

(UNOFFICIAL TRANSLATION)

Readers should be aware that only the original Thai text has legal force, and that this English translation is strictly for reference.

**Guidelines on Issuance and Offer for Sale of
Green Bond, Social Bond and Sustainability Bond**

The SEC promotes the issuance and offer for sale of Green Bond, Social Bond and Sustainability Bond. Essentially, these products have similar characteristics to other existing debt securities, except for their core objective of financing projects that contribute to environmental conservation and/or social development. These products therefore are *not* considered a new type of debt securities and issuers must comply with the existing regulations on debt securities in conjunction with additional international standards.

The SEC has amended the disclosure rules to facilitate issuance of Green Bond, Social Bond or Sustainability Bond and provided the issuers with clearer understanding of the guidelines on the issuance and disclosure requirements, as follows:

1. Selection of referential standards: To ensure that Green Bond, Social Bond and Sustainability Bond are truly designed with the core objective of investing in projects for environmental conservation and social development, the issuer must comply with an internationally recognized standard. For example:

- (a) Green Bond : ASEAN Green Bond Standards (ASEAN GBS) or International Capital Market Association Green Bond Principles (ICMA GBP);
- (b) Social Bond : ASEAN Social Bond Standards (ASEAN SBS) or International Capital Market Association Social Bond Principles (ICMA SBP);
- (c) Sustainability Bond : ASEAN Sustainability Bond Standards (ASEAN SUS) or International Capital Market Association Sustainability Bond Guidelines (ICMA SBG).

In case of the offer for sale of debt securities which the filing of the registration statement and the draft prospectus is exempted, the issuer must prepare and submit the certification of compliance indicating the applicable standard for its debt securities issuance.

2. Additional disclosure in the Registration Statement: The minimum disclosure must comply with the ICMA's standard. More details are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/>. In this respect, the four core components of disclosure requirements are:

2.1 *Use of proceeds:* the issuer must assess the designated project and demonstrate clearly how it will contribute to environmental benefits or social development;

2.2 *Process for Project Evaluation and Selection:* the issuer must disclose the

process for evaluating and selecting the project as well as the eligibility criteria for investors' information,;

2.3 *Management of Proceeds*: the issuer must demonstrate the tracking of the managed proceeds for the designated project and credit the proceeds into a sub-account, in clear separation from the issuer's other accounts;

2.4 *Reporting*: the issuer must disclose post-offering reports on a continued basis, at least once a year, throughout the tenure of the bond. For example, report on the use of proceeds, report on the designated project's progress, the allocated amount and the outstanding balance. Such reports must be available for public access via disclosure channels such as the issuer's website.

In addition to the disclosure above, the issuer may provide other additional information in accordance with other referential standards.

Regarding the issuance and offer for sale to institutional investors, high net worth investors or retail investors, the issuer must disclose the required information in the registration statement and draft prospectus in accordance with the *Notification Re: Submission of the Registration Statement for an Offer for Sale of Debt Securities*. Additionally, progress reports of the designated project should be made available via the disclosure channels in 2.4.

3. External Review Provider: The SEC encourages the issuer to appoint an external review provider to provide opinions on each step of the offering and issuance process of Green Bond, Social Bond and Sustainability Bond, starting from the project selection to post-offering reports, on a voluntary basis which is in line with international guidelines. Such external review provider must have relevant expertise and experience in the area to be reviewed. *The issuer must disclose the external reviewer's credentials and scope of review publicly on the issuer's website or any designated channel* throughout the tenure of the debt securities to build investor confidence.

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