

Second-Party Opinion

Toyota Leasing (Thailand) Company Limited Green Financing Framework



Evaluation Summary

Sustainalytics is of the opinion that the Toyota Leasing (Thailand) Company Limited ("TLT") Green Financing Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2018, and the Green Loan Principles 2021. This assessment is based on the following:



USE OF PROCEEDS The eligible category for the use of proceeds, Clean Transportation, is aligned with those recognized by the Green Bond Principles 2018 and the Green Loan Principles 2021. Sustainalytics considers that the eligible category is expected to contribute to the decarbonization road transportation in Thailand and advance the UN Sustainable Development Goals, specifically SDG 11.



PROJECT EVALUATION / SELECTION TLT's internal process in evaluating and selecting projects is overseen by the Treasury Division, which will meet on an annual basis to ensure selected vehicle models are in line with the eligibility criteria, manage future updates to the Framework and facilitate reporting. Sustainalytics considers the project selection process in line with market practice.



MANAGEMENT OF PROCEEDS TLT's Treasury Division will be responsible for overseeing the processes for management of proceeds. Net proceeds will be deposited in TLT's general account and tracked in TLT's internal system. Pending allocation, proceeds will be held in liquid marketable or money market instruments. TLT intends to reach full allocation within 2 years of issuance. This is in line with market practice.



REPORTING TLT intends to report on the allocation of proceeds and on its website, as part of a separate Green Finance Allocation Report on an annual basis, until full allocation. Allocation reporting will include the amount of allocated proceeds, the amount of unallocated proceeds, and the share of financing vs refinancing. In addition, TLT will publish a one-time impact report a year following the bond settlement providing relevant impact metrics, such as the number of electric vehicles financed and/or refinanced and percentage reduction in CO₂ emissions. Sustainalytics views TLT's allocation and impact reporting as aligned with market practice.

Evaluation date	April 14 th , 2021
Issuer Location	Bangkok, Thailand

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Introduction

Toyota Leasing (Thailand) Company Limited (“TLT”, or the “Company”) is an indirect majority-owned subsidiary of Toyota Motor Corporation (“TMC”, or the “Group”). TLT operates as a lending institution offering insurance, vehicle tax, and transfer of services to Toyota, Lexus, and Hino dealers and customers in Thailand.

TLT has developed the Toyota Leasing (Thailand) Company Limited Green Financing Framework (the “Framework”) under which it intends to issue green bonds and loans, asset-backed securities and other debt-like financing instruments, and use the proceeds to finance and/or refinance, in whole or in part, existing and/or future loans and capital leases for eligible car models that are expected to contribute to the decarbonization of road transportation in Thailand. The Framework defines eligibility criteria in one green area:

1. Clean Transportation

TLT engaged Sustainalytics to review the Toyota Leasing (Thailand) Company Limited Green Financing Framework, dated March 2021, and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2018 (GBP)¹ and the Green Loan Principles 2021 (GLP).² This Framework has been published in a separate document.³

Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent⁴ opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Green Bond Principles 2018, as administered by ICMA, and the Green Loan Principles 2021, as administered by LMA, APLMA and LSTA.⁵
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.7.1, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of TLT’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. TLT representatives have confirmed (1) they understand it is the sole responsibility of TLT to ensure that the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and TLT.

¹ The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

² The Green Loan Principles are administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications & Trading Association and are available at <https://www.lsta.org/content/green-loan-principles/>.

³ The Toyota Leasing (Thailand) Company Limited Green Financing Framework is available on Toyota Leasing (Thailand)’s website at: <https://www.tlt.co.th/index.php>

⁴ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

⁵ In addition to the Loan Markets Association, the GLP are also administered by the Asia Pacific Loan Market Association and the Loan Syndications & Trading Association

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond and loan proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realised allocation of the bond and loan proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that TLT has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Toyota Leasing (Thailand) Company Limited Green Financing Framework

Sustainalytics is of the opinion that the Toyota Leasing (Thailand) Company Limited Green Financing Framework is credible and impactful, and aligns with the four core components of the GBP and GLP. Sustainalytics highlights the following elements of TLT's Green Bond Framework:

- Use of Proceeds:
 - The eligible category, Clean Transportation, is aligned with those recognized by the GBP and GLP. Sustainalytics notes that the projects financed under the Framework are expected to contribute to the decarbonization of road transportation in Thailand.
 - TLT has defined a two-year lookback period for its refinancing activities.
 - The Framework defines eligible vehicles as passenger vehicles that meet all four of the following criteria:
 1. Gasoline-electric hybrids or alternative fuel powertrain vehicles;
 2. Emission threshold of 100g CO₂/p-km;
 3. Maximum highway and city L/100 km of no more than (5.88 L/100 k); or minimum highway and city miles per gallon (MPG or MPG equivalent) of 40; and
 4. Thai Industrial Standard 2540-2554;
 - Sustainalytics believes that the portfolio of hybrid vehicles to be financed can contribute to the decarbonization of the transportation sector in Thailand. However, Sustainalytics considers an emission threshold of 100g CO₂/p-km to be not aligned with the Global Fuel Economy Initiative⁶ ("GFEI") 2030 targets (which is consistent with a 2-degree scenario), and views this to be a limitation of the Framework.
 - For avoidance of doubt, TLT excludes vehicles with the following powertrains from the Framework: Conventional Internal Combustion Engines (ICEs), Liquefied Petroleum Gas (LPG), Compressed Natural Gas (CNG), Ethanol, and Biofuels.
- Project Evaluation and Selection:
 - TLT's process for the evaluation and selection of eligible vehicle will be overseen by the Treasury Division, which will meet on an annual basis to ensure vehicle selection is in line with the eligibility criteria, facilitate reporting and manage any future updates to the Framework.
 - Based on the delegation of responsibility to a specific department, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - The net proceeds of the green financing instruments will be deposited in TLT's general account and managed by the Company's Treasury Division. TLT will track the net proceeds using its

⁶ The Global Fuel Economy Initiative (GFEI) promotes fuel efficiency in cars and light duty vans, through the adoption of the cost effective fuel efficiency technologies.

- internal information system. Pending allocation, net proceeds will be held in liquid marketable or money market instruments. TLT intends to reach full allocation within 2 years of issuance.
- Based on these elements, Sustainalytics considers this process to be in line with market practice.
 - Reporting:
 - TLT intends to report on the allocation of proceeds on its website, on an annual basis, until full allocation. TLT will prepare a Green Financing Allocation Report that will include the amount of allocated proceeds and unallocated proceeds, and the share of financing vs refinancing.
 - On impact reporting, TLT intends to prepare a one-time impact report, one year following the settlement of the bond. This report, which will be publicly available on TLT's website, will include the number of electrified vehicles financed, and the percentage reduction in CO₂ emissions from electrified vehicles.
 - Based on commitments to both allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2018 and Green Loan Principles 2021

Sustainalytics has determined that the Toyota Leasing (Thailand) Company Limited Green Financing Framework aligns to the four core components of the GBP and GLP. For detailed information please refer to Appendix 1: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Strategy of TLT

Contribution of framework to Toyota Leasing (Thailand)'s sustainability strategy

As a majority-owned subsidiary of Toyota Motor Corporation, TLT follows the sustainability strategy developed by the Group. Therefore, Sustainalytics focused on the Group's sustainability strategy in the following section.

In 2015, Toyota introduced the "Toyota Environmental Challenge 2050", which defines six long-term goals to reduce the environmental impact of Toyota globally and support the achievement of the UN Sustainable Development Goals ("SDGs").⁷ Examples of these goals to be achieved for Toyota by 2050 are to (i) reduce global average CO₂ emissions from new vehicles by 90% from Toyota's 2010 global level; (ii) achieve zero CO₂ emissions at all facilities worldwide by 2050; (iii) eliminate all CO₂ emissions throughout the entire vehicle life cycle⁸; (iv) minimize water usage and implement water discharge management; and (v) promote global deployment of end-of-life vehicle treatment, recycling technologies, and systems.

To achieve the Toyota Environmental Challenge 2050, Toyota set short- to medium-term goals including the 2025 Target and the 2030 Milestone. In its 2020 Environmental Report, Toyota reports on the progress towards its goals, as followed: (i) Toyota has reduced the global average CO₂ emissions from new vehicles by 22%, reduced the global emissions of its plants by 8.9% compared to 2013 levels, achieved an 11.5% renewable energy introduction rate at its facilities for renewable power generation, and conducted life-cycle CO₂ assessment for multiple vehicle models, (ii) decreased water usage per vehicle produced by 35% compared to 2002 levels. To promote the recycling of vehicles, Toyota advanced its Global Car-to-Car-Recycle Project by the establishment of a 3R scheme which focuses on promoting the rebuilt, reuse, and recycle of onboard batteries in the US, China, Europe, and Asia. Moreover, Toyota has established a system in Thailand for HEV battery collection and recycling.

Sustainalytics is of the opinion that the Toyota Leasing (Thailand) Company Limited Green Financing Framework is aligned with Toyota's global sustainability strategy and initiative, and the Framework will further the Group's action on its key environmental priorities.

Well-positioned to address common environmental and social risks associated with the projects

While Sustainalytics recognizes that the net proceeds from the bonds, loans, asset backed securities and other debt-like financing instruments issued under the Framework will be directed towards eligible projects that are expected to have positive environmental impact, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. For the deployment of hybrid or alternative powertrain vehicles, the most relevant risks include the environmental and social impacts of electric vehicle

⁷ Toyota 2020 Environmental Report, at: https://global.toyota/pages/global_toyota/sustainability/report/er/er20_en.pdf

⁸ Toyota 2020 Environmental Report, "Life Cycle Zero CO₂ Emissions Throughout the Entire Vehicle Life Cycle", (2020) at: https://global.toyota/pages/global_toyota/sustainability/report/er/er20_en.pdf#page=23

supply chains, including batteries, and road safety risks. Additionally, consumer lending involves financial risks for the offering entity as well as risks to the borrower. Sustainalytics is of the opinion that TLT is able to manage and/or mitigate potential risks through implementation of the following:

- In FY2016, the Group introduced the CDP Supply Chain Program, which covers 84% of Toyota's suppliers, to strengthen and support its environmental initiatives conducted with its suppliers and assess environmental risks and opportunities across its supply chain.⁹
- Toyota Daihatsu Engineering & Manufacturing has developed the Green Purchasing Guideline¹⁰ as part of which Toyota requires all of its business partners and suppliers to undertake green, environmentally friendly initiatives such as the establishment of an environmental management system, the reduction of GHG emissions, reduction of water use, the promotion of resource recycling, and the management of chemical substances.
- For the establishment of environmental management system, all business partners, domestic and overseas production affiliates are required to acquire ISO 14001 (Environmental Management) certification. Moreover, to ensure that environmental management is considered throughout the product life cycle of delivered products, the Green Purchasing Guidelines require business partners to submit environmental data (energy consumption during parts or raw material production, GHG emission, waste volumes) for Toyota's Eco-Vehicle Assessment System. Furthermore, the guidelines require business partners to reduce GHG emissions throughout the product life-cycle, materials, operation base, logistics, use stage, disposal and recycling.
- Moreover, TLT has shared its lending policies and due diligence procedures with Sustainalytics, which Sustainalytics assessed on a confidential basis. The policies aim at preventing TLT from risks related to money laundering, counter-terrorism, and proliferation of weapons of mass destruction financing. For example, they specify that TLT must conduct know your customer ("KYC") on an occasional client, preventing TLT from being used by criminal elements for money laundering. Such policies ensure that risks pertaining to customer lending for the offering entity are well-managed by the Issuer.

Sustainalytics recognizes that some risks related to the use of cars such as road safety, and vehicle end of life management, which TLT supports through its leasing business, cannot be mitigated by TLT, and are instead dependent on customers and other third parties. Overall, Sustainalytics is of the opinion that TLT is well positioned to address common environmental and social risks associated with its green transaction.

Section 3: Impact of Use of Proceeds

The use of proceeds category is aligned with those recognized by the GBP and GLP. Sustainalytics has focused on the importance of greening Thailand's vehicle fleet below where the impact is specifically relevant in the local context.

Reducing the contribution of road transportation to air pollution and GHG emissions

The transportation sector contributes significantly to climate change and air pollution, generating negative impacts on human health and the environment.¹¹ In 2017, Thailand's transportation sector accounted for approximately 23% of CO₂ emissions, and one-third of the country's final energy consumption, making it a crucial sector for reducing Thailand's emissions and achieving its climate goals.^{12,13,14} As part of its nationally determined contribution under the Paris Agreement, Thailand targets to reduce GHG emissions by 20.8% by 2030 from the projected business-as-usual levels.¹⁴ In addition, Thailand's Energy Efficiency Plan (2015-30) targets a 30% energy demand reduction by 2036 by focusing mainly on the transport and industrial sectors.¹⁴

As Thailand's transportation sector relies 85% upon on-road transportation, transitioning to low-carbon private vehicles has an important role in the decarbonization of Thailand's transportation sector.¹⁵ In light of this,

⁹ Toyota 2020 Sustainability Data Book, at: https://global.toyota/pages/global_toyota/sustainability/report/sdb/sdb20_en.pdf

¹⁰ Toyota Green Purchasing Guideline, at: https://global.toyota/pages/global_toyota/sustainability/esg/toyota_green_purchasing_guidelines_en.pdf

¹¹ UN Environment Programme, "Sustainable Transport and Air Pollution"

¹² Ministry of Transport, "Transport Statistics 2018", (2020), at: <https://stat.mot.go.th/wp-content/uploads/2020/12/Transport-Statistics-2018-Complete.pdf>

¹³ Worldometer, "Thailand CO2 emissions", at: <https://www.worldometers.info/co2-emissions/thailand-co2-emissions/>

¹⁴ IEA, "Putting a price on carbon – an efficient way for Thailand to meet its bold emission target", (2020), at: <https://www.iea.org/articles/putting-a-price-on-carbon-an-efficient-way-for-thailand-to-meet-its-bold-emission-target>

¹⁵ Asia Center for Transportation Studies, "Transportation Infrastructure Development in Thailand", at:

<https://www.uncrd.or.jp/content/documents/5602Presentation%20%20-%20Module%20%20-%20Mr.%20Surachet%20Pravinovongvuth.pdf>

Thailand aims to increase electric vehicle production to 30% by 2030.¹⁶ While the number of registered hybrid electric vehicles (HEVs), and plug-in hybrid vehicles (PHEVs), and battery electric vehicles (BEVs) was only 84 thousand in 2018,¹⁷ Thailand aims to have 1.2 million electric vehicles nationwide by 2036. HEVs provide a low-carbon alternative to internal combustion engine vehicles due to their higher fuel efficiency, lower GHG emissions, and air quality improvements.¹⁸ As such, Sustainalytics considers the financing of HEVs impactful and notes that it could contribute to decarbonizing road transportation in Thailand.

Sustainalytics is of the opinion that the loans and leases funded under the Framework are impactful and could contribute to decarbonizing the transportation sector in Thailand while assisting the country in meeting its emission reduction targets.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 by the United Nations General Assembly and form an agenda for achieving sustainable development by the year 2030. The bonds and loans issued under the Toyota Leasing (Thailand) Company Limited Green Financing Framework advances the following SDG and target:

Use of Proceeds Category	SDG	SDG target
Clean Transportation	11. Sustainable Cities and Communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.

Conclusion

TLT has developed the Toyota Leasing (Thailand) Company Limited Green Financing Framework under which it may issue green bonds and loans, asset backed securities and other debt-like financing instruments, and the use of proceeds to finance and/or refinance low-carbon vehicles. Sustainalytics considers that the projects funded by the green bond proceeds are expected to contribute to the decarbonization of road transportation in Thailand.

The Toyota Leasing (Thailand) Company Limited Green Financing Framework outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that the Toyota Leasing (Thailand) Company Limited Green Financing Framework is aligned with the overall sustainability strategy of the company and that the green use of proceeds category will contribute to the advancement of the UN Sustainable Development Goals 11. Additionally, Sustainalytics is of the opinion that TLT has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the use of proceeds.

Based on the above, Sustainalytics is confident that Toyota Leasing (Thailand) Limited is well-positioned to issue green bonds and that the Toyota Leasing (Thailand) Company Limited Green Financing Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2018 and Green Loan Principles 2021.

¹⁶ Bloomberg, "Thailand targets 30% electric-car production to tackle pollution", at: <https://www.bloomberg.com/news/articles/2021-02-09/thailand-targets-30-electric-car-production-to-tackle-pollution>

¹⁷ KPMG, "Electric vehicle trends", at: <https://home.kpmg/th/en/home/insights/2018/02/th-electric-vehicles-industry-focus.html>

¹⁸ Singh, V., K., et al., (2019), "A comprehensive review on hybrid electric vehicles: architectures and components", Journal of Modern Transportation, at: <https://link.springer.com/article/10.1007/s40534-019-0184-3>

Appendix

Appendix 1: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	Toyota Leasing (Thailand) Company Limited
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	Toyota Leasing (Thailand) Company Limited Green Financing Framework
Review provider's name:	Sustainalytics
Completion date of this form:	April 14 th , 2021
Publication date of review publication:	

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBP:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (*if applicable*)

Please refer to Evaluation Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section *(if applicable)*:

The eligible category for the use of proceeds Clean Transportation with those recognized by the Green Bond Principles 2018 and the Green Loan Principles 2021. Sustainalytics considers that the eligible category is expected to contribute to the decarbonization road transportation in Thailand and advance the UN Sustainable Development Goals, specifically SDG 11.

Use of proceeds categories as per GBP:

- | | |
|---|--|
| <input type="checkbox"/> Renewable energy | <input type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input checked="" type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP | <input type="checkbox"/> Other <i>(please specify)</i> : |

If applicable please specify the environmental taxonomy, if other than GBP:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

TLT's internal process in evaluating and selecting projects is overseen by the Treasury Division, which will meet on an annual basis to ensure selected vehicle models are in line with the eligibility criteria, manage future updates to the Framework and facilitate reporting. Sustainalytics considers the project selection process in line with market practice

Evaluation and selection

- | | |
|--|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |

- Summary criteria for project evaluation and selection publicly available Other (*please specify*):

Information on Responsibilities and Accountability

- Evaluation / Selection criteria subject to external advice or verification In-house assessment
- Other (*please specify*):

3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

TLT's Treasury Division will be responsible for overseeing the processes for management of proceeds. Net proceeds will be deposited in TLT's general account and tracked in TLT's internal system. Pending allocation, proceeds will be held in liquid marketable or money market instruments. TLT intends to reach full allocation within 2 years of issuance. This is in line with market practice.

Tracking of proceeds:

- Green Bond proceeds segregated or tracked by the issuer in an appropriate manner
- Disclosure of intended types of temporary investment instruments for unallocated proceeds
- Other (*please specify*):

Additional disclosure:

- Allocations to future investments only Allocations to both existing and future investments
- Allocation to individual disbursements Allocation to a portfolio of disbursements
- Disclosure of portfolio balance of unallocated proceeds Other (*please specify*):

4. REPORTING

Overall comment on section (*if applicable*):

TLT intends to report on the allocation of proceeds and on its website, as part of a separate Green Finance Allocation Report on an annual basis, until full allocation. Allocation reporting will include the amount of allocated proceeds, the amount of unallocated proceeds, and the share of financing vs refinancing. In addition, TLT will publish a one-time impact report a year following the bond settlement providing relevant impact metrics, such as number of electric vehicles financed and/or refinanced and percentage reduction in CO₂ emissions. Sustainalytics views TLT's allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:

- Project-by-project
 On a project portfolio basis
- Linkage to individual bond(s)
 Other (*please specify*):

Information reported:

- Allocated amounts
 Green Bond financed share of total investment
- Other (*please specify*):

Frequency:

- Annual
 Semi-annual
- Other (*please specify*):

Impact reporting:

- Project-by-project
 On a project portfolio basis
- Linkage to individual bond(s)
 Other (*please specify*):

Information reported (expected or ex-post):

- GHG Emissions / Savings
 Energy Savings
- Decrease in water use
 Other ESG indicators (*please specify*): number of electric vehicles financed

Frequency

- Annual
 Semi-annual
- Other (*please specify*): one-time

Means of Disclosure

- Information published in financial report
 Information published in sustainability report
- Information published in ad hoc documents
 Other (*please specify*):
- Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

<https://www.tlt.co.th/index.php>

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE**Type(s) of Review provided:**

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification / Audit | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Review provider(s):**Date of publication:****ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP**

- i. **Second-Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second-Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second-Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- ii. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- iii. **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. **Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

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These are based on information made available by the issuer and therefore are not warranted as to their merchantability, completeness, accuracy, up-to-dateness or fitness for a particular purpose. The information and data are provided "as is" and reflect Sustainalytics' opinion at the date of their elaboration and publication. Sustainalytics accepts no liability for damage arising from the use of the information, data or opinions contained herein, in any manner whatsoever, except where explicitly required by law. Any reference to third party names or Third Party Data is for appropriate acknowledgement of their ownership and does not constitute a sponsorship or endorsement by such owner. A list of our third-party data providers and their respective terms of use is available on our website. For more information, visit <http://www.sustainalytics.com/legal-disclaimers>.

The issuer is fully responsible for certifying and ensuring the compliance with its commitments, for their implementation and monitoring.

In case of discrepancies between the English language and translated versions, the English language version shall prevail.

About Sustainalytics, a Morningstar Company

Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. The firm works with hundreds of the world’s leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. The world’s foremost issuers, from multinational corporations to financial institutions to governments, also rely on Sustainalytics for credible second-party opinions on green, social and sustainable bond frameworks. In 2020, Climate Bonds Initiative named Sustainalytics the “Largest Approved Verifier for Certified Climate Bonds” for the third consecutive year. The firm was also recognized by Environmental Finance as the “Largest External Reviewer” in 2020 for the second consecutive year. For more information, visit www.sustainalytics.com.



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