (8 industry groups by SET)	125–300+ indicators <ul style="list-style-type: none"> General indicators: ~56% Specific-industry indicators: ~44% (173 subsectors using Industry Classification Benchmark - ICB)
Company review	No window for reviewing ESG assessment result	4-week period for reviewing ESG assessment results and providing additional information
Scores format	BBB – AAA (Score announcement for companies that pass eligibility criteria and minimum scores)	0.0 (No disclosure) – 5.0 (Best practices) (Score announcement for all companies in the assessment coverage)

10. What data sources does FTSE Russell use?

- FTSE Russell uses publicly disclosed information such as annual reports, sustainability reports, and company websites, ensuring transparency and reliability.

11. Do assessment data need to be verified by an external auditor?

- Not all data must be verified, but many indicators, such as greenhouse gas emissions and energy use, require independent verification.

12. Is the FTSE Russell ESG Ratings Model aligned with Thailand’s local context?

- Yes, FTSE Russell considers material issues for each Subsector and Geography, aligning with important local issues such as anti-corruption and corporate governance.

An example of Geography consideration for a relevant Theme.

Geography: Countries

Geography assesses whether the company has operations in countries that are defined as being most relevant to the Theme and hence where the associated impacts are greatest, according to a rule base methodology which uses publicly available data.

Primary Impact Countries		
Afghanistan	Haiti	Peru
Albania	India	Philippines
Armenia	Guinea-Bissau	Paraguay
Bahrain	Indonesia	Qatar
Bangladesh	Iran (Islamic Republic of)	Romania
Benin	Kenya	Rwanda
Bolivia	Korea (Democratic People Republic of)	Saudi Arabia
Brazil	Kyrgyzstan	Sierra Leone
Brunei Darussalam	Lao People’s Democratic Republic	Somalia
Burkina Faso	Liberia	South Africa
Burundi	FYR Macedonia	South Sudan
Cambodia	Madagascar	Sri Lanka
Central African Republic	Malawi	Suriname
Chad	Malaysia	Tajikistan
China	Mali	Tanzania
Colombia	Marsall Islands	Thailand

*This table does not show full list of countries

13. Are there costs for companies assessed by FTSE Russell?

- No, there are no costs for listed companies to be assessed.

14. Will FTSE Russell ESG Scores result in lower scores for Thai companies?

- Different raters use different methodologies, making direct score comparisons difficult.
- Preliminary analysis shows that Thai companies already assessed by FTSE Russell have scores consistent with SET ESG Ratings. Companies that effectively manage and disclose ESG material issues should receive scores reflecting their performance.
- To help companies prepare, SET has established a two-year pilot period (2024–2025) and will provide continuous education and support, including detailed guidelines and workshops.

15. What actions will SET take if a company has negative ESG-related news (controversy)?

SET places importance on considering controversies. The current framework that SET ESG Ratings uses for considering controversial issues include:

ESG topics	Cover 17 ESG issues aligned with the topics in the SET ESG Ratings questionnaire
Sources of Information	<ul style="list-style-type: none"> • Publicly disclosed information and news • Information on lawsuits in the notes to the financial statements of the public company • News from the SEC (Securities and Exchange Commission) • Information provided by the public company for clarification
Criteria	<ul style="list-style-type: none"> • Significance • Severity • Progress (definitive ruling cases or not) • Actions taken by a company
Actions by SET	<ul style="list-style-type: none"> • Removing or not removing the company from SET ESG Ratings • updating the list of companies in the SET ESG Ratings on the SET websites.

For FTSE Russell ESG Ratings, SET is discussing appropriate communication and consideration of controversies with stakeholders.

Reviewing and Providing Additional Information to FTSE Russell Analyst

16. Can companies review their ESG assessment results and provide additional information to FTSE Russell?

- Yes, companies have about four weeks to review their ESG assessment results and provide additional information if necessary. SET will support this process with clear communication and user guides.

Announcing Assessment Results

17. How will FTSE Russell's assessment results be announced?

- From 2026, SET will announce scores for all assessed companies, ranging from 0.0 (no disclosures) to 5.0 (best practices).

18. What channels will be used to announce assessment results?

- 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.

Themes for sectors/subsectors

Themes	Airlines	Alternative Electricity	Alternative Fuels	Asset Managers	Auto Parts	Banks
Biodiversity		✓				
Climate Change	✓	✓	✓	✓	✓	✓
Pollution & Resources	✓	✓	✓		✓	
Supply Chain: Environmental					✓	
Water Security		✓	✓			
Customer Responsibility						
Health & Safety		✓	✓		✓	
Human Rights & Community	✓	✓	✓	✓	✓	✓
Labor Standards	✓	✓	✓	✓	✓	✓
Supply Chain: Social				✓	✓	✓
Anti-corruption	✓	✓	✓	✓	✓	✓
Corporate Governance	✓	✓	✓	✓	✓	✓
Risk Management	✓			✓		✓
Tax Transparency*						

✓ - applicability based on geography and/or multinationality

* applicable to Large cap companies from Developed Markets and Medium cap companies that is Multinational and specified Geography

Themes	Broadcasting & Entertainment	Broadline Retailers	Building Materials & Fixtures	Business Support Services	Clothing & Accessories	Coal
Biodiversity			✓			✓
Climate Change	✓	✓	✓	✓	✓	✓
Pollution & Resources			✓	✓	✓	✓
Supply Chain: Environmental		✓		✓	✓	
Water Security			✓	✓	✓	✓
Customer Responsibility		✓				
Health & Safety			✓	✓		✓
Human Rights & Community	✓	✓	✓	✓	✓	✓
Labor Standards	✓	✓	✓	✓	✓	✓
Supply Chain: Social		✓		✓	✓	
Anti-corruption	✓	✓	✓	✓	✓	✓
Corporate Governance	✓	✓	✓	✓	✓	✓
Risk Management						✓
Tax Transparency*						

✓ - applicability based on geography and/or multinationality

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Themes	Commodity Chemicals	Computer Hardware	Computer Services	Consumer Finance	Containers & Packaging
Biodiversity	✓				
Climate Change	✓	✓	✓	✓	✓
Pollution & Resources	✓				✓
Supply Chain: Environmental	✓	✓			✓
Water Security	✓	✓			✓
Customer Responsibility				✓	
Health & Safety	✓				✓
Human Rights & Community	✓	✓	✓	✓	✓
Labor Standards	✓	✓	✓	✓	✓
Supply Chain: Social	✓	✓			✓
Anti-corruption	✓	✓	✓	✓	✓
Corporate Governance	✓	✓	✓	✓	✓
Risk Management		✓		✓	
Tax Transparency*					

✓ - applicability based on geography and/or multinationality

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Themes	Conventional Electricity	Drug Retailers	Electrical Components & Equipment	Exploration & Production	Farming & Fishing
Biodiversity	✓			✓	✓
Climate Change	✓	✓	✓	✓	✓
Pollution & Resources	✓		✓	✓	✓
Supply Chain: Environmental		✓	✓		✓
Water Security	✓			✓	✓
Customer Responsibility					
Health & Safety	✓		✓	✓	✓
Human Rights & Community	✓	✓	✓	✓	✓
Labor Standards	✓	✓	✓	✓	✓
Supply Chain: Social		✓	✓		✓
Anti-corruption	✓	✓	✓	✓	✓
Corporate Governance	✓	✓	✓	✓	✓
Risk Management	✓			✓	✓
Tax Transparency*					

✓ - applicability based on geography and/or multinationality

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Themes	Food Products	Food Retailers & Wholesalers	Health Care Providers	Heavy Construction	Home Improvement Retailers
Biodiversity	✓			✓	
Climate Change	✓	✓	✓	✓	✓
Pollution & Resources	✓	✓		✓	
Supply Chain: Environmental	✓	✓			✓
Water Security	✓		✓	✓	
Customer Responsibility	✓	✓			
Health & Safety	✓			✓	
Human Rights & Community	✓	✓	✓	✓	✓
Labor Standards	✓	✓	✓	✓	✓
Supply Chain: Social	✓	✓			✓
Anti-corruption	✓	✓	✓	✓	✓
Corporate Governance	✓	✓	✓	✓	✓
Risk Management	✓			✓	
Tax Transparency*					

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Themes	Hotels	Industrial Suppliers	Insurance Brokers	Integrated Oil & Gas	Investment Services	Iron & Steel
Biodiversity				✓		✓
Climate Change	✓	✓	✓	✓	✓	✓
Pollution & Resources		✓		✓		✓
Supply Chain: Environmental	✓	✓				
Water Security	✓			✓		✓
Customer Responsibility	✓					
Health & Safety		✓		✓		✓
Human Rights & Community	✓	✓	✓	✓	✓	✓
Labor Standards	✓	✓	✓	✓	✓	✓
Supply Chain: Social	✓	✓			✓	
Anti-corruption	✓	✓	✓	✓	✓	✓
Corporate Governance	✓	✓	✓	✓	✓	✓
Risk Management			✓	✓	✓	✓
Tax Transparency*						

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Themes	Life Insurance	Marine Transportation	Media Agencies	Medical Supplies	Mobile Telecommunications
Biodiversity					
Climate Change	✓	✓	✓	✓	✓
Pollution & Resources		✓			
Supply Chain: Environmental					✓
Water Security				✓	
Customer Responsibility					
Health & Safety		✓			
Human Rights & Community	✓	✓	✓	✓	✓
Labor Standards	✓	✓	✓	✓	✓
Supply Chain: Social	✓				✓
Anti-corruption	✓	✓	✓	✓	✓
Corporate Governance	✓	✓	✓	✓	✓
Risk Management	✓				
Tax Transparency*					

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Themes	Nonferrous Metals	Personal Products	Property & Casualty Insurance	Real Estate Holding & Development	Recreational Services
Biodiversity	✓			✓	
Climate Change	✓	✓	✓	✓	✓
Pollution & Resources	✓			✓	✓
Supply Chain: Environmental		✓		✓	
Water Security	✓	✓		✓	
Customer Responsibility					
Health & Safety	✓			✓	
Human Rights & Community	✓	✓	✓	✓	✓
Labor Standards	✓	✓	✓	✓	✓
Supply Chain: Social		✓	✓	✓	
Anti-corruption	✓	✓	✓	✓	✓
Corporate Governance	✓	✓	✓	✓	✓
Risk Management	✓		✓	✓	
Tax Transparency*					

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Themes	Reinsurance	Restaurants & Bars	Semiconductors	Soft Drinks	Specialty Chemicals
Biodiversity					<u>✓</u>
Climate Change	✓	✓	✓	✓	✓
Pollution & Resources		✓		✓	✓
Supply Chain: Environmental		✓	✓	✓	✓
Water Security		✓	✓	✓	✓
Customer Responsibility		✓		✓	
Health & Safety				✓	✓
Human Rights & Community	<u>✓</u>	<u>✓</u>	<u>✓</u>	<u>✓</u>	<u>✓</u>
Labor Standards	✓	✓	✓	✓	✓
Supply Chain: Social	✓	✓	✓	✓	✓
Anti-corruption	<u>✓</u>	<u>✓</u>	<u>✓</u>	<u>✓</u>	<u>✓</u>
Corporate Governance	✓	✓	✓	✓	✓
Risk Management	✓			✓	
Tax Transparency*					

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Themes	Specialty Finance	Specialty Retailers	Telecommunications Equipment	Tires
Biodiversity				
Climate Change	✓	✓	✓	✓
Pollution & Resources				✓
Supply Chain: Environmental		✓	✓	✓
Water Security				✓
Customer Responsibility				
Health & Safety				✓
Human Rights & Community	✓	✓	✓	✓
Labor Standards	✓	✓	✓	✓
Supply Chain: Social		✓	✓	✓
Anti-corruption	✓	✓	✓	✓
Corporate Governance	✓	✓	✓	✓
Risk Management	✓			✓
Tax Transparency*				

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Themes	Transportation Services	Travel & Tourism	Water
Biodiversity			✓
Climate Change	✓	✓	✓
Pollution & Resources	✓	✓	✓
Supply Chain: Environmental			
Water Security			✓
Customer Responsibility			
Health & Safety	✓		✓
Human Rights & Community	✓	✓	✓
Labor Standards	✓	✓	✓
Supply Chain: Social			
Anti-corruption	✓	✓	✓
Corporate Governance	✓	✓	✓
Risk Management			
Tax Transparency*			

✓ - applicability based on geography and/or multinationality

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