Sustainable Finance Framework

Bangkok Commercial Asset Management Public Company Limited

(“BAM”)

September 2026

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SECTION 1 INTRODUCTION TO BAM

1.1 Background and Rationale

Bangkok Commercial Asset Management Public Company Limited ("BAM") resolves banks' non-performing loans (NPLs) and assets (NPAs) by improving their quality and returning them to the economic system.

Thailand continues to face structural challenges related to NPLs, particularly among households and SMEs, which can constrain financial stability and inclusive growth if left unaddressed. Guided by its vision, BAM recognizes that resolving NPLs is not only a financial imperative but a responsibility—one that must be undertaken with strong environmental, social, and governance considerations.

By integrating sustainability into its capital deployment, BAM goes beyond conventional asset management *to support fair debt restructuring, financial inclusion, and responsible asset rehabilitation, while strengthening resilience across the financial system.*

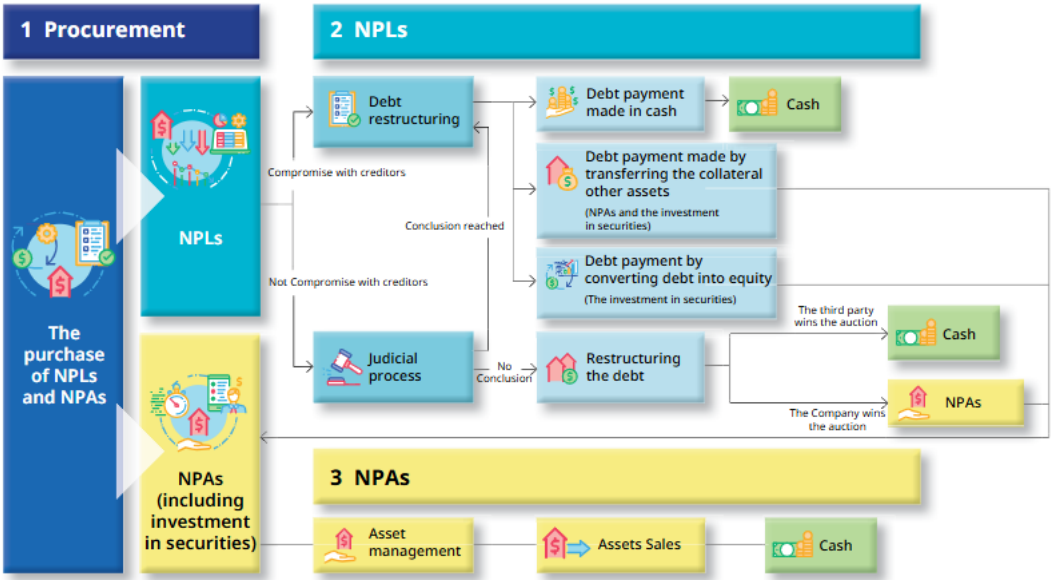
BAM's Sustainable Finance Framework provides a clear and transparent approach to mobilizing capital in support of this mission—delivering positive social and economic impact and advancing Thailand's sustainable development.

1.2 Company Overview

BAM engages in Non-Performing Loans (NPLs) and Non-Performing Assets (NPAs) management business under the statutory framework established by the Royal Decree on Asset Management B.E. 2541 (1998) with direct regulatory oversight from the Bank of Thailand (BOT).

BAM's operations are structured into two primary business segments: the management of NPLs and NPAs.

BAM's NPLs and NPAs operational procedures



Non-Performing Loans (NPLs) management

BAM acquires NPLs by purchasing NPLs from financial institutions and financial business operators. The management focuses on addressing liquidity challenges faced by debtors through debt restructuring, aiming to reach a resolution without resorting to court proceedings. Where necessary, legal procedures may be employed to enforce the liquidation of collateral through auction. BAM adopts a range of strategies for debt resolution that allow individual debtors to retain their collateral, such as homes or livelihood properties, while enabling small and medium-sized enterprises (SMEs) and large corporate debtors to continue operations and reintegrate into the broader economic system. This is achieved through flexible debt restructuring measures, grounded in voluntary agreements and collaborative approaches, to facilitate mutually beneficial outcomes for all parties involved. Additionally, BAM has introduced various measures and programs to alleviate debtor hardship, including assistance for retail and SME debtors affected by the COVID-19 pandemic and the Thailand-Cambodia border situation, which impacted debtors' repayment capacity.

Non-Performing Assets (NPAs) management

BAM obtains the NPAs by methods such as negotiation with the debtors to transfer the guarantee or repayment property, foreclosure for debt settlement, and purchase of NPAs from other financial institutions directly. NPAs are mostly empty lands (including real estate for agricultural purposes), hotels, commercial buildings, and residence (detached house, townhouse and condominium), moveable properties and other securities.

Upon the transfer of NPA ownership, BAM promptly compiles the necessary details and establishes a comprehensive control registry for each asset. This is followed by a thorough inspection of the assets to assess their condition. To promote the sale of these assets, BAM employs a range of strategies to raise public awareness, including the installation of announcement signs at asset locations, the establishment of sales booths, and the use of both online and offline media channels for advertising.

BAM has developed comprehensive guidelines for managing NPAs, tailored to the specific asset types. For NPAs that are not immediately marketable, BAM considers leasing certain properties to generate income, thereby mitigating opportunity costs and holding expenses.

This strategy not only contributes to cost efficiency but also helps prevent asset deterioration and safeguards the properties from potential encroachment.

Additionally, for assets with market potential but in poor condition, such as abandoned or incomplete properties, BAM undertakes improvements to enhance their value and foster a positive perception of its assets. This process includes conducting feasibility studies, analyzing the local market and competitive landscape, exploring sales opportunities, and evaluating potential returns. BAM also emphasizes cost control and strict adherence to timelines to ensure that the development process aligns with strategic objectives and is completed in an efficient manner.

BAM has pursued an asset-light and sustainable growth strategy by establishing joint venture asset management companies (JV AMCs), enabling the Company to expand its asset portfolio through strategic partnerships and optimize capital deployment. Under 50:50 shareholding proportion two JV AMCs were established in 2024: ARI Asset Management Co., Ltd., jointly established with Government Savings Bank on 30 May 2024, and ARUN Asset Management Co., Ltd., jointly established with Kasikorn Vision Co., Ltd., a member in the financial business group of Kasikornbank Plc. on 25 October 2024.

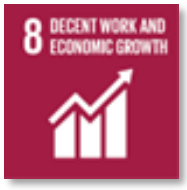
According to data reported by the Bank of Thailand (BOT), total assets within Thailand's asset management company system amount to THB 301,163 million, while BAM's total assets stand at THB 136,027 million, representing 45 percent of the total.

As of June 2026, BAM successfully assisted over 166,000 debtors settle debts with the total principal balance of more than 527,000 million baht and sold 58,200 properties.

1.3 Sustainability Strategy

BAM has established a sustainability-driven business strategy framework that aligns with its overall business strategy. This framework is founded on good corporate governance and responsibility toward society and the environment (ESG), addressing the organization's material sustainability issues and integrating them into the operational plans of relevant departments with commitment to the United Nations Sustainable Development Goals (SDGs). To fulfill these commitments, BAM has established a corporate sustainability policy outlined below to serve as strategic guidelines for operations, ensuring continuous review and improvement of management strategies for sustainable and inclusive growth.

End poverty in All Its Forms Everywhere 	BAM improves financial inclusion and economic resilience by helping debtors regain financial stability through the following key activities: • Debt Resolution Center • Public Asset • Home & Hope initiative
End Hunger, Achieve Food Security and Improved Nutrition and Promote Sustainable Agriculture 	The programme strengthens nutrition while building sustainable agriculture knowledge among students through hands-on activities designed for integration into school curricula. Key activities are: • Tonkit Cheewit Yangyuen (Sustainable Living Learning School) project for primary schools nationwide on an annual basis.
Ensure Healthy Lives and Promote Well-Being for All 	BAM supports public healthcare through donations of medical equipment and funding for hospitals. Key activities are: • Funding for the procurement of medical equipment for Phramongkutklao Hospital • Fundraising initiative to renovate the operating rooms at Siriraj Hospital. • Donation of medical equipment to support 10 state hospitals nationwide annually. Now in its 11th consecutive year, this initiative aims to enhance the operational efficiency of medical personnel while improving public

	access to quality and efficient healthcare services across communities.
Ensure Inclusive and Equitable Quality Education and Promote Lifelong Learning Opportunities for All 	BAM recognizes education and lifelong learning as fundamental catalysts for human capital, organizational, societal, and national development. BAM provides scholarship for • secondary and higher education students • graduate-level scholarship to both employees and external candidates, both domestically and internationally • professional internship opportunities designed to provide students with practical, high-value experience.
Achieve Gender Equality and Empower All Women and Girls 	BAM has established human rights policies and guidelines on Diversity, Equity, and Inclusion (DEI) to serve as a common framework for employees at all levels. These policies aim to ensure a non-discriminatory working environment and provide equal opportunities for growth and advancement for all. For the Company.
Clean, Modern, Sustainable, and Affordable Energy 	BAM is committed to efficient energy management and minimizing the environmental impact of its operations. Key initiatives include • Adoption of electric vehicles (EVs) • Installation of solar power generation systems (Solar Cells) at headquarters and branch offices • Upgrade of equipment to enhance energy and resource efficiency
Promote Sustainable, Inclusive, and Continuous Economic Growth with Decent Employment 	BAM places a strong emphasis on sustainable economic growth, serving as a national buffer for the economy. It supports honest debtors in reintegrating into the economic system and revitalizing the value of pre-owned real estate assets. Additionally, BAM actively promotes decent employment opportunities, including • Hiring people with disabilities and retired professionals • Procurement of products of people with disabilities for organizational use • Providing job opportunities for retired personnel and prioritizes the hiring of local workers.

Build Resilient Infrastructure, Promote Inclusive and Sustainable Industrialization and Foster Innovation 	BAM integrates digital technology and innovation to enhance service quality and streamline business processes for greater efficiency. It promotes broader and more convenient access to products and services through multiple channels. Additionally, BAM contributes to resource conservation and cost reduction by improving wastewater treatment systems and water resource management within office buildings, ensuring long-term environmental and operational sustainability.
Reduce Inequality Within and Among Countries 	BAM is committed to addressing social inequality by leveraging its resources and capabilities to enhance accessibility to its products and services for all groups in society, regardless of age, gender, physical ability, economic status, ethnicity, or other factors through initiatives such as • "Public Asset" program • "Sukjai: Home Redemption" program Furthermore, BAM upholds the principles of fairness, equality, and non-discrimination across its workforce nationwide. These standards are consistently applied throughout the entire employee lifecycle, encompassing recruitment, professional development, retention, and termination processes.
Responsible Consumption and Production 	BAM prioritizes efficient resource management and minimizing environmental impact through effective waste management and recycling initiatives. Key programs include • "Tidy Office, Happy Life" initiative, the installation of food waste composting machines, plastic bottle recycling campaigns, and the Water Recycling System (RO Reject). • Green Office Program in alignment with the Department of Environmental Quality Promotion of the Ministry of Natural Resources and Environment
Take Urgent Action to Combat Climate Change 	BAM has developed an energy reduction plan to minimize energy consumption within its operations. It focuses on • Adopting high-efficiency technologies and the modernization of internal infrastructure to optimize carbon reduction performance. • Actively managing climate-related risks and conducting corporate carbon footprint assessments, setting clear greenhouse gas reduction targets to drive long-term sustainability • Conducting training programs, knowledge-sharing sessions, and awareness campaigns on climate change and sustainability

Protect, Restore, and Promote the Sustainable Use of Terrestrial Ecosystems and Forest Management 	BAM promotes biodiversity conservation and ecosystem restoration through the BAM CARE programme by planting trees on non-performing assets (NPAs) and supporting forest restoration in Suphan Buri, Sa Kaeo, Kalasin, and Chiang Mai provinces.
Promote Peaceful and Inclusive Societies for Sustainable Development 	BAM is firmly committed to the highest standards of good corporate governance and maintains a zero-tolerance policy towards all forms of corruption. As a certified member of the Thai Private Sector Collective Action Against Corruption (CAC), BAM has established and publicly communicated comprehensive human rights policies and practices. Furthermore, BAM ensures rigorous compliance with all applicable laws, as well as international human rights principles and standards.
Partnerships for the Goals 	BAM actively fosters strategic partnerships with both public and private sector organizations to enhance operational performance, including driving value creation for stakeholders, and contributing to broader societal development. Key partnerships and collaborative Initiatives include: • Maintain an active membership in the Thai Private Sector Collective Action Against Corruption (CAC). • Engage with the Stock Exchange of Thailand (SET) through the Climate Care Collaboration Platform. • Partner with the Thailand Greenhouse Gas Management Organization (TGO) • Partner with the Thailand Carbon Neutral Network. • Collaborate with government agencies and civil society organizations • Partner with Haze Free Company Limited for reforestation initiatives.

BAM recognizes its core role in the asset recovery to support the sustainable growth of Thailand's economy and society. We committed to continuously developing our products and services, as well as expanding service channels to comprehensively address the needs of debtors and customers.

Non-Performing Loan Management

Sukjai: Home Redemption Program

The program extends opportunities to residential loan debtors with principal debt not exceeding 25 million baht who are not under absolute receivership. The program enables eligible debtors to maintain their residential properties by offering a minimum payment option of 80% of the appraised value, allowing them to redeem their residential collateral. Under the program's terms and conditions, debtors can choose between making a single payment within 90 days or opting for installment payments over a period of up to 25 years, providing flexibility in their path to debt resolution.

BAM Helping Restore Businesses Program

The program provides an opportunity for both individual and corporate debtors with outstanding principal debt not exceeding 25 million baht, who have not been declared bankrupt and have no other assets, to settle their debts under flexible repayment terms. Debtors can choose to either make a one-time payment of at least 80% of the appraised value within 90 days, or opt for an installment plan with a repayment period of up to 25 years, subject to the Company's terms and conditions.

Non-Performing Asset (NPA) sales management

Public Assets for Homes of Resilient People

This campaign promotes the sale of residential properties and vacant land priced at not more than THB 3 million, comprising more than 12,000 assets, to retail customers, enabling them to own homes at specially discounted prices in accordance with the Company's prescribed criteria and conditions. Eligible purchasers may also apply to participate in BAM's installment payment program.

Hot Price Condos for All by BAM

The campaign promotes the sale of 1,500 condominium units priced below 1 million baht, allowing retail customers to own housing at a discounted price under the Company's terms and conditions.

Smart Garden Home project

The project is a prototype project of a clean energy smart home that combines the concept of organic farming on an area of over 100 rai within the DEVAL RESORT and SPORT CLUB project in Nakhon Nayok Province. It is a transformation of abandoned property into valuable assets. Every home is equipped with a solar cell hybrid system and control various devices via an app. Each plot also features a designated area for growing organic vegetables. This project also helps increase the value of BAM's foreclosed assets by using potential vacant land from each region to create model homes, offering comprehensive consultation from start to finish to the completion of your dream home. Every model home uses clean energy, features rainwater harvesting systems, green spaces, and utilizes environmentally friendly materials.

1.4 Sustainability Committee

The Sustainability Committee consists of sub-committee, department and division under the Board of Directors.

Their responsibilities are defined as follows:

Board of Directors

- Establish the Company's sustainability development policies.
- Review and approve the identification and periodic review of material sustainability issues.
- Considers, approves, and supports the implementation of sustainability policies, strategies, objectives, and action plans.

- Oversee, monitor, and review performance against sustainability strategies, targets, and implementation plans to ensure achievement of defined objectives.
- Ensure good corporate governance practices in accordance with the principles of transparency, accountability, social responsibility, environmental responsibility, and sustainable development.

Sustainability Governance Committee

- Review and assess material sustainability issues
- Review and screen sustainability development policies, strategies, objectives, and implementation plans.
- Monitor and oversee sustainability performance on a regular basis to ensure alignment with approved strategies, objectives, and action plans.
- Provide recommendations on necessary measures or approaches to strengthen sustainable development practices.

Risk Governance Committee

- Establish guidelines for sustainability risk management that may impact environmental, social, and governance (ESG) aspects, in compliance with the requirements of the Bank of Thailand and the Stock Exchange of Thailand.
- Review and approve criteria and methodologies for sustainability risk management.
- Monitor the development of sustainability risk management approaches and oversee the establishment of risk management systems aligned with the Company's strategic direction.
- Review and approve annual risk assessment results and risk management plans, and report progress on risk oversight to the Board of Directors.

Sustainability Development Working Committee

- Establish sustainability action plans and performance targets aligned with the Company's business operations, environmental and social responsibilities, and good governance (ESG) principles, in accordance with policies approved by the Board of Directors.
- Define sustainability-related plans and activities under the sustainability framework.
- Oversee and monitor implementation to ensure achievement of established objectives.

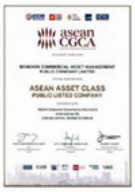
Governance and Sustainability Promotion Division

- Implement and promote sustainability initiatives in alignment with the Company's strategies, objectives, and sustainability action plans.
- Communicate sustainability performance to relevant stakeholders.
- Pursue collaboration with external organizations in support of sustainable development initiatives.
- Manage, coordinate, and monitor implementation progress by responsible units in accordance with approved plans.

Risk Management Department

- Oversee the conduct of enterprise-wide risk assessments in accordance with the annual strategic plan and the Enterprise Risk Management Policy, aligned with the Governance, Risk and Compliance Policy (GRC).
- Analyze enterprise risks in connection with environmental, social, and governance (ESG) risk events, including emerging risks and sustainability-related risks.

1.5 Awards and Recognition

			
Sustainability Achievement Award 2025 under the Sustainability Excellence category	"AAA" rating Sustainable Stock under the SET ESG Ratings	ASEAN Asset Class PLCs Award under the ASEAN Corporate Governance Scorecard 2024	5-Star rating under the Corporate Governance Report of Thai Listed Companies 2025
Renewal of the Thai Private Sector Collective Action Against Corruption (CAC) membership	One of the ESG100 listed securities	Sustainability Disclosure Award 2025	Human Rights Model Organization Award 2025 at the "Outstanding" level
First Runner Up Award at the ASEAN Energy Awards 2025 under the ASEAN Best Practices Awards for Energy Management in Buildings and Industries	Thailand Energy Awards 2025 in the Energy Efficient Building category	Green Office Award at the "Excellent" level for 2023, together with the environmental certification mark	100 points scored under the AGM Checklist Assessment 2025

SECTION 2 SUSTAINABLE FINANCE FRAMEWORK

The Sustainable Finance Framework ("the Framework") has been developed in accordance with the following guidelines:

- the Green Bond Principles, 2025 ("GBP"), the Social Bond Principles, 2025 ("SBP"), and the Sustainability Bond Guidelines, 2021 ("SBG"), issued by the International Capital Market Association (ICMA)[1];
- the ASEAN Green Bond Standards, 2018 ("GBS"), ASEAN Social Bond Standards, 2018 ("SBS"), and ASEAN Sustainability Bond Standards, 2018 ("SUS"), issued by the ASEAN Capital Markets Forum (ACMF) and[2];
- the Green Loan Principles, 2025 ("GLP"), and Social Loan Principles, 2025 ("SLP") issued by the Loan Market Association (LMA)[3]; and
- ASEAN Taxonomy, version 4[4]
- Thailand Taxonomy[5].

Through this Framework, BAM may issue Green, Social, and Sustainability Loans, Bonds, and other financial instruments ("Sustainable Finance Instruments") to finance or refinance projects that contribute to the environmental and social objectives across BAM's business divisions and operations.

In alignment with the above-mentioned guidelines, the Framework is presented through the following four pillars:

1. Use of proceeds
2. Process for project evaluation and selection
3. Management of proceeds
4. Reporting

The Sustainable Finance Framework also follows the recommendations of the guidelines regarding external review.

[1] ICMA GBP, 2025 (Link); ICMA SBP, 2025 (Link); ICMA SBG, 2021 (Link)
[2] ACMF GBS, 2018 (Link); ACMF SBS, 2018 (Link); ACMF SUS, 2018 (Link)
[3] LMA GLP, 2025 (Link); LMA SLP, 2025 (Link)
[4] ASEAN Taxonomy (Link)
[5] Thailand Taxonomy (Link)

2.1 Use of Proceeds

The net proceeds of any BAM's Sustainable Finance Instruments will be used to finance or refinance, in whole or in part, new or existing green and social projects that are eligible as per the criteria specified below, which may take the form of assets, expenditures, or investments. Existing projects must start not earlier than 36 months before the issuance date of the respective instruments.

Eligible Social Projects

Eligible Social Projects	Sample of Project	Target Population	Alignment with UN SDGs
Access to financial services	Provision of Trouble Debt Restructuring (TDR) Service to predefined target population	• Financially vulnerable and credit-impaired borrowers at risk of financial exclusion as evidenced by non-performing loan status • Micro, Small, and Medium Enterprises (MSMEs)[6] experiencing financial difficulty, including those with non-performing credit exposures and requiring debt restructuring support	

[6] Micro, Small, and Medium Enterprises (MSMEs) are defined per International Finance Corporation (IFC) as
- enterprises that meet the two out of three criteria (employees, assets and sales); or
- its loan size falls within the relevant MSME loan size proxy (Source: Link)

Eligible Social Projects	Sample of Project	Target Population	Alignment with UN SDGs
Access to education and healthcare	Provision of financial support or equipment to promote education and public health Examples of projects are: • Scholarship programs to students with strong academic performance and limited financial resources • Donation of medical equipment and hospital renovation	• Low-income people[7] • Elderly people • Disable people • Rural or remote communities • State hospitals or hospitals in remote areas • Other groups that may face difficulty in accessing education or training	
Affordable housing	Provision of low-cost ownership, or subsidized housing including • Projects designed to offer residentials (NPAs) that is • less than 3 million baht for low-income people; or	• Low-to-middle income people[9] • Underprivileged people e.g.., Elderly people and disabled people) • Underserved people[10]	

[7] Low-income people are defined as people earning less than 80% of Thailand's average household income, in accordance with the National Statistical Office (Source: Link)

[9] Low-income people are defined as people earning less than 80% of Thailand's average household income, in accordance with the National Statistical Office (Source: Link)
Middle-income people are defined as people earning between 80% - 120% of Thailand's average household income, in accordance with the National Statistical Office (Source: Link)

[10] Underserved people are defined as individuals with irregular or informal income streams who experience limited access to traditional bank financing, including daily wage earners, freelancers, taxi drivers, motorcycle taxi riders, and individuals who do not own a home or are currently renting

	• 3-5 million baht and located in urban areas[8] for middle-income people • Development of housing for underprivileged people e.g., Home & Hope Project • Collateral redemption for debtors not ordered for receivership with flexible repayment options e.g.., Sukjai: Home Redemption Program		
Employment generation	Employment or program to prevent and/or alleviate unemployment. Examples are: • Hiring disabled people, retired professionals, people in local communities	• Disabled people • Unemployed people • Rural or remote communities	

[8] Urban area is defined as provinces with population density of higher than 400 inhibitants per square kilometer according to the National Statistical Office. Based on NSO's database as of April 2026, these provinces includes Bangkok, Nonthaburi, Pathum Thani, Samut Prakan, Nakhon Pathom, Samut Sakhon, Samut Songkram and Phuket (Source: Link)

Eligible Green Projects

Eligible Green Projects	Sample of Project	Alignment with ASEAN and Thailand Taxonomies	Alignment with UN SDGs
Energy and water efficiency	Construction, installation, operation, and maintenance of energy-efficiency and water-efficiency projects. Examples are: • Installing energy-efficient technologies including LED lighting and water-saving fixtures, which comply with the highest standards of energy efficiency as defined by relevant national or international labels e.g., Label No.5, Energy Saving Label or comparable standard	**ASEAN Taxonomy** Plus Standard • 68[002] Energy efficient equipment **Thailand Taxonomy** Construction & Real Estate Sector • Installation, maintenance, and repair of special-purpose building equipment	
Renewable energy	Construction, installation, operation, and maintenance of renewable energy projects. Examples are: • Installing solar-powered lamps in renovated/redeveloped NPAs • Installing solar cells at headquarters and branch offices	**ASEAN Taxonomy** Plus Standard • 351[021] Electricity generation using solar photovoltaic technology **Thailand Taxonomy** Energy Sector • Solar energy generation	
Green building	Construction or refurbishment of new buildings that satisfy either: <u>Option A</u>: Thailand Taxonomy • Buildings have obtained or will obtain LEED Gold, or higher, or other equivalent local and regional	**ASEAN Taxonomy** Plus Standard • 410[001] Construction of new building • 410[002] Renovation of existing buildings **Thailand Taxonomy** Construction & Real Estate Sector	

Eligible Green Projects	Sample of Project	Alignment with ASEAN and Thailand Taxonomies	Alignment with UN SDGs
	certifications, e.g., TREES Gold, or higher, EDGE; and • Buildings are expected to meet at least 30% improvement above the levels in the latest version of ASHRAE 90.1; and • A Whole Life Carbon Assessment (WLCA) will be conducted and reported. Applicable WLCA guideline will be determined. Option B: ASEAN Taxonomy • Buildings have obtained or will obtain LEED Gold, or higher, or other equivalent local and regional certifications, e.g., TREES Gold, or higher, EDGE. Renovation of existing buildings that satisfy either: Option A: Thailand Taxonomy • Buildings have obtained or will obtain LEED Gold, or higher, or other equivalent local and regional certifications, e.g., TREES Gold, or higher, EDGE; and • A Whole Life Carbon Assessment (WLCA) will be conducted and	• Construction of new buildings • Renovation of existing buildings	

Eligible Green Projects	Sample of Project	Alignment with ASEAN and Thailand Taxonomies	Alignment with UN SDGs
	reported. Applicable WLCA guideline will be determined. Option B: ASEAN Taxonomy • Buildings have obtained or will obtain LEED Gold, or higher, or other equivalent local and regional certifications, e.g., TREES Gold, or higher, EDGE.		
Clean transportation	Procurement and/or deployment of clean transportation or construction, extension and/or improvement to sustainable transport infrastructure. Examples are: • Deploying Electric Vehicles (EVs) • Installing EVs charging station	**ASEAN Taxonomy** Plus Standard • 492[002] Transport by motorbikes, passenger cars and light commercial vehicles **Thailand Taxonomy** Transportation Sector • Other passenger land transport	
Wastewater management	Construction, extension, upgrade, operation, renewal and maintenance of infrastructure for wastewater treatment systems • Installing wastewater recycling system, where water from the Reverse Osmosis membrane filtration system used in drinking water production is repurposed for irrigation	**ASEAN Taxonomy** Plus Standard • 37[001] Construction, extension and operation of wastewater collection and treatment **Thailand Taxonomy** Waste Management Sector • Construction, extension, upgrade, operation and	

Eligible Green Projects	Sample of Project	Alignment with ASEAN and Thailand Taxonomies	Alignment with UN SDGs
		renewal of decentralised wastewater collection and treatment	
Circular economy adapted products, production technologies and processes and/or certified eco-efficient products	Design and introduction of reusable, recyclable and refurbished materials, components, products and services. Example is • Food Waste to Organic Fertilizer Project using waste disposal technology to decompose food waste into high-quality organic fertilizer. The efficient operations ensuring avoidance of methane leakage and measures to prevent and mitigate odor and water pollution from leachate are in place	**ASEAN Taxonomy** Plus Standard • 3821[002] Composting of bio- waste **Thailand Taxonomy** Waste Management Sector • Composting of bio-waste	
Terrestrial and aquatic biodiversity	Preserving terrestrial natural habitats where the forest manager be certified by Thailand Forest Certification Council (TFCC), Forest Stewardship Council (FSC), Programme for Endorsement of Forest Certification (PEFC) or Premium Thailand Voluntary Emission Reduction Program (T-VER). Examples are	**ASEAN Taxonomy** Agriculture Sector: • 02[002] Forestry plantation[11]	

[11] Alignment with the green category of the Taxonomy requires the smallholder to comply with criterion ii) in all cases. For non-smallholder, criteria i) and ii) apply in all cases. A smallholder is defined as a forest that is 100 hectares (eq. 625 rais) or smaller, or as defined by relevant valid certification bodies.

Eligible Green Projects	Sample of Project	Alignment with ASEAN and Thailand Taxonomies	Alignment with UN SDGs
	• Development of green NPAs, including tree planting, restoration of green areas, community forestry and other biodiversity enhancement activities on BAM's NPA land • Plant & Protect project	• 02[003] Conservation, restoration, and maintenance of natural forests[12] **Thailand Taxonomy** Agriculture sector • Forestry	

Exclusions:

BAM commits to not knowingly allocating the net proceeds of Sustainable Finance Instruments to the following assets, projects, and sectors:

- Development, refining, and transportation of fossil fuels (including coal, oil, and gas)
- Gambling and casinos
- Tobacco
- Any project involving child labor, forced labor, or human trafficking

i) Obtain a valid certification (e.g., Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC), or PEFC-endorsed schemes, or T-VER) for the relevant managed area
ii) Prepare the Forest Management Plan (FMP).

[12] Alignment with the green category of the Taxonomy requires the smallholders to comply with criteria ii) and iii). If effective forest retention is not already demonstrated through legal guarantees under criterion iii), criterion iv) applies. For a non-smallholder, criteria i), ii), and iii) apply. If effective forest retention is not already demonstrated through legal guarantees under criterion iii), criterion iv) applies. A smallholder is defined as the forest that is 625 rais or smaller.

i) Obtain a valid certification (e.g., FSC, PEFC, or PEFC-endorsed schemes, or T-VER) for the relevant managed area, or a valid certification status is maintained through certification renewal, independent third-party audit, or government validation conducted at intervals no longer than five years.
ii) Prepare the Forest Management Plan (FMP)
iii) Forest status is guaranteed
iv) Demonstrate forest retention and maintenance

2.2 Process of Project Evaluation and Selection

BAM has established a **Sustainable Finance Working Group** which will oversee the selection and evaluation of Eligible Green Projects and Eligible Social Projects. Other parties recognized as subject matter experts may be consulted.

The Sustainable Finance Working Group is comprised of representatives from

- Financial Management and Finance Department
- Accounting Department
- Investment Management Department
- ESG Development Department
- Risk Management Department

The Sustainable Finance Working Group will meet at least once a year and its responsibilities are included but not limited to:

1. Selecting Eligible Projects in accordance with the use-of-proceeds criteria described above, relevant climate, environmental, and social factors, including potential environmental and social risks associated with each project, all applicable laws and regulations, and BAM's policies and guidelines;
2. Reviewing annually the projects' compliance with the selection criteria above and replacing projects that are no longer eligible.
3. Monitoring the allocation of the proceeds annually to ensure maximum allocation of Sustainable Finance Instruments;
4. Facilitating ongoing post-drawdown or post-issuance reporting; and
5. Managing any future update of the Sustainable Finance Framework.

2.3 Management of Proceeds

The proceeds of each Sustainable Finance Instrument will be deposited in BAM's general account and managed by the Sustainable Finance Working Group. This general account will be monitored and tracked annually by the Sustainable Finance Working Group on an amount equal to the proceeds through BAM's Treasury accounting system. The balance of the net proceeds will be periodically adjusted to match allocations to Eligible Projects made during the life of the instruments. If, for any reason, some projects are no longer eligible, divested or sold, BAM will use its best efforts to substitute for such projects as soon as is practical, once an appropriate Eligible Project for substitution has been identified by the Sustainable Finance Working Group.

While any Sustainable Finance Instruments' net proceeds remain unallocated, BAM will hold the proceeds in cash and/ or invest in other short-term liquid instruments where BAM intends to fully allocate the proceeds to the Eligible Projects within 36 months, if feasible. In addition, BAM is committed to ensure that no proceeds are invested in any excluded categories as defined in this Framework.

Any interest and investment income earned on the above-mentioned separately designated cash and investment accounts can be applied to defray costs incurred for the Eligible Green and/or Social Projects and/or any reasonable administration costs associated with the management and administration of the Sustainable Finance Instruments.

2.4 Reporting

BAM will prepare and disclose the following reports to the lender for loan and/or make them publicly available on BAM's website for bond.

2.4.1 Allocation Report

Until the proceeds are fully allocated, BAM will prepare an allocation report annually, or as requested by the lender, to provide the following information at minimum:

- Project details, such as the name and key characteristics, objectives, and project's benefits
- Amount of allocated proceeds per Eligible Projects;
  Amount of unallocated proceeds per Eligible Projects (if any);
- Proportion of financing and/or refinancing; and
- Outstanding balance of Sustainable Finance Instruments

2.4.2 Impact Report

Unitl the maturity of the Sustainable Finance Instruments, BAM will provide an impact report on the relevant environmental and social impact metrics at the project level annually, subject to data availability, as well as disclose measurement methodology for quantitative indicators. The impact will be reported on a pro-rata basis for partially financed projects. The table below shows examples of impact indicators that may be reported.

Social Projects

Eligible Social Projects	Example of Impact Indicators
Access to financial services	• Number of accounts and outstanding of Trouble Debt Restructuring portfolio by debtors status (individual/SMEs, MSMEs) and location • Percentage of restructured borrowers who return to performing status
Access to education and healthcare	• Number of people/organizations within the target populations who have received education/healthcare • Details of the school or hospital that received the donation (Name and location) • Amount of donation/contribution made
Affordable housing	• Number of people/organizations within the target populations who have received affordable houses • Number of affordable houses financed • Number of outstanding affordable housing loans • Interest rate compared to the national/regional index

Employment generation	• Disabled people, retired professionals, and people in local communities employed (number of people; % target population employed to total employment)

Green Projects

Eligible Green Projects	Example of Impact Indicators
Energy and water efficiency	• GHG emissions reduced/avoided (tCO_2e) • Energy efficiency components procured (m^2, m^3, tons or %) • Water use before and after the project (m^3) • Reduction in water use (%)
Renewable energy	• GHG emissions reduced/avoided (tCO_2e) • Renewable energy generation in MWh/GWh (electricity) and GJ/TJ (other energy)
Green building	• Proxy certification labels • Operational CO_2 intensity ($kgCO_2/m^2/y$)
Clean transportation	• GHG emissions reduced/avoided (tCO_2e) • Number of clean vehicles deployed • Estimated reduction in electric vehicle use (number of km driven; % of total transport ridership) • Estimated reduction in fuel consumption
Wastewater management	• Wastewater treated, reused or avoided before and after the project (m^3; p.e.; % of wastewater)
Circular economy adapted products, production technologies and processes and/or certified eco-efficient products	• New materials (Fertilizer) derived from waste (food) (tons)
Terrestrial and aquatic biodiversity	• Number of trees planted in area certified under relevant standard • Maintenance/safeguarding/increase of area certified under relevant standard (including forest) (km^2 and in % for increase) • GHG emissions reduced (tCO_2e)

2.4.3 Material Events Affecting the Project

Upon the occurrence of events that may have a significant impact on the project, such as changes to key characteristics of the project or failure to meet the specified standards, BAM shall disclose such occurrence to investors or report to lenders within seven (7) days from the date of occurrence.

SECTION 3 EXTERNAL REVIEW

To ensure alignment with the guidelines mentioned in Section 2 of this Framework, BAM will obtain a Second Party Opinion (SPO) on the Framework from an independent external reviewer. The SPO will be made available on BAM's website or delivered to investors, lenders or the relevant parties.

SECTION 4 AMENDMENTS TO THIS FRAMEWORK

Sustainable Finance Working Group will review this Framework regularly, including its alignment to updated versions of the guidelines mentioned in Section 2 and when they are released, to adhere to best practices in the market. Such a review may result in this Framework being updated or amended. The updates, if not minor in nature, will be subjected to review by the External Reviewer. Any future updated version of this Framework that may exist will either keep or improve the current levels of transparency and reporting disclosures, including the corresponding review by an External Reviewer. The updated Framework, if any, will be published on BAM's website or made available to the lender and will replace this Framework.