



CIMB THAI
ธนาคาร ซีไอเอ็มบี ไทย

SUSTAINABILITY BOND FRAMEWORK

June 2023



CIMB Thai Bank Public Company Limited, previously known as Bank Thai Public Company Limited, was established in 1998 with the Financial Institutions Development Fund (FIDF) as the major shareholder. On 5 November 2008, CIMB Bank Berhad became the largest shareholder in Bank Thai and on 1 May 2009, the Bank completed the registration of its new name "CIMB Thai Bank Public Company Limited" in English. This name change reflects the official transition of Bank Thai from being a single company to a member of CIMB Group, which is a leading universal banking group and corporate citizen in ASEAN.

CIMB Thai Bank Public Company Limited ("the Bank") is licensed by the Ministry of Finance and relevant authorities to engage in commercial banking, which constitutes the primary business of the Bank. The Bank focuses on offering quality and efficient products and services that can add value to the customers, particularly fee-based products and services, such as cash management, financial advisory and treasury, besides deposits and loans.

The Bank's customer base covers individual customers and business customers ranging from small and medium enterprises to large enterprises at home and across ASEAN via universal banking network of CIMB Group.

The Bank's main business areas can be summarised as below:

1. Commercial banking business: We provide a full suite of commercial banking products and services, such as deposits, loans, debit card, discounting, aval/acceptance of bills of exchange, letters of guarantee, foreign exchange trading, letters of credit, etc.
2. Insurance business: Life and non-life insurance brokerage as licensed by the Office of Insurance Commission.
3. Securities business and other related businesses as licensed by the Office of the Securities and Exchange of Commission (SEC) and/or the Ministry of Finance as follows:
 - 3.1 Financial advisory
 - 3.2 Registrar and paying agent services
 - 3.3 Debt securities dealing and underwriting
 - 3.4 Bondholders' representative
 - 3.5 Securities brokerage and dealing and underwriting of investment units
 - 3.6 Custodian service
 - 3.7 Derivatives dealing
 - 3.8 Business consultancy
 - 3.9 Asset management

In all cases, the businesses in which we have equity participation must directly or indirectly contribute to our Sustainable business growth.

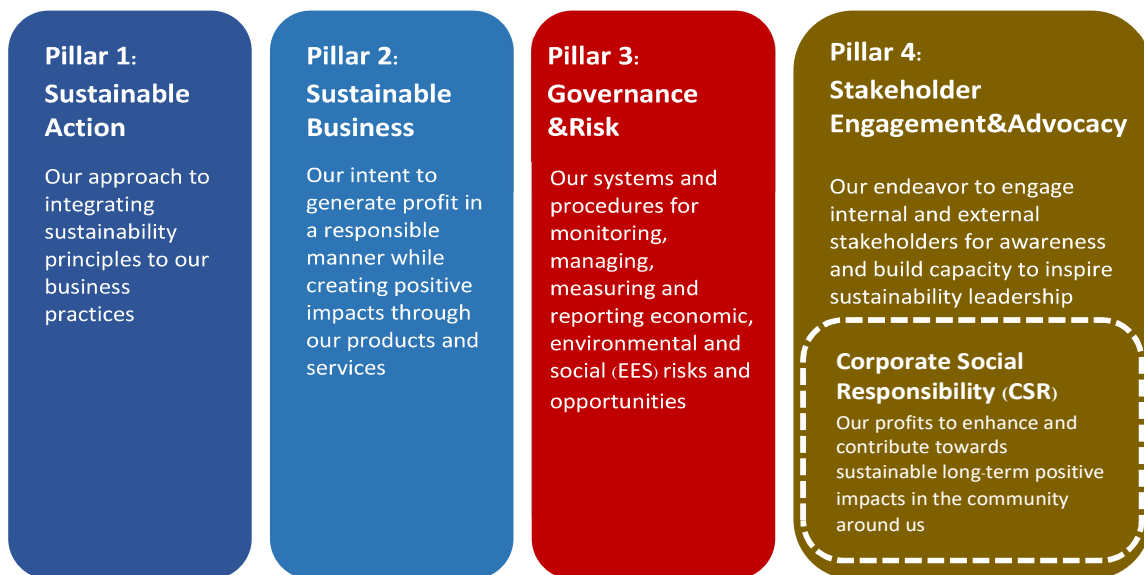
CIMB THAI'S APPROACH TO SUSTAINABILITY

The Bank places Sustainability as a key strategic pillar and value driver, this is reflected in our Forward23+ strategic plan which aligns our aspirations towards becoming a visible shaper of Sustainability practices in the ASEAN community for strategic differentiation and future-proofing of the Bank as part of the CIMB Group.

CIMB Thai has developed internal governance structures, policies, and frameworks to manage environmental and social risks as part of CIMB Group, in our dealings with customers, partners, and other stakeholders. In order to put our sustainability commitments into practice, we have implemented various programs to propel ourselves towards a more sustainable banking model. These programs include embarking on carbon footprint reduction projects within our operations, empowering employees to contribute towards Sustainability within the organization, managing longer-term climate risks in our business portfolio, assessing Human Rights risks across the Bank, and engaging and encouraging our customers and peers towards Sustainable practices.

Underpinning Forward23+ is our six-year Sustainability Roadmap, which takes a programmatic approach to achieve our sustainability aspirations. The Sustainability Roadmap consists of four pillars (see below), with each pillar seeking to deliver net positive impact through:

- **Minimising our footprint**, or negative impacts arising from the course of conducting our business, by introducing environmental and social standards as well as sustainability risk management practices; and
- **Maximising our handprint**, or positive impacts by offering environmentally/socially beneficial products and services to individuals and businesses, and by creating positive impacts within our own operations.



CIMB THAI'S COMMITMENT

At CIMB Thai, we strongly believe in our purpose of building a high-performing sustainable organization that advances our customers and society through our best-in-class financial solutions, ASEAN network, and technology. We are part of the CIMB Group, which is the founding signatory to the United Nations Environment Programme Finance Initiative Principles for Responsible Banking (PRB).

In addition to our commitment to the PRB, the CIMB Group has also joined the Collective Commitment to Climate Action (CCCA) and the Net-Zero Banking Alliance (NZBA). These initiatives strive to achieve net-zero greenhouse gas emissions by 2050, aligning with the goals of the Paris Climate Agreement. We have set a target to reach net-zero emissions in our operations (scope 1 and 2) by 2030, including scope 3 emissions related to our financed activities.

Moreover, CIMB Thai adheres to global standards and frameworks such as the Global Reporting Initiative (GRI) Standards, the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD), and the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard.

In addition, the Bank is a signatory of Sustainable Banking Guidelines Responsible Lending by The Thai Bankers' Association (TBA) in August 2019, and the TBA's ESG Declaration launched in August 2022.

CIMB THAI'S SUSTAINABILITY BOND FRAMEWORK

This Sustainability Bond Framework was set up to provide guidance on various components of the Sustainability Bond, including among others the use of proceeds and process for project evaluation and selection. CIMB Thai strives to ensure our instruments and frameworks continue to reflect the latest sustainability commitments of the Group, and market standards as well as requirement of the investors and regulatory expectations. In this regard, we have established CIMB Thai's Sustainability Bond Framework for financing sustainable projects that have environmental and social objectives, and for providing transparency and disclosure to the sustainability bond market.

This CIMB Thai's Sustainability Bond Framework is prepared in accordance with the following principles/guidelines covering Green bonds, Social bonds, and Sustainability bonds:

Principle/Guideline	Issuer
Green Bond Principles ("GBP")	The International Capital Markets Association ("ICMA")
Social Bond Principles ("SBP")	
Sustainability Bond Guidelines ("SBG")	
ASEAN Green Bond Standards ("ASEAN GBS")	The ASEAN Capital Markets Forum ("ACMF")
ASEAN Social Bond Standards ("ASEAN SBS")	
ASEAN Sustainability Bond Standards ("ASEAN SUS")	

1. Sustainability Bond Definition

Sustainability Bonds are any type of bond instrument where the proceeds or an equivalent amount will be exclusively applied to finance or re-finance a combination of both Green and Social Projects. Sustainability Bonds are aligned with the four core components of both the Green Bond Principles (GBP)

and Social Bond Principles (SBP) with the former being especially relevant to underlying Green Projects and the latter to underlying Social Projects.

2. Green Bond Definition

Green Bonds are any type of bond instrument where the proceeds or an equivalent amount will be exclusively applied to finance or re-finance, in part or in full, new and/or existing eligible Green Projects (see Use of Proceeds section below) and which are aligned with the four core components of the GBP.

Types of Green Bonds

There are currently four types of Green Bonds:

Type of Green Bond	Description
Standard Green Use of Proceeds Bond	An unsecured debt obligation with full recourse-to-the-issuer only and aligned with the GBP.
Green Revenue Bond	A non-recourse-to-the-issuer debt obligation aligned with the GBP in which the credit exposure in the bond is to the pledged cash flows of the revenue streams, fees, taxes etc., and whose use of proceeds go to related or unrelated Green Project(s).
Green Project Bond	A project bond for a single or multiple Green Project(s) for which the investor has direct exposure to the risk of the project(s) with or without potential recourse to the issuer, and that is aligned with the GBP.
Secured Green Bond	<p>A secured bond where the net proceeds will be exclusively applied to finance or refinance either:</p> <ul style="list-style-type: none"> i. The Green Project(s) securing the specific bond only (a “Secured Green Collateral Bond”); or ii. The Green Project(s) of the issuer, originator or sponsor, where such Green Projects may or may not be securing the specific bond in whole or in part (a “Secured Green Standard Bond”). <p>A Secured Green Standard Bond may be a specific class or tranche of a larger transaction. This Secured Green Bond category may include, but is not limited to, covered bonds, securitisations, asset-backed commercial paper, secured notes and other secured structures, where generally, the cash flows of assets are available as a source of repayment or assets serve as security for the bonds in priority to other claims.</p> <p>For each Secured Green Bond, the issuer, originator or sponsor should clearly specify in its marketing materials, offering documentation or by other means which method defined in (i) or (ii) above is being applied, i.e. whether it is a Secured Green Collateral Bond or a Secured Green Standard Bond. There should be no double counting of Green Projects under a Secured Green Bond with any other type of outstanding green financing and the issuer, originator or sponsor (as applicable) must ensure full alignment with all Core Components of the GBP.</p>

3. Social Bond Definition

Social Bonds are any type of bond instrument where the proceeds, or an equivalent amount, will be exclusively applied to finance or refinance in part or in full new and/or existing eligible Social Projects (see Use of Proceeds section) and which are aligned with the four core components of the SBP.

Types of Social Bonds

There are currently four types of Social Bonds:

Type of Social Bond	Description
Standard Social Use of Proceeds Bond	An unsecured debt obligation with full recourse-to-the-issuer only and aligned with the SBP.
Social Revenue Bond	A non-recourse-to-the-issuer debt obligation aligned with the SBP in which the credit exposure in the bond is to the pledged cash flows of the revenue streams, fees, taxes etc., and whose use of proceeds go to related or unrelated Social Project(s).
Social Project Bond	A project bond for a single or multiple Social Project(s) for which the investor has direct exposure to the risk of the project(s) with or without potential recourse to the issuer, and that is aligned with the SBP.
Secured Social Bond	<p>Secured Social Bond: a secured bond where the net proceeds will be exclusively applied to finance or refinance either:</p> <ul style="list-style-type: none">i. The Social Project(s) securing the specific bond only (a “Secured Social Collateral Bond”); orii. The Social Project(s) of the issuer, originator or sponsor, where such Social Projects may or may not be securing the specific bond in whole or in part (a “Secured Social Standard Bond”). <p>A Secured Social Standard Bond may be a specific class or tranche of a larger transaction. This Secured Social Bond category may include, but is not limited to, covered bonds, securitisations, asset-backed commercial paper, secured notes and other secured structures, where generally, the cash flows of assets are available as a source of repayment or assets serve as security for the bonds in priority to other claims.</p> <p>For each Secured Social Bond, the issuer, originator or sponsor should clearly specify in its marketing materials, offering documentation or by other means which method defined in (i) or (ii) above is being applied, i.e. whether it is a Secured Social Collateral Bond or a Secured Social Standard Bond. There should be no double counting of Social Projects under a Secured Social Bond with any other type of outstanding social financing and the issuer, originator or sponsor (as applicable) must ensure full alignment with all Core Components of the SBP.</p>



CORE COMPONENTS OF SUSTAINABILITY BOND FRAMEWORK

The four core components of the Sustainability Bond Framework are aligned with the GBP, SBP, and SBG

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

1. USE OF PROCEEDS

The proceeds of each Sustainability Bond (“**Proceeds**”) or an equivalent amount will be exclusively used to finance and/or re-finance, in whole or in part, new or existing assets, investments, projects and/or products (collectively termed “**assets**”) that comply with the Guiding Principles of the Sustainability Bond Framework (collectively, “**Eligible Assets**”). These include the Bank’s own operating or capital expenditures, subject to operating expenditures having been disbursed within 36 months prior to the relevant Sustainability Bond’s issue date. For the avoidance of doubt, the Proceeds could be used to subscribe to any bonds/financial instruments issued by the Bank where the proceeds of such bonds/financial instruments are used to finance and/or refinance Eligible Assets. The Proceeds could also be used to finance companies that derive 90 percent or more of their revenue from the Eligible Assets. In these instances, the Proceeds can be used by the companies for general purposes (including capital and operating expenses), so long as this financing does not fund expansion into activities falling outside the Eligible Assets.

Whilst the Eligible Assets are considered to be in congruence with the aspirations of the Sustainability Bond Framework, CIMB Thai is cognisant of the inherent environmental and social risks associated with some businesses, projects and/or products. In this regard, specific sustainability risk policies such as the Sustainability Policy (“**SP**”) and Sustainable Financing Policy (“**SFP**”) will be applied, where relevant, to ensure significant environmental and social risks are duly identified, managed, prevented or mitigated. CIMB Thai will exercise professional judgment, discretion and sustainability knowledge in determining eligibility of assets and ensuring the ones selected for the use of Proceeds of a Sustainability Bond do not result in any undesirable and unacceptable impact on stakeholders or the environment.

Principles and Eligible Assets

Bond Principles	Project Category	Eligible Assets
Green Bond Principles	1. Renewable and clean energy	<ul style="list-style-type: none"> Financing or refinancing of production of renewable energy e.g. <ul style="list-style-type: none"> Solar energy On-shore and offshore wind energy Geothermal power Marine energy Hydropower Bioenergy generation & Production (Biofuels required to conduct a life cycle assessment (LCA) of GHG emissions from their bioenergy, to meet Taxonomy thresholds) <ul style="list-style-type: none"> Facilities producing liquid biofuel, solid and gaseous biomass for heating and co-generation Facilities producing biofuel for transport Heating/cooling, and co-generation facilities using biofuel/biomass Natural Gas: Conversion of existing natural gas power plants to use green hydrogen leading to reduction of emission intensity of the plant Production of heating and cooling using waste-heat Financing or refinancing of transmission and storage of renewable energy e.g. <ul style="list-style-type: none"> Storage of electricity and thermal energy Transmission and distribution infrastructure of electricity generated from renewable energy
	2. Clean transportation	<ul style="list-style-type: none"> Financing or refinancing of clean transportation projects such as electric, public, rail, non-motorised, multi-modal transportation, and infrastructure for clean energy vehicles e.g. <ul style="list-style-type: none"> Transportation that have zero direct (tailpipe) CO2 emissions <ul style="list-style-type: none"> Land transport Transport via freight/railways (vehicles are not dedicated to fossil fuel transport) Inland water transport Sea and coastal water transport that meets the carbon intensity threshold of Taxonomy Retrofitting of sea and coastal freight and passenger water transport <ul style="list-style-type: none"> Repair of Machinery

		<ul style="list-style-type: none"> • Infrastructure for low-emission transport e.g. <ul style="list-style-type: none"> • Electricity charging infrastructure • Hydrogen refueling infrastructure
	3. Green buildings	<ul style="list-style-type: none"> • Financing or refinancing of new and existing buildings <ul style="list-style-type: none"> • New buildings with green/environmental certifications such as Leadership in Energy and Environmental Design (LEED) or market equivalent • Existing buildings with green/environmental certifications such as LEED Existing Buildings: Operations & Maintenance (EBOM) or market equivalent
	4. Sustainable water and wastewater management	<ul style="list-style-type: none"> • Financing or refinancing of sustainable water and wastewater projects e.g. <ul style="list-style-type: none"> • Maintenance and upgrade of water supply and distribution infrastructure (e.g. drinking water treatment plants) or network with the intention to decrease leakages or improve water quality • Manufacturing, distribution and/or purchase of technologies and products that reduce, reuse or recycle water as a means of conservation, e.g. manufacturers of smart metering devices, low-flow equipment or rainwater harvesting systems to help others improve water efficiency • Installation of rainwater harvesting system in residential and commercial use areas/buildings, etc. • Services and projects that attempt to resolve water scarcity and water quality issues, including minimising and monitoring current water use and demand increases, improving the quality of water supply and improving the availability and reliability of water • Distribution of drinking water with measurable improvements to water quality, water efficiency or climate change resilience, e.g. water utilities operating under appropriate regulatory frameworks • Water treatment by natural filtration systems, forest and fire management • Seawater desalination plants and brackish water desalination plants • Acquisition, construction, research, development, operation, maintenance and/or upgrade of wastewater treatment infrastructure with the objective of reducing pollutant discharge load or improving plant efficiency

		<ul style="list-style-type: none"> • Shift from anaerobic to aerobic wastewater treatment or separate solids from wastewater management systems
Social Bond Principles	5. Healthcare	<ul style="list-style-type: none"> • Financing or refinancing of healthcare projects e.g. <ul style="list-style-type: none"> • Access to quality, safety and efficacious medicines and vaccines • Construction, upgrade and/ or operation of public or quasi-governmental hospitals/ clinics/medical centres that offer free/subsidised healthcare services primarily to low-income populations or underserved communities in rural areas (e.g. clinic on Wheels, dialysis centres, mental health centres, nursing homes & elderly care) • Provision and/ or distribution of public/ free/ subsidised healthcare schemes, equipment, emergency medical responses, pandemic-related support or disease control services
	6. Affordable housing	<ul style="list-style-type: none"> • Financing, re-financing of any projects that contribute to the construction, rehabilitation, and/or the preservation of quality affordable housing for low and moderate income populations.
	7. Education	<ul style="list-style-type: none"> • Financing or refinancing of education projects e.g. <ul style="list-style-type: none"> • Providing individuals with access to tertiary education or vocational and technical skills training. • Providing financial support, refinancing, or other services to facilitate job creation and job training programs, including funding for the establishment of businesses, grants for skill development initiatives, and support for apprenticeship programs. • Offering financing or refinancing options for education loans or financing with reasonable interest/profit rates, as well as income-contingent repayment options, specifically designed for low-income populations, women, youth, and professionals in need of financial assistance for their educational pursuits.
	8. Socioeconomic advancement and empowerment	<ul style="list-style-type: none"> • Financing or refinancing projects aimed at reducing inequality in the areas of diversity, inclusion, and gender, and protecting the rights of beneficiaries. This includes activities that empower marginalized groups and promote equal opportunities. • Projects focused on job security, ensuring basic needs are met, and creating equal

		employment opportunities. <ul style="list-style-type: none"> • Projects that improve nutrition and childhood development, enhancing the well-being and future prospects of children.
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The eligible assets under the Sustainability Bond Framework must align with the local taxonomy as prescribed by the regulator when applicable. This alignment ensures that investments made through the framework are clearly identifiable and adhere to specific sustainability standards and guidelines set by the regulatory authority. By aligning with the local taxonomy, the framework provides a clear and standardized framework for assessing the sustainability credentials of the assets, thereby enabling investors and stakeholders to make well-informed decisions. This commitment to transparency and integrity reinforces confidence in the sustainability bond market and promotes the long-term success of sustainable investment initiatives.

The eligible assets of this Sustainability Bond Framework aligns primarily with the Thailand Taxonomy. The Thailand Taxonomy uses a traffic light system to cascade criteria and screening thresholds of activities, covering activities that are considered “green” or friendly to GHG emission reduction and aligned with the 1.5 degree goal of the Paris Agreement; are “amber” or transitioning towards green within a credible time frame; and are “red” or not aligned with the GHG emissions reduction objective.

Green activities are substantially contributing to the goal of climate change mitigation by operating at or close to the net-zero goal by 2050. In most cases green thresholds are either EU Taxonomy or Climate Bonds Taxonomy-aligned because both taxonomies are based on extensive multiyear research by International technical expert groups, and therefore serve as reference taxonomies for international Taxonomies. Two types of activities are included into this category:

- Near zero activities: activities already at or near net-zero emissions that may require some further decarbonisation but not a significant transition (e.g. solar or wind power generation or operation of electric fleet-based transportation services).
- Pathway to zero activities: activities that are needed beyond 2050 and have a clear 1.5-degree decarbonisation pathway to 2050 (e.g. shipping).

2. PROCESS FOR EVALUATION AND SELECTION OF ELIGIBLE ASSETS

CIMB Thai Management Committee (“MC”) holds the ultimate responsibility and accountability for the Sustainability Bond Framework, including approval of proposed assets and specific definitions of Eligible Assets under the Sustainability Bond Framework.

The MC is currently chaired by the Chief Executive Officer of CIMB Thai and its membership consists of senior executives from various business and functional units within the Bank. The step-by-step process for evaluation and selection of Eligible Assets is as follows:

- Business units to conduct Due Diligence process in accordance with Sustainable Financing Policy including screening of activities against the Exclusion list; thereafter select and propose new or existing facilities to CIMB Thai’s Sustainability team to evaluate the proposed Eligible Assets against the Sustainability Bond Framework (as part of their credit evaluation process and/or new product approval process);
- CIMB Thai’s Sustainability team to ensure sustainability due diligence has been conducted on

relevant assets in accordance with the Sustainability Policy (SP) and Sustainable Finance Policy (SFP), and then evaluate the proposed Eligible Assets against the Sustainability Bond Framework. Where necessary, the Sustainability team will consult with and obtain guidance from internal stakeholders or subject matter experts on their recommendations regarding the proposed assets;

- (c) CIMB Thai's Sustainability team will submit its recommendation to the Management Committee (MC) for the ratification of inclusion or exclusion as use of Proceeds of the proposed assets. The recommendation will be made taking the following factors into account:
 - Adherence of the proposed assets against the Sustainability Bond Framework and/or other relevant taxonomies, standards, and benchmarks;
 - Compliance of the proposed assets with the SP and/or SFP, where relevant;
 - The intended beneficiaries of the proposed assets, where applicable;
- (d) The MC will review and provide approval for proposed assets that comply with the Sustainability Bond Framework.
- (e) If an activity has been approved as an eligible asset but has exceeded the time-bound green threshold specified by the Thailand Taxonomy, the Sustainability team is responsible for submitting a recommendation to the MC regarding the exclusion of the Use of Proceeds associated with those assets. The MC will then review the recommendation and grant approval for the removal of such assets that no longer meet the green threshold requirements set by the Thailand Taxonomy.

Environmental and Social Risks Mitigation

CIMB Thai Sustainability Financing Policy (“SFP”) integrates environmental and social considerations into CIMB Thai's financing decisions.

Exclusion List

CIMB Thai maintains an Exclusion List of activities, prohibiting the financing of activities that are in contravention of laws and regulations and where there is an imminent risk to life and well-being. CIMB Thai has also made a No Deforestation, No Peat, No Exploitation (“NDPE”) commitment, and commitment to not involve in the activities involving exploitation of human rights, modern slavery (e.g., forced labor or human trafficking). Assets that are involved in or associated with the activities listed below will not be considered as Eligible Assets under the Sustainability Bond Framework:

- Illegal activities such as bribery, terrorism etc;
- Arms and munitions;
- Casino and gaming;
- Tobacco;
- Alcohol;
- Bribery;
- Breaches of national labour laws and human trafficking laws;
- Illegal logging or uncontrolled fire;
- Activities that impact World Heritage Sites;

- Direct expenditures relating to extraction, refining, transportation, distribution or combustion of fossil fuels (e.g. development of coal-fired power plants, construction of wastewater treatment plant for fossil fuel operations, storage of fossil fuels), and energy efficiency improvements in fossil fuel-based technologies; and
- Other activities such as child labour, production and distribution of pornography, predatory lending activities, alcohol and drugs, etc.

Sustainability Due Diligence Process

All financing transactions for businesses (excluding SMEs) are subjected to a Basic Sustainability Due Diligence (“**BSDD**”). The purpose of this first step is to ensure that we are aware of any major adverse environmental and social risks related to clients. Enhanced Sustainability Due Diligence (“**ESDD**”) will be conducted under several scenarios, i.e.:

- where the BSDD process reveals significant environmental and/ or social risks including controversy related to the projects or clients;
- clients are engaged in High Sustainability Risk Sectors as defined by CIMB Group; or
- clients have not fulfilled the minimum requirements set out in our Sector Guides. Sector Guides have been developed for Palm Oil, Forestry, Oil & Gas, Construction & Real Estate (including Infrastructure), and Coal.

Key Environmental and Social (“E&S”) Risks

The SFP requires evaluation of a client’s material sustainability risks from two perspectives:

- E&S risks that the client and its operations are exposed to, due to considerations such as the nature of its activities, geographical location, supply chain and raw material production impacts; and
- E&S risks arising from the financed activity such as specific project-related risks and related landscape impacts. This includes an assessment of the client’s sustainability commitments, policies, performance, track record, and reputation.

Environmental risks herein refer to climate change, deforestation, energy use, biodiversity loss, water scarcity, marine environment, waste and pollution. Social risks include institutional integrity, health and safety, human rights and labour issues, negative impacts on communities.

3. MANAGEMENT OF PROCEEDS

The Proceeds from the Sustainability bond will be allocated to a portfolio of Eligible Assets (“**Portfolio**”), selected as per the evaluation and approval process set out above. The Bank shall strive to achieve a level of allocation for the Portfolio that matches or exceeds the balance of net Proceeds from its outstanding Sustainability Bonds. Where necessary, additional Eligible Assets will be added to the Portfolio to ensure sufficient and timely allocation of the incremental net Proceeds within 24 months. The Bank will monitor the allocation of the Proceeds and the Portfolio through its internal information systems.

During the life of the issued Sustainability Bond, if any of the Eligible Assets cease to comply with the Sustainability Bond Framework, the Bank will identify other assets that comply with the Sustainability

Bond Framework and allocate the Proceeds to those assets as soon as is practicable. Where the aggregate amount in the Portfolio is less than the total outstanding amount of Sustainability Bonds issued, the Bank may hold the balance unallocated amount in cash, cash equivalents and/or invest in other liquid marketable instruments in the Bank's liquidity portfolio until the amount can be channeled towards the Portfolio.

4. REPORTING

In light of growing investor demand for transparency on the use of Proceeds and decision-useful information relating to their investments, CIMB Thai will issue a progress report on an annual basis until full allocation of the Proceeds. The progress report will consist of:

Allocation Reporting:

The allocation report section of the progress report will include, among others:

- (a) Aggregate amounts of funds allocated to each of the guiding principles of the Sustainability Bond Framework together with a summary on the types of assets financed (e.g. current book value of outstanding loans/ financing, geographical mix);
- (b) Share of financing against re-financing for Eligible Assets;
- (c) Removal or substitution of Eligible Assets;
- (d) The remaining balance of unallocated Proceeds at the end of reporting period; and
- (e) Confirmation that the use of Proceeds of the Sustainability Bonds conforms to the Sustainability Bond Framework.

Impact Reporting:

The impact report section of the progress report will include:

- (a) Specific examples of the assets financed by the Sustainability Bonds ; and
- (b) The quantitative value of the economic, environmental and social impacts arising from the assets financed, which may be measured using the indicative impact indicators provided in table below:

Project Category	Eligible Assets	Quantitative Impact
1. Renewable and clean energy	<ul style="list-style-type: none"> Financing or refinancing of production of renewable energy e.g. <ul style="list-style-type: none"> Solar energy On-shore and offshore wind energy Geothermal power Marine energy Hydropower Bioenergy generation & Production (Biofuels required to conduct a life cycle assessment (LCA) of GHG emissions from their bioenergy, to meet Taxonomy thresholds) <ul style="list-style-type: none"> Facilities producing liquid biofuel, solid and gaseous biomass for heating and co-generation 	<ul style="list-style-type: none"> Installed capacity added (MW) Expected annual generation (MWh) Estimated annual GHG emissions avoided (tCO₂e)

	<ul style="list-style-type: none"> • Facilities producing biofuel for transport • Heating/cooling, and co-generation facilities using biofuel/biomass • Natural Gas: Conversion of existing natural gas power plants to use green hydrogen leading to reduction of emission intensity of the plant • Production of heating and cooling using waste-heat • Financing or refinancing of transmission and storage of renewable energy e.g. <ul style="list-style-type: none"> • Storage of electricity and thermal energy <p>Transmission and distribution infrastructure of electricity generated from renewable energy</p>	
2. Clean transportation	<ul style="list-style-type: none"> • Financing or refinancing of clean transportation projects such as electric, public, rail, non-motorised, multi-modal transportation, and infrastructure for clean energy vehicles e.g. <ul style="list-style-type: none"> • Transportation that have zero direct (tailpipe) CO2 emissions <ul style="list-style-type: none"> • Land transport • Transport via freight/railways (vehicles are not dedicated to fossil fuel transport) • Inland water transport • Sea and coastal water transport that meets the carbon intensity threshold of Taxonomy • Retrofitting of sea and coastal freight and passenger water transport <ul style="list-style-type: none"> • Repair of Machinery • Infrastructure for low-emission transport e.g. <ul style="list-style-type: none"> • Electricity charging infrastructure • Hydrogen refueling infrastructure 	<ul style="list-style-type: none"> • GHG emissions per kilometre (CO2e) • Estimated annual GHG emissions reduced or avoided (tCO2e) • Reduction of air pollutants: particulate matter (PM), sulphur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO), and non-methane volatile organic compounds (NMVOCs)
3. Green buildings	<ul style="list-style-type: none"> • Financing or refinancing of new and existing buildings <ul style="list-style-type: none"> • New buildings with green/environmental certifications such as Leadership in Energy and Environmental Design (LEED) or market equivalent • Existing buildings with green/environmental certifications such as LEED Existing Buildings: 	<ul style="list-style-type: none"> • Amount of energy saved (MW) • Estimated annual GHG emissions reduced or avoided (tCO2e)

	Operations & Maintenance (EBOM) or market equivalent.	
4. Sustainable water and wastewater management	<ul style="list-style-type: none"> • Financing or refinancing of sustainable water and wastewater projects e.g. <ul style="list-style-type: none"> • Maintenance and upgrade of water supply and distribution infrastructure (e.g. drinking water treatment plants) or network with the intention to decrease leakages or improve water quality • Manufacturing, distribution and/or purchase of technologies and products that reduce, reuse or recycle water as a means of conservation, e.g. manufacturers of smart metering devices, low-flow equipment or rainwater harvesting systems to help others improve water efficiency • Installation of rainwater harvesting system in residential and commercial use areas/buildings, etc. • Services and projects that attempt to resolve water scarcity and water quality issues, including minimising and monitoring current water use and demand increases, improving the quality of water supply and improving the availability and reliability of water • Distribution of drinking water with measurable improvements to water quality, water efficiency or climate change resilience, e.g. water utilities operating under appropriate regulatory frameworks • Water treatment by natural filtration systems, forest and fire management • Seawater desalination plants and brackish water desalination plants • Acquisition, construction, research, development, operation, maintenance and/or upgrade of wastewater treatment infrastructure with the objective of reducing pollutant discharge load or improving plant efficiency • Shift from anaerobic to aerobic wastewater treatment or separate solids from wastewater management systems 	<ul style="list-style-type: none"> • Annual absolute (gross) water savings (in m3 or in %) • Annual absolute (gross) amount of wastewater treated, reused or avoided (in m3 or in %) • Annual absolute (gross) amount of wastewater treated, reused or avoided before and after the project in m3 /a and p.e./a and as % • Treatment, disposal and/or reuse of sewage sludge • Improved sanitation facilities that have been constructed under the project
5. Healthcare	<ul style="list-style-type: none"> • Financing or refinancing of healthcare projects e.g. <ul style="list-style-type: none"> • Access to quality, safety and 	<ul style="list-style-type: none"> • Number of health facilities financed • Number of new or

	<p>efficacious medicines and vaccines</p> <ul style="list-style-type: none"> • Construction, upgrade and/or operation of public or quasi-governmental hospitals/ clinics/medical centres that offer free/subsidised healthcare services primarily to low-income populations or underserved communities in rural areas (e.g. clinic on Wheels, dialysis centres, mental health centres, nursing homes & elderly care) • Provision and/ or distribution of public/ free/ subsidised healthcare schemes, equipment, emergency medical responses, pandemic-related support or disease control services 	<p>existing health care facilities that have experienced increases in capacity as a result of financing i.e. additional hospital beds</p> <ul style="list-style-type: none"> • Number of people with access to health care
6. Affordable housing	<ul style="list-style-type: none"> • Financing, re-financing of any projects that contribute to the construction, rehabilitation, and/or the preservation of quality affordable housing for low and moderate income populations. 	<ul style="list-style-type: none"> • Number of people with access to safe, affordable and sustainable housing • Number of affordable and sustainable housing units built • Number of mortgages provided
7. Education	<ul style="list-style-type: none"> • Financing or refinancing of education projects e.g. <ul style="list-style-type: none"> • Providing individuals with access to tertiary education or vocational and technical skills training. • Providing financial support, refinancing, or other services to facilitate job creation and job training programs, including funding for the establishment of businesses, grants for skill development initiatives, and support for apprenticeship programs. • Offering financing or refinancing options for education loans or financing with reasonable interest/profit rates, as well as income-contingent repayment options, specifically designed for low-income populations, women, youth, and professionals in need of financial assistance for their educational pursuits. 	<ul style="list-style-type: none"> • Number of education facilities financed • Number of people with access to education facilities or courses

8. Socioeconomic advancement and empowerment	<ul style="list-style-type: none"> • Financing or refinancing projects aimed at reducing inequality in the areas of diversity, inclusion, and gender, and protecting the rights of beneficiaries. This includes activities that empower marginalized groups and promote equal opportunities. • Projects focused on job security, ensuring basic needs are met, and creating equal employment opportunities. • Projects that improve nutrition and childhood development, enhancing the well-being and future prospects of children. 	<ul style="list-style-type: none"> • Number of financed activities • Number of individuals positively affected by the financed activities • Number of households with access to childcare facilities
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EXTERNAL REVIEW

A Second Party Opinion involves assessing the alignment of the issuer's green, social, sustainability, or sustainability-linked bond issuance/framework/program with the relevant Principles. This assessment covers all core components of the relevant Principles, including the issuer's overarching objectives, strategy, policy, and processes related to environmental and social sustainability, if applicable.

External reviewers evaluating green, social, and sustainability bonds should also assess the following:

- The environmental and/or social features of the projects intended for the Use of Proceeds.
- The environmental and/or social benefits and impact aimed for by the eligible green and/or social projects financed through the bond.
- The potentially significant environmental and/or social risks associated with the projects, where relevant.

CIMB Thai has obtained a second-party opinion from DNV to validate the alignment of their Sustainability Bond Framework with the ICMA's GBP, SBP, SBG, as well as the ACMF's ASEAN GBS, ASEAN SBS, and ASEAN SUS.

If required by investors and regulations, the Bank will conduct post-issuance verification using an external auditor or another third party. This verification ensures proper internal tracking and allocation of funds from the Sustainability Bond proceeds to eligible Green or Social Projects, and the post-issuance verification report will be publicly published on www.cimbthai.com.