



BUSINESSES ACCELERATING INCLUSIVE GREEN ECONOMIES LEAVING NO ONE BEHIND

UN ENVIRONMENT-ESCAP-OECD
BANGKOK 11 JUNE 2019

Cristina Tébar Less
Head, Responsible Business Conduct Unit



OECD Guidelines for Multinational Enterprises

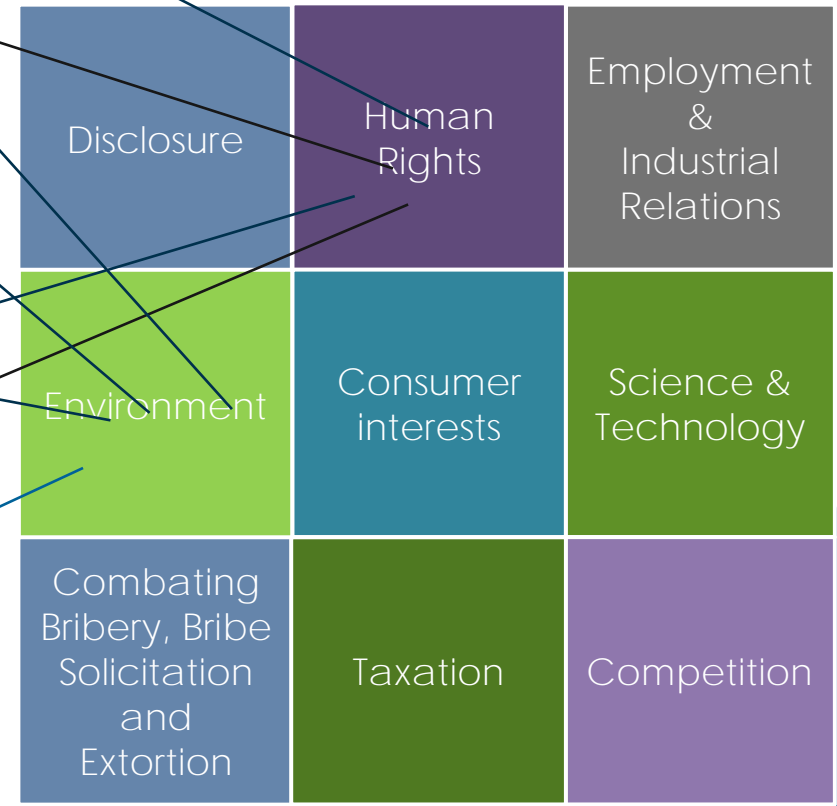
Disclosure	Human Rights	Employment & Industrial Relations
Environment	Consumer interests	Science & Technology
Combating Bribery, Bribe Solicitation and Extortion	Taxation	Competition

- Most comprehensive International standard on responsible business conduct
- Recommendations from governments to businesses
- Open to non-OECD members
- Government commitment - implementation / grievance mechanism : National Contact Points
- Incorporate expectation of supply chain due diligence



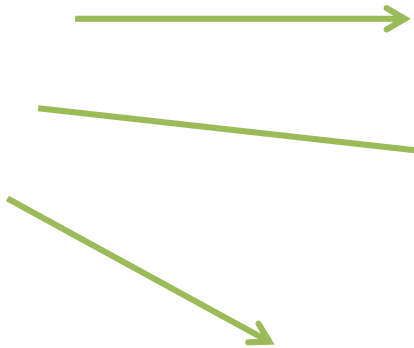
Companies should contribute to sustainable development (do good)

Companies should identify, prevent and address negative impacts (do no harm)





Alignment between OECD, UN and ILO



UN Guiding Principles
on Business and
Human Rights



ILO Tripartite Declaration of
Principles concerning
Multinational Enterprises and
Social Policy

+ environmental, anti-bribery, corporate
governance instruments

Expectation that companies behave responsibly by identifying, avoiding and addressing negative impacts that they

- cause,
- contribute to
- or are directly linked to through a business relation

Key tool: due diligence



THE PUSH FOR RBC: drivers and pressure points

Global companies are seeing an unprecedented increase in:

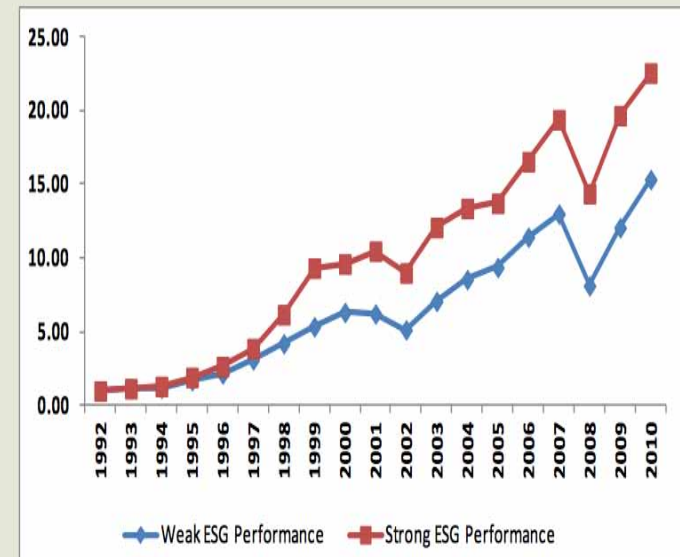
- Legislation for disclosure of responsible business conduct activity, both in respect of new law and strengthening of existing law.
- Lawsuits against companies for human rights and environmental issues.
- Investor and shareholder requirements on companies to adopt and report on responsible business conduct.
- Consumer power, both from individuals and collective action through social media and 'mega' campaign groups.
- Public benchmarking on responsible business conduct, supported by investors.
- Scrutiny from governments on supply chain activities.



THE PULL: Benefits of implementing due diligence for responsible business conduct

- ✓ Reduce risks and manage reputation
- ✓ Obtain and retain the social license to operate
- ✓ Protect existing value and create new value
- ✓ Facilitate the participation in global value chains
- ✓ Attract and retain talent - increase productivity
- ✓ Distinguish from competitors and access new markets

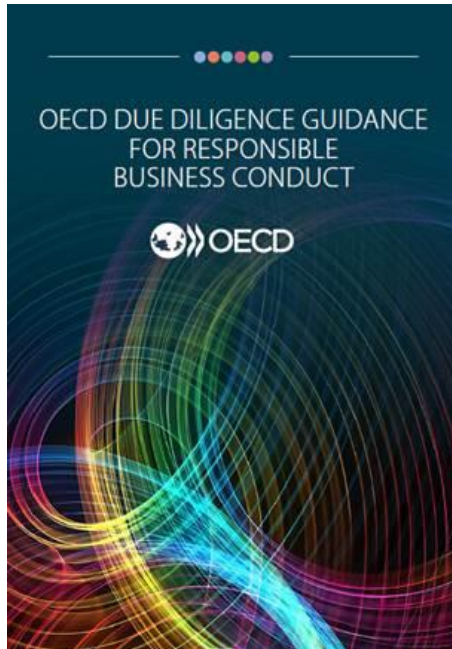
FINANCIAL PERFORMANCE OF COMPANIES WITH WEAK VS. STRONG ESG PERFORMANCE



Source: Eccles G.R., Ioannou I. Serafeim G. "The Impact of a Corporate Culture of Sustainability on Corporate Behavior and Performance," Harvard Business School, November, 2011.



Due diligence guidance to implement RBC standards



Explains each step of due diligence and provides practical guidance to implement each of them

Addresses specific issues and challenges: supply chain mapping, gender, stakeholder engagement, role of the board, tracking disclosure, etc.

Developed with stakeholders, backed by governments, commitment to promote it

Can be used by all companies, in all segments of the supply chain

Supports implementation of emerging laws (duty of vigilance, modern slavery)



Sector-specific guidance in key sectors.

OECD supports companies in integrating them into their policies and risk management systems

- Translation and dissemination of due diligence guidance
- Supporting capacity building
- Pilot projects, trainings



Characteristics of Due Diligence

THE ESSENTIALS

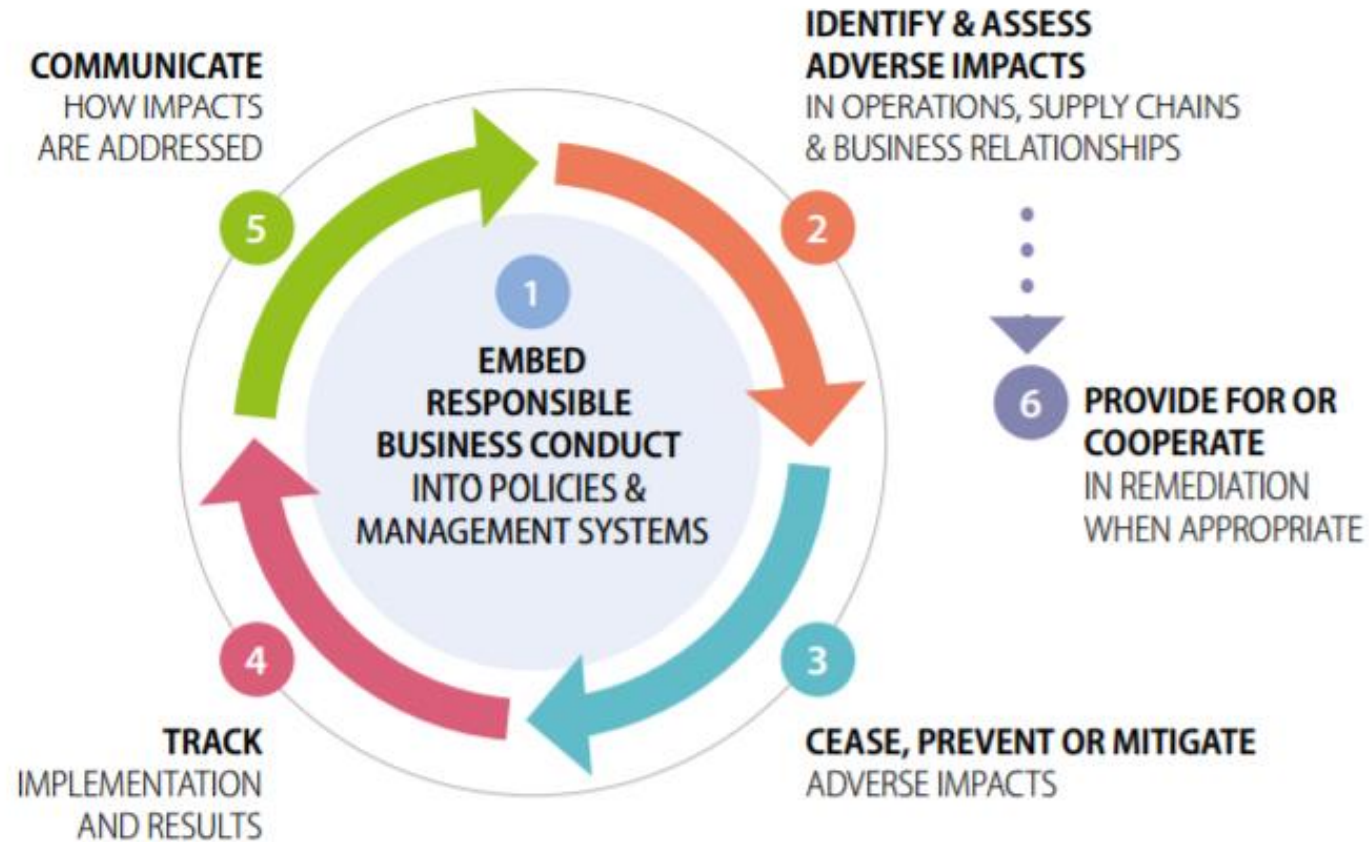
- Preventative
- Involves multiple processes and objective:
- Commensurate with risk (risk-based)
- Prioritisation is allowed (risk-based)
- Dynamic
- Does not shift responsibilities
- Appropriate to enterprise circumstances
- Can be adapted to deal with the limitations of working with business relationships
- Informed by engagement with stakeholders
- Involves ongoing communication
- Asks for progressive improvement



*likelihood and severity (→
Scale, scope, irremediable
character of risk)*



Steps of Due Diligence for RBC





1. Embed responsible business conduct in enterprise policies and management systems



Model Supply Chain Policy for a Responsible Global Supply Chain of Minerals from Conflict-Affected and High-Risk Areas¹

Recognising that risks of significant adverse impacts which may be associated with extracting, trading, handling and exporting minerals from conflict-affected and high-risk areas, and recognising that we have the responsibility to respect human rights and not contribute to conflict, we commit to adopt, widely disseminate and incorporate in contracts and/or agreements with suppliers the following policy on responsible sourcing of minerals from conflict-affected and high-risk areas, as representing a common reference for conflict-sensitive sourcing practices and suppliers' risk awareness from the point of extraction until end user. We commit to refraining from any action which contributes to the financing of conflict and we commit to comply with relevant United Nations sanctions resolutions or, where applicable, domestic laws implementing such resolutions.

Regarding serious abuses associated with the extraction, transport or trade of minerals:

1. While sourcing from, or operating in, conflict-affected and high-risk areas, we will neither tolerate nor by any means profit from, contribute to, assist with or facilitate the commission by any party of:
 - i) any forms of torture, cruel, inhuman and degrading treatment;
 - ii) any forms of forced or compulsory labour, which means work or service which is exacted from any person under the menace of penalty and for which said person has not offered himself voluntarily;

1. This Model Supply Chain Policy for a Responsible Global Supply Chain of Minerals from Conflict-Affected and High-Risk Areas is intended to provide a common reference for all actors throughout the entire mineral supply chain. Companies are encouraged to incorporate the model policy into their existing policies on corporate social responsibility, sustainability, or other alternative equivalent.

BLACKROCK

January 12, 2018

Dear CEO,

As BlackRock approaches its 30th anniversary this year, I have had the opportunity to reflect on the most pressing issues facing investors today and how BlackRock must adapt to serve our clients more effectively. It is a great privilege and responsibility to manage the assets clients have entrusted to us, most of which are invested for long-term goals such as retirement. As a fiduciary, BlackRock engages with companies to drive the sustainable, long-term growth that our clients need to meet their goals.

In 2017, equities enjoyed an extraordinary run – with record highs across a wide range of sectors – and yet popular frustration and apprehension about the future simultaneously reached new heights. We are seeing a paradox of high returns and high anxiety. Since the financial crisis, those with capital have reaped enormous benefits. At the same time, many individuals across the world are facing a combination of low rates, low wage growth, and inadequate retirement systems. Many don't have the financial capacity, the resources, or the tools to save effectively; those who are invested are too often over-allocated to cash. For millions, the prospect of a secure retirement is slipping further and further away – especially among workers with less education, whose job security is increasingly tenuous. I believe these trends are a major source of the anxiety and polarization that we see across the world today.

We also see many governments failing to prepare for the future, on issues ranging from retirement and infrastructure to automation and worker retraining. As a result, society increasingly is turning to the private sector and asking that companies respond to broader societal challenges. Indeed, the public expectations of your company have never been greater. Society is demanding that companies, both public and private, serve a social purpose. To prosper over time, every company must not only deliver financial performance, but also show how it makes a positive contribution to society. Companies must benefit all of their stakeholders, including shareholders, employees, customers, and the communities in which they operate.

Without a sense of purpose, no company, either public or private, can achieve its full potential. It will ultimately lose the license to operate from key stakeholders. It will succumb to short-term pressures to distribute earnings, and, in the process, sacrifice investments in employee development, innovation, and capital expenditures that are necessary for long-term growth. It will remain exposed to activist campaigns that articulate a clearer goal, even if that goal serves only the shortest and narrowest of objectives. And ultimately, that company will provide subpar returns to the investors who depend on it to finance their retirement, home purchases, or higher education.

A New Model for Corporate Governance

Globally, investors' increasing use of index funds is driving a transformation in BlackRock's fiduciary responsibility and the wider landscape of corporate governance. In the \$1.7 trillion in active funds we manage, BlackRock can choose to sell the securities of a company if we are doubtful about its strategic direction or long-term growth. In managing our index funds, however, BlackRock cannot express its disapproval by selling the company's securities as long as that company remains in the relevant Index. As a result, our responsibility to engage and vote is more important than ever. In this sense, index investors are the ultimate long-term investors – providing patient capital for companies to grow and prosper.

Just as the responsibilities your company faces have grown, so too have the responsibilities of asset managers. We must be active, engaged agents on behalf of the clients invested with BlackRock, who are the true owners of your company. This responsibility goes beyond casting proxy votes at annual meetings – it means investing the time and resources necessary to foster long-term value.



2. Identify and assess adverse RBC impacts





3. Cease, prevent, and mitigate



ACCORD
on Fire and Building Safety in Bangladesh



> 180
COMPANY SIGNATORIES



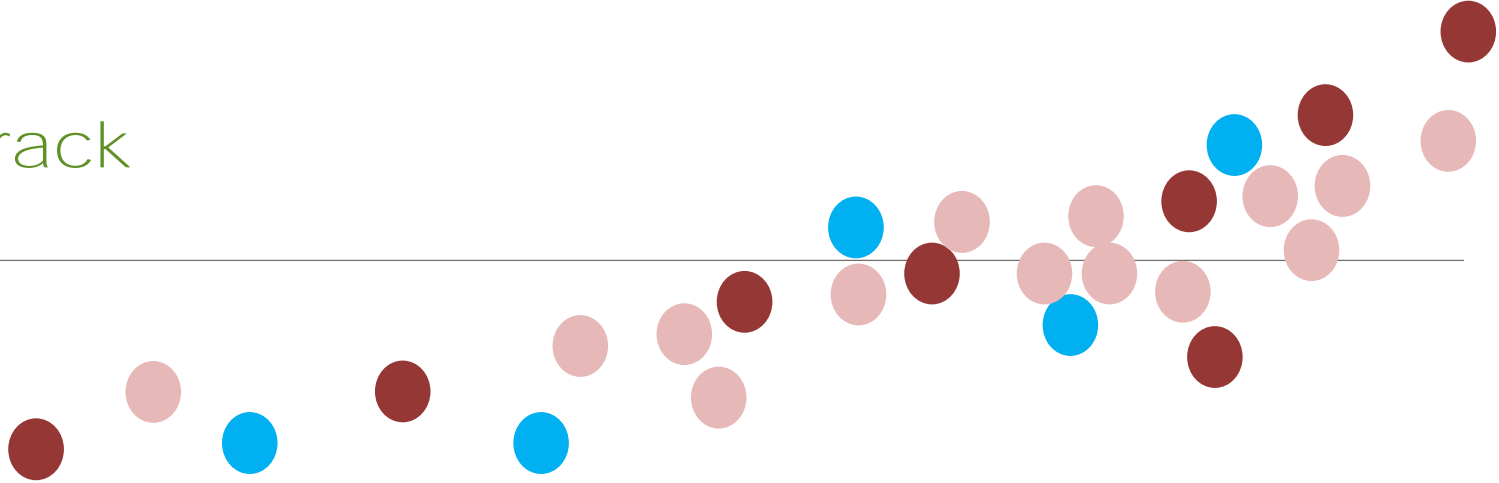
> 1600
FACTORIES



> 2 MILLION
WORKERS



4. Track



Program Element	Applicable	Task/Step	Status	Notes
			C=Complete, P=Partial, NS=Not Started, NA=Not Applicable	
Initial Scoping of Efforts and Activities	Y			
		Determining Applicability of "Manufacturing"	C	
		Assigning Internal Program Ownership and Supporting Functions	C	
		Initial Identification of Materials, Components, etc as Containing CM	P	
		Identification of Materials as "DRC Conflict Free"	C	
		Determining "Necessary for Functionality or Production"	P	
		Customer Expectations and Information Requirements	NS	
Defining and Implementing Reasonable Assurance	Y			
		Reasonable Assurance	C	
		Representative Sampling	P	
		Key Information Indicators (Red Flags)	C	
		Start Date for Traceability Processes	NS	
		Reliance on Supplier Certifications	P	
		Other Information Sources	C	
Information Management Systems, Processing and Tracking	N			Demonstration of affect of "Not Applicable" answer
		Supply Chain Information Management		
		Material Content Information		
		Invoicing Systems		
		Key Information Indicators (Red Flags)		
		Incoming Material Lot Numbers		
		Record Retention Policies		
Internal Management Systems and Controls	Y			
		Conflict Minerals Purchasing/Use Policies	C	
		Procurement Standards, Specifications and Contract Terms	C	
		Material Tracking Systems and Methods	C	
		Employee Training/Awareness	P	
		Management of Change	NS	
		Customer Information Collection/Retention Policies	C	



5. Communicate

INTEGRATED VS ANNUAL + SUSTAINABILITY REPORTING

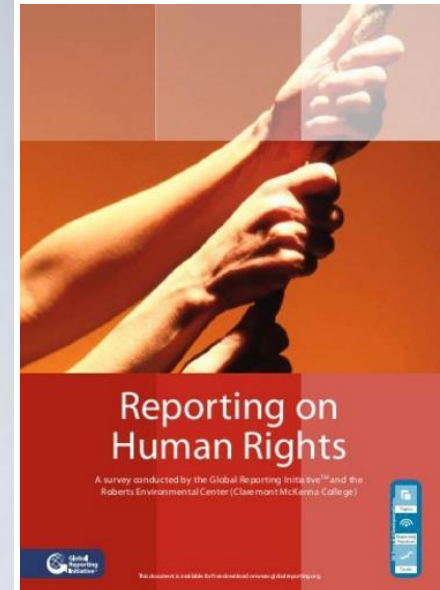
Integrated vs Stand-Alone Annual Reports/Corporate Social Responsibility Reports

2012 Fortune 500 Rank	Company	Online Annual Report (2012 URL)	Integrated AR/CSR	CSR Content in AR	CSR Report or Website	GRI Index
1	Wal-Mart Stores	www.walmart.com	Y	Y	www.walmart.com/CSR	Y
2	Exxon Mobil	www.exxonmobil.com	N	Y	www.exxonmobil.com/CSR	Y
3	Chesapeake	www.chesapeakeenergy.com	N	Y	www.chesapeakeenergy.com/CSR	Y
4	Phillips 66	www.phillips66.com	N	Y	www.phillips66.com/CSR	Y
5	Bank of America	www.bankofamerica.com	Y	Y	www.bankofamerica.com/CSR	Y
6	Apple	www.apple.com	Y	Y	www.apple.com/CSR	Y
7	General Motors	www.gm.com	Y	Y	www.gm.com/CSR	Y
8	General Electric	www.ge.com	Y	Y	www.ge.com/CSR	Y
9	Valero Energy	www.valero.com	Y	Y	www.valero.com/CSR	Y
10	Ford Motor	www.ford.com	Y	Y	www.ford.com/CSR	Y
11	AT&T	www.att.com	Y	Y	www.att.com/CSR	Y
12	Exxon Mobil	www.exxonmobil.com	Y	Y	www.exxonmobil.com/CSR	Y
13	CVS Caremark	www.cvs.com	Y	Y	www.cvs.com/CSR	Y
14	McKesson	www.mckesson.com	Y	Y	www.mckesson.com/CSR	Y
15	Walmart Retail	www.walmart.com	Y	Y	www.walmart.com/CSR	Y
16	Verizon Communications	www.verizon.com	Y	Y	www.verizon.com/CSR	Y
17	UnitedHealth Group	www.uh.com	Y	Y	www.uh.com/CSR	Y
18	J.P. Morgan Chase & Co.	www.jpm.com	Y	Y	www.jpm.com/CSR	Y
19	Cardinal Health	www.cardinalhealth.com	Y	Y	www.cardinalhealth.com/CSR	Y
20	International Business Machines	www.ibm.com	Y	Y	www.ibm.com/CSR	Y
21	Bank of America	www.bankofamerica.com	Y	Y	www.bankofamerica.com/CSR	Y
22	Costco Wholesale	www.costco.com	Y	Y	www.costco.com/CSR	Y
23	Wingate	www.wingate.com	Y	Y	www.wingate.com/CSR	Y
24	Equifax Service Holding	www.equifax.com	Y	Y	www.equifax.com/CSR	Y
25	Wells Fargo	www.wellsfargo.com	Y	Y	www.wellsfargo.com/CSR	Y

OUT OF THE TOP 25 FORTUNE 500 COMPANIES:

- 1 had a combined AR/CSR report
- 6 had summary CSR content in their AR
- 20 had stand-alone CSR reports
- 15 included a GRI Index

Many companies include some environmental, social and governance (ESG) content in their annual reports but that doesn't make them **integrated reports**



4 Join the Conversation! @eisenmandesign #IntegratedReporting





6. Provide for or Cooperate in Remediation

Examples of cases submitted to OECD National Contact Points

- Environmental pollution
- Exploration in protected areas
- Climate change
- Impacts on indigenous people
- Workers' exposure to toxic substances



OECD
GUIDELINES
FOR MULTINATIONAL
ENTERPRISES

DATABASE OF SPECIFIC INSTANCES



Further information

Responsible Business Conduct

<http://mneguidelines.oecd.org>

Due diligence

<http://mneguidelines.oecd.org/duediligence>

RSC in Asia

<http://mneguidelines.oecd.org/globalpartnerships/>

Investment Policy Reviews

<https://www.oecd.org/investment/countryreviews.htm>



Businesses Accelerating Inclusive Green Economies-
Leaving No One Behind

Panel 1 : Enabling Conditions for Inclusive and Green Businesses

“Thailand’s Capital Market : Our Journey to Sustainability”



Ms. Ruenvadee Suwanmongkol

Secretary-General

Securities and Exchange Commission, Thailand

11 June 2019



Moving from Corporate Governance to ESG Development

3

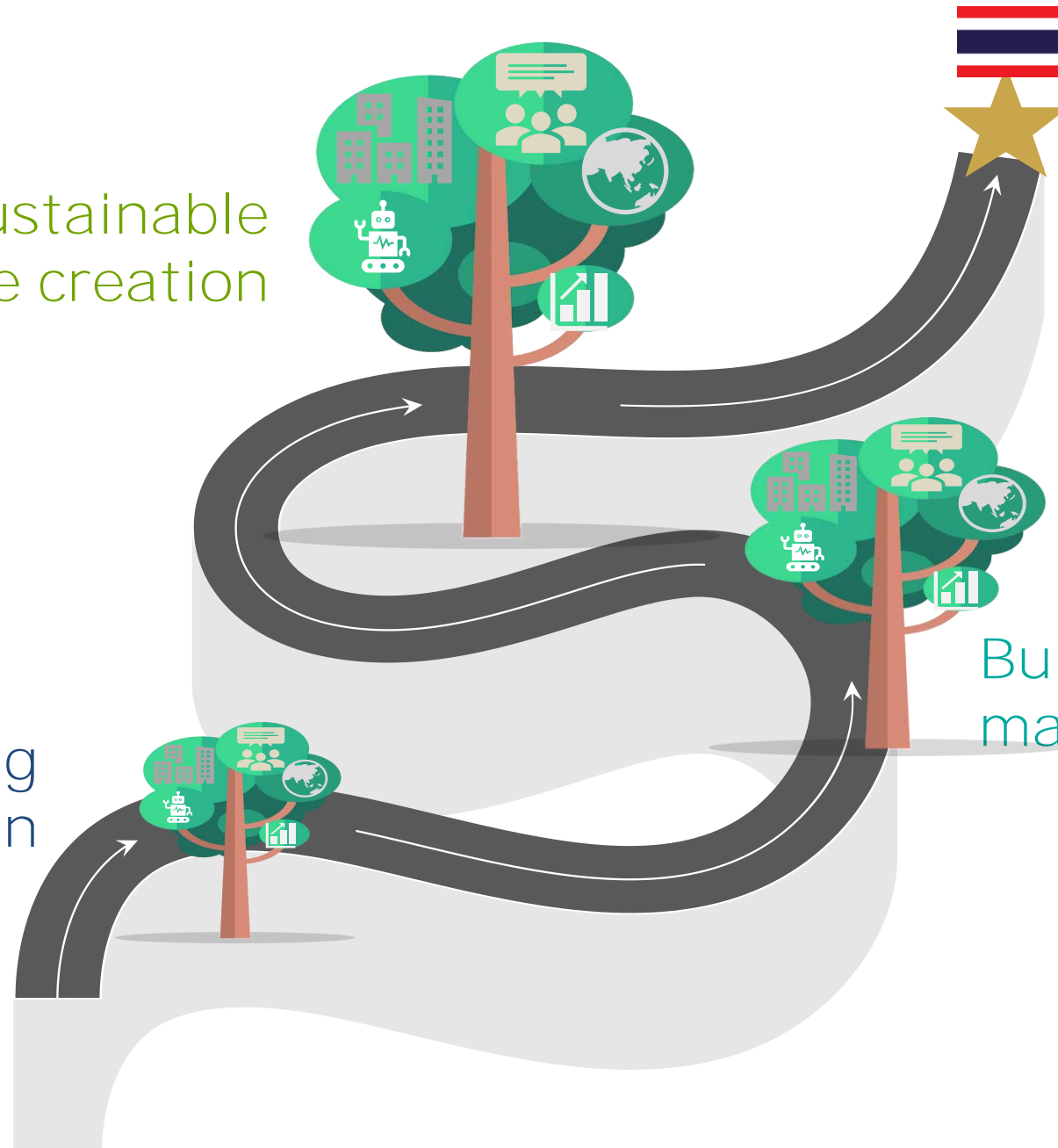
Fostering sustainable value creation

1

Ensuring investor protection

2

Building market confidence



Sustainability



Building Effective ESG Development based on 3 Pillars of Discipline

Sustainable Growth of the Thai Capital Market 



Regulatory discipline



Self-discipline



Market discipline



ESG Development of Thai Listed Companies :

Thai Listed Companies show good CG development but most significant performers remain large companies

CG Code 2017

Creating sustainable value

1. competitiveness & performance with LT perspective
2. ethical & responsible business
3. good corporate citizen
4. corporate resilience

Stakeholders centric



Market Force Development: I Code Launch (2017), Signatories List

60 signatories of I Code with assets under management of THB 9.4 trillions, accounting for 61% of GDP



AMCs (all 26) /
Securities Co., PF (4)

Assurance
Companies (2)

Insurance Companies
(12)

Provident
Funds (11)

Others: Government Agencies,
Related Associations (5)
Government Pension Fund, Social Security Office,
Thai Investors Association, Foreign Companies and
SEC, Thailand

- Feb 2017 Launched Investment Governance Code (I Code)
- Jul 2017 1st Announcement of Signatories of the I Code
- Feb 2018 All AMCs adopted I Code
- Jan 2019 10 PVDs (15% of the total assets of PVD) adopted I Code

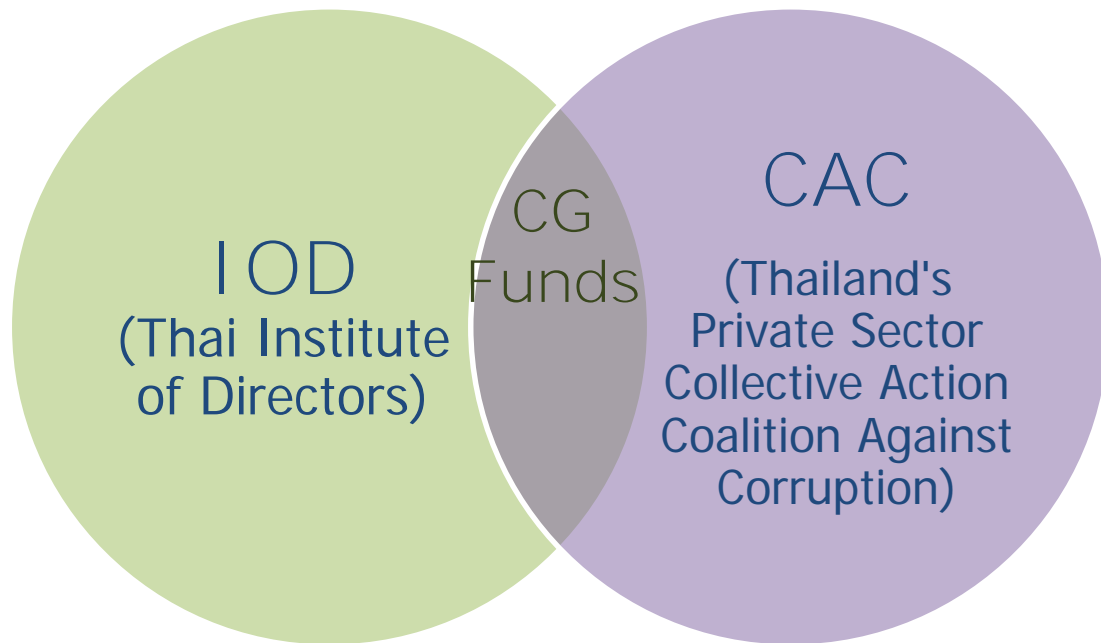
Source: <https://www.cgthailand.org/microsite/lists.html> , as of 31 Mar 2019



The Way forward: Increase Innovation Sustainability-themed Capital Market Products

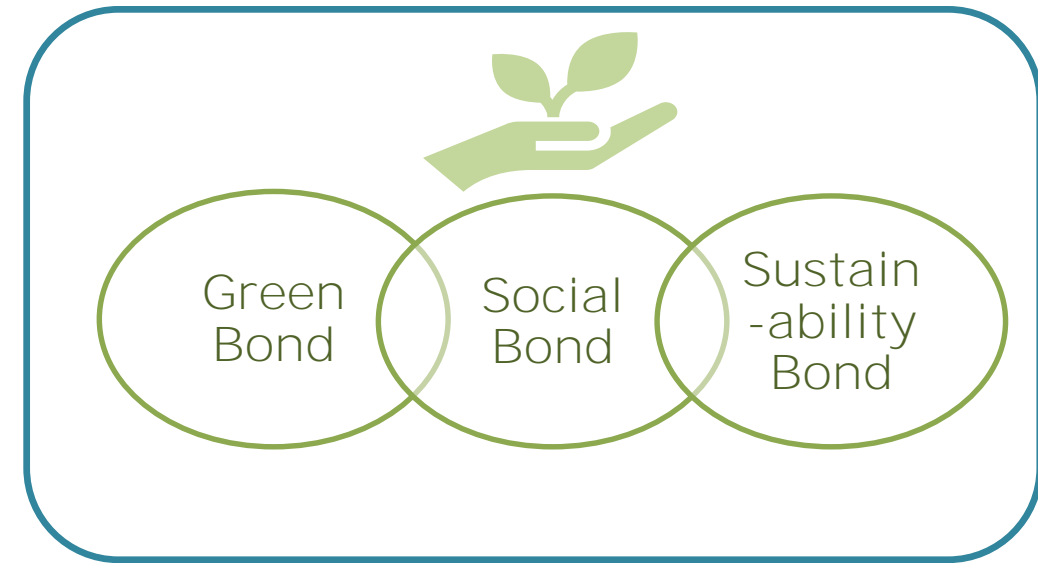
1) CG Funds

- Currently, 11 CG Funds managed by 11 AMCs with assets under management of THB 26 billion
- 40% management fee will support anti-corruption programmes



➔ Push forward with AIMC to develop ESG Fund

2) Promote Green Products: Green Bond/Social Bond/Sustainability Bond



The Way forward: Raising Awareness of Human Rights



SEC signed MOU with NHRC at the National Conference on “Human Rights: Driving Competitiveness of Thai Listed Companies toward Sustainability,” based on the United Nations Guiding Principles on Business and Human Rights (UNGPs), on May 31, 2019



Collaboration with the SET to Drive the Thai Capital Market Development

end-to-end service to provide advice to businesses and listed companies regarding fundraising and regulatory compliance



combine two forms of report (Form 56-1 & AR) into the **“One Report”** & provide more information on ESG and human rights to propel the country to achieve SDGs

setup the steering committee to drive the ESG roadmap for the capital market



Key Takeaways:



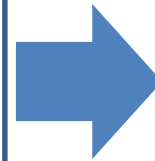
Self-discipline

Market discipline

Regulatory discipline



Collective Interaction
of All Parties



Commitment and
Cooperation with
Relevant Agencies





Towards Inclusion & Sustainability



Our Vision:

"Collaboration for the better of
Asean's Connectivity"

C asean fosters Sustainability actions from all levels

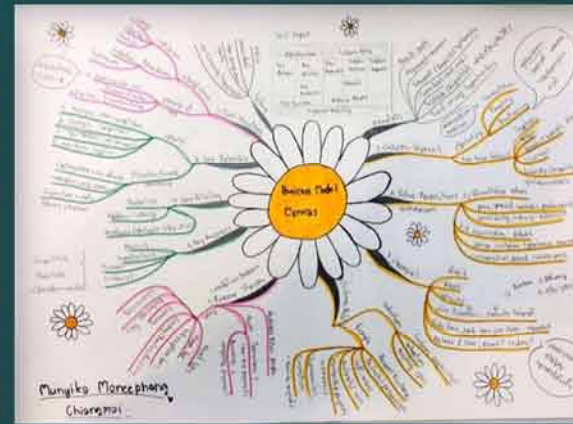
Size of acting unit



Corporate Sustainability Symposium & Sustainability Academy

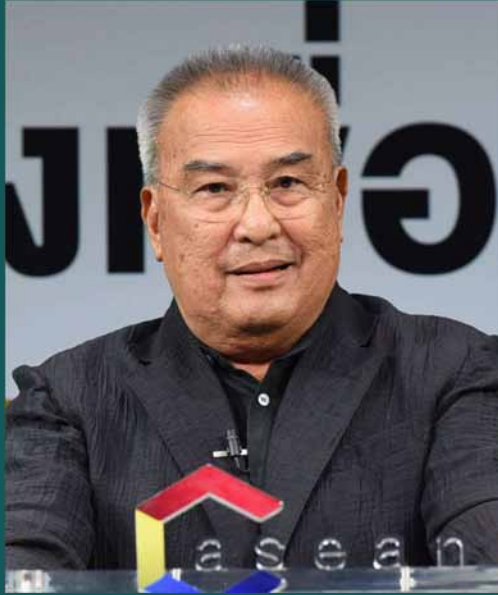


Collaboration with Pracharat Rak Samakkee Social Enterprises



Supporting "Uniting for Hometown" Program

Recognition of "Sustainability Icons"



Towards UN Sustainable Development Goals... with Sufficiency Economy Philosophy at the heart





ธนาคารแห่งประเทศไทย
BANK OF THAILAND

Financing an inclusive green economy

Mr. Somchai Lertlarpwasin

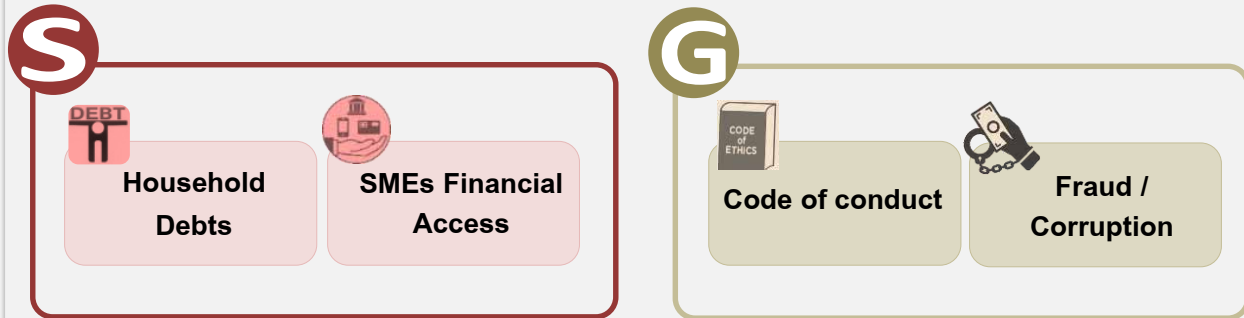
Senior Director, Financial Institutions Strategy Department

Bank of Thailand

11 July 2019



Costs



Financial Stability

Opportunities

Financial Institutions



- Business opportunity in green market
- Alignment with international standards
- Positive corporate reputation
- Increased value to stakeholder

Customers



- Reduced risk and better quality of services
- Good health and well-being
- Increased market opportunity

Investors



- Portfolio diversification
- Informational advantage
- Increased investment opportunity

Employees



- Improved employee engagement and quality of work



Financial Sector



The World Economic Forum (WEF) estimated that **about \$5.7 trillion** will need to be invested annually in green projects.

- Green Loan
- Green Bond



Financing role

Around **\$200 billion** of green debts were issued globally in 2018*.

Consultative role



1 Incentivize customers and investors through bank's products

2 Capacity building to Bank's stakeholders

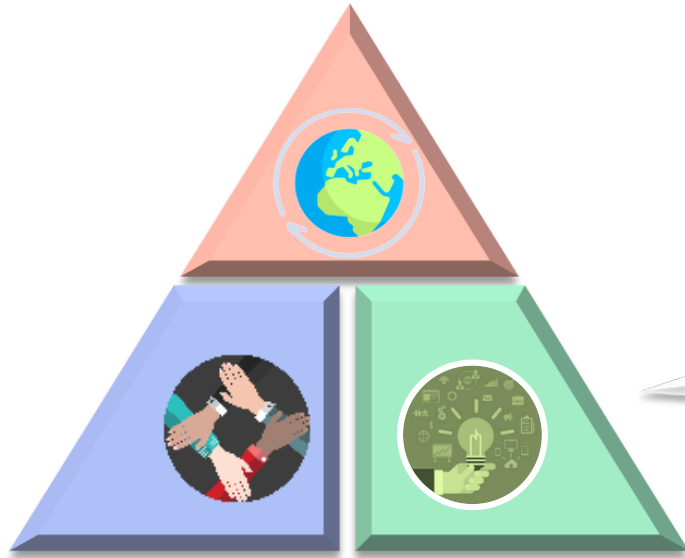
3 Communicate ESG criteria to clients especially large corporations



Inclusive Green Economy

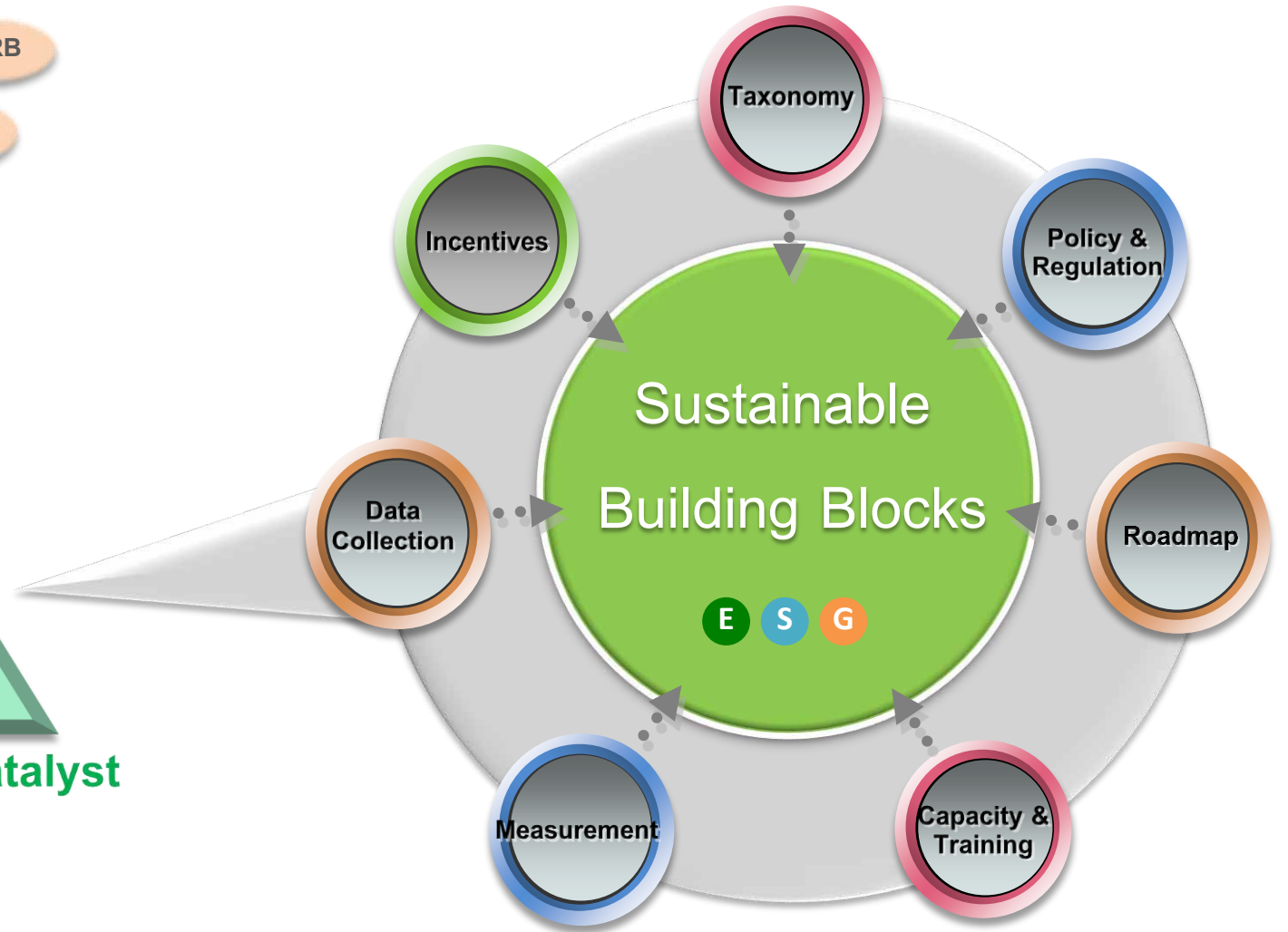


Global Direction



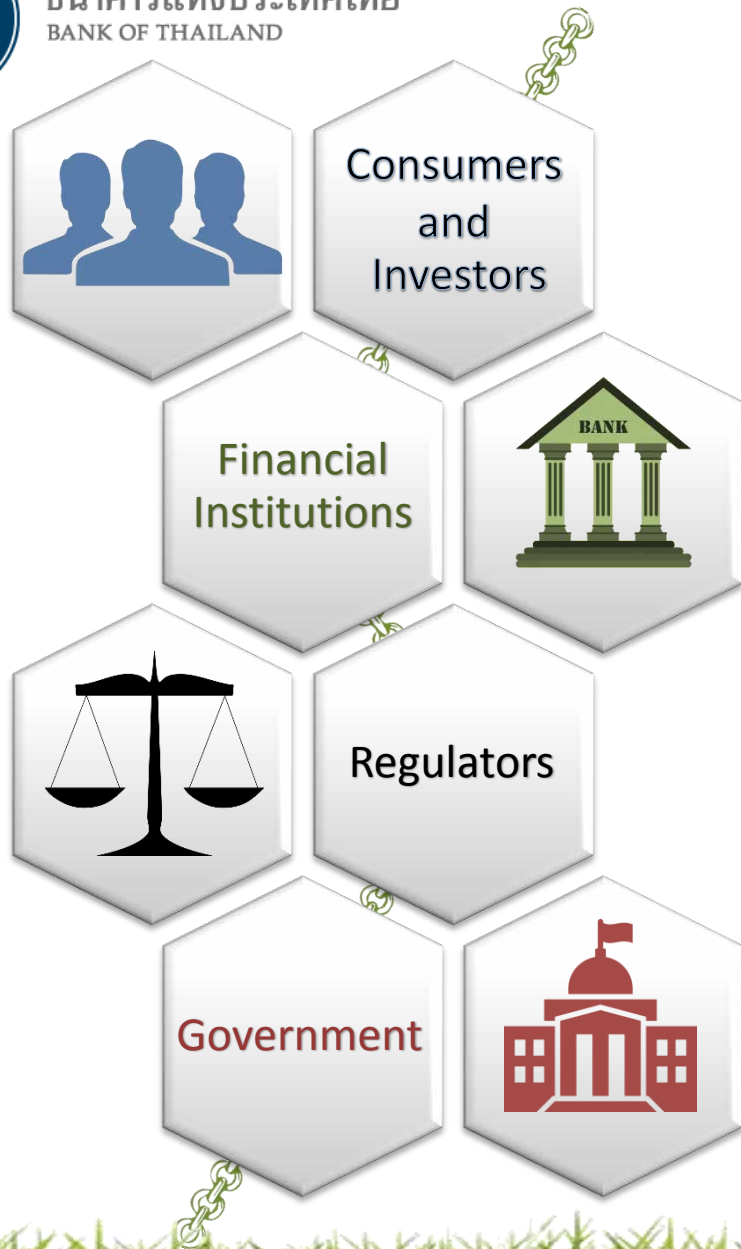
Collaboration

Catalyst





ธนาคารแห่งประเทศไทย
BANK OF THAILAND



“The alignment of mindsets and efforts among all stakeholders is required to achieve inclusive green economies without leaving anyone behind.”





krungsri
กรุงศรี

A member of  **MUFG**
a global financial group

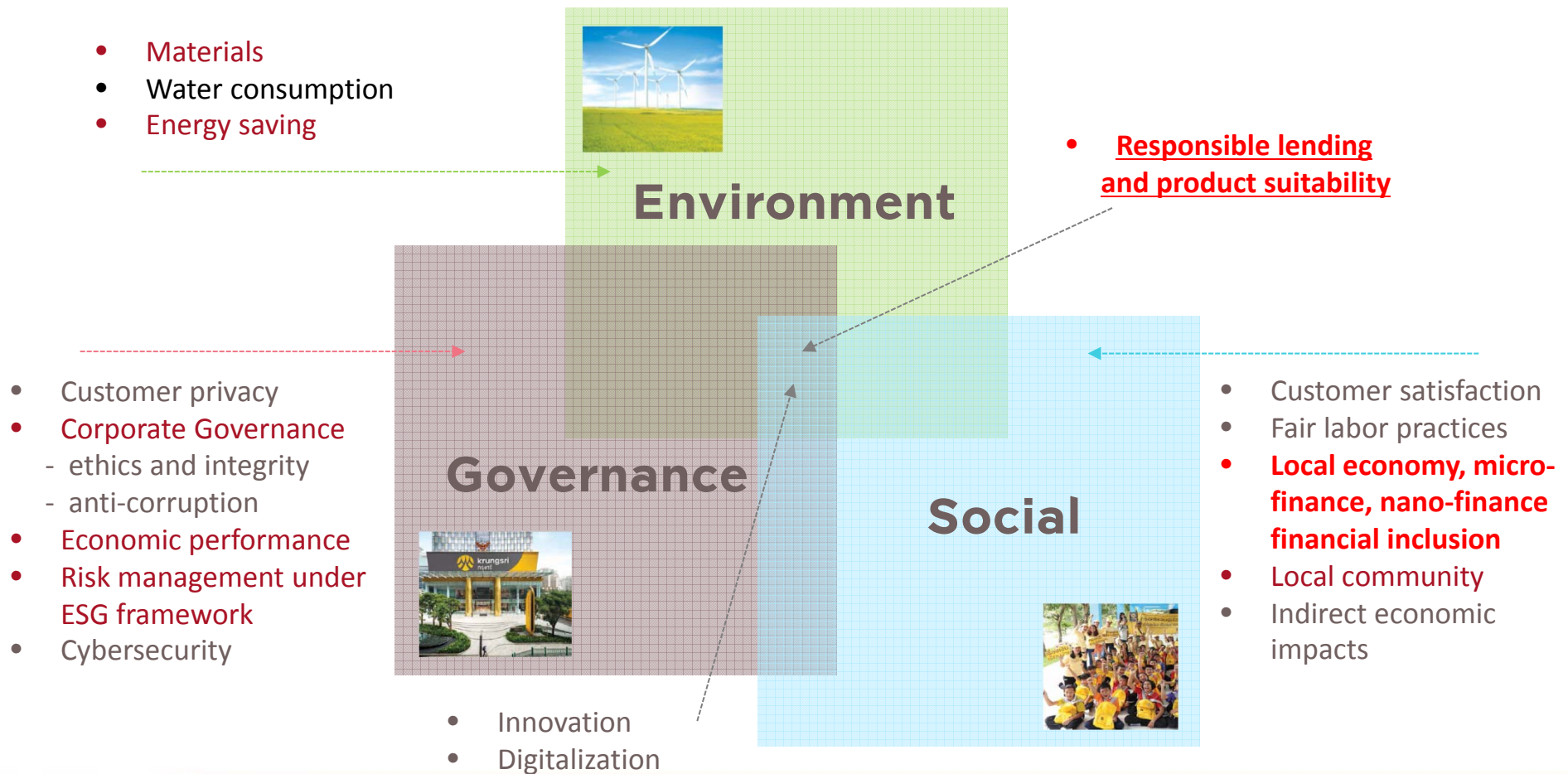
Krungsri's ESG Journey

Environmental, Social and Governance Division



Krungsri's Mission

“ To be a leading regional financial institution with global reach, committed responsibly to meeting needs of our customers and **serving society through sustainable growth** ”



Krungsri and SDG 2030



Source: <https://sustainabledevelopment.un.org>

Financial Inclusion: Microfinance and Nano-finance



Ngern Tid Lor



Hattha Kaksekar



Financial Literacy: Underbanked Segment



Ngern Tid Lor

“Everything we do, we strive to empower people and enrich lives. We believe that access to fair, transparent, and responsible financial services is everyone’s right.”



Target: Low-income earners, retail traders, employees in factories, day-to-day laborers with no credit history, inmates



Hattha Kaksekar



“It is the company’s mission to provide financial services for customers in the urban areas as well as those in remote provinces.”

Target: Bank’s customer who sources of income are from agriculture sector

Krungsri's Way of Sustainability

Krungsri places our importance on all sustainability dimensions. Supervision and business operations are on the ground of good corporate governance principle to deliver superior performance along with preserving environment and serving society toward true sustainability pathway.

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MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM





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BTS Group Overview

4 Business Units with Mass Transit as our Core

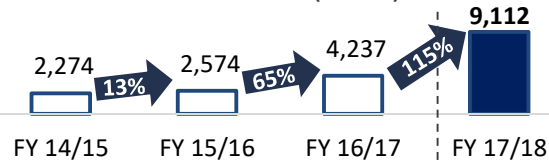


MASS TRANSIT

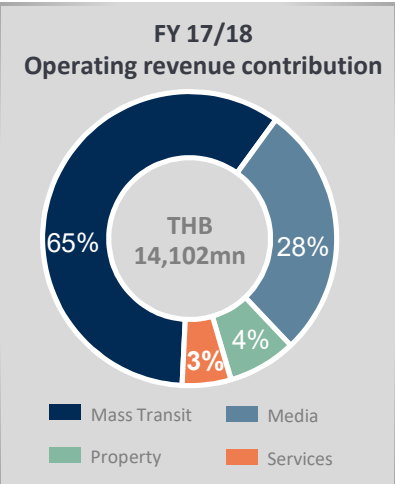


Historical operating revenues⁽¹⁾

Mass Transit Revenue (THB mn)



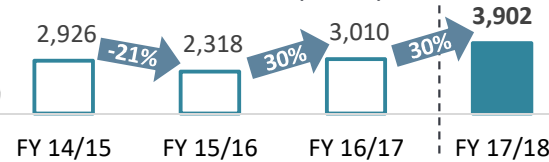
* FY 2017/18:- Services revenue from provision of E&M works & train: THB 5,795mn, O&M Revenue: THB 1,865mn, net profit from investment in BTS GIF: THB 949mn, interest income from E&M and train procurement: THB 503mn



MEDIA



Media Revenue (THB mn)

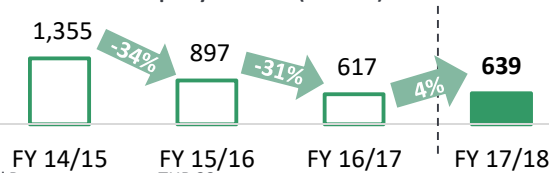


* FY 2017/18:- OOH Media revenue: THB 3,558mn, Digital Services business: THB 344mn

PROPERTY



Property Revenue (THB mn)

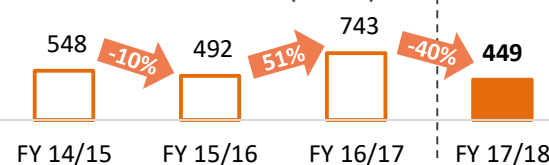


* FY 2017/18:- Commercial Property revenue : THB 616mn, Residential Property revenue: THB 23mn

SERVICES



Services Revenue (THB mn)



* FY 2017/18:- ChefMan revenue:- THB 128mn, HHT revenue : THB 180mn, BPS and Rabbit Rewards: THB 141mn

(1) FY ended 31 March

EMPLOYEES (as of 31 Mar 2018)

Mass Transit	2,372
Media	495
Property	548
Services	955
BTS Group	148
Total	4,518

Agenda



Section 1: Sustainability at BTS Group

Section 2: BTSG Green Bond Framework

Section 3: Green Bond Principles/Standard

Section 4: Bond Issuance

Section 5: Fact & Figure

Environmentally Friendly Conscious

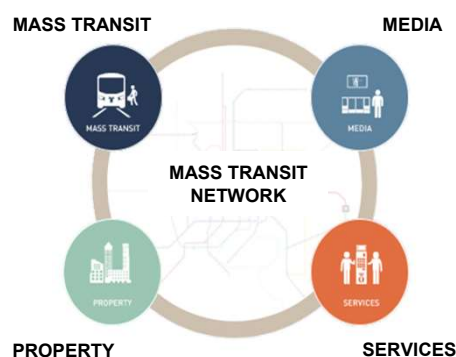


Sustainability at BTS Group

BTS's Corporate Sustainability Policy (CSP)



BTS Group has implemented its business in accordance with the sustainability strategy by synergizing the power and potentials across the 4 Business Units mainly driven by Mass Transit Business, the Group's core business significantly affects a wide range of stakeholders. The Synergy aims to create perfect-fit products and services, providing the responsive city lifestyle in accordance with the "City Solutions" Concept



Key CSP Guidelines			
Economic	Environmental	Social	Stakeholders
<ul style="list-style-type: none"> Long term value added and sustainable return Good CG & business ethics 	<ul style="list-style-type: none"> Maximizing energy efficiency Conservation of natural resources and waste management 	<ul style="list-style-type: none"> Operational efficiency with an emphasis on safety, security, health, and environment 	<ul style="list-style-type: none"> Rights and fair treatment of stakeholders

Sustainability at BTS Group

Our path towards sustainability



- “Corporate Sustainability Policy” be in place for all 4 business units (mass transit, media, property, and services)
- September 2018, selected by **Dow Jones Sustainability Indices (DJSI) Emerging Market**
- Selected as a constituent of the **FTSE4Good Index Series in 2018**
- Granted the **ESG 100 Certificate** as one of the 100 listed companies that have outstanding Environmental, Social and Governance (EGS) performance for four consecutive year (2015 - present)
- Focus on **6 Sustainable Development Goals** by UN
- Promote **eco-friendly business activities** and **address environmental & social risks**
- **Energy Management System Committee**, focusing on energy related issues
- Compliance with **ISO 14001** and **OHSAS 18001**, related to environment and safety

MEMBER OF
Dow Jones Sustainability Indices
 In Collaboration with RobecoSAM

ROBECOSAM Sustainability Award
 Bronze Class 2018

FTSE4Good

ESG100 2018
 Environmental • Social • Governance

ISO 14001
 ENVIRONMENTAL MANAGEMENT SYSTEMS

OHSAS
 18001:2007

United Nations Sustainable Development Goals

	Goal 3: Good health and well-being		Goal 13: Climate action
	Goal 8: Decent work and economic growth		Goal 16: Peace, Justice and Strong Institutions
	Goal 11: Sustainable cities and communities		Goal 17: Partnerships for the goals

Agenda



Section 1: Sustainability at BTS Group

Section 2: BTSG Green Bond Framework

Section 3: Green Bond Principles/Standard

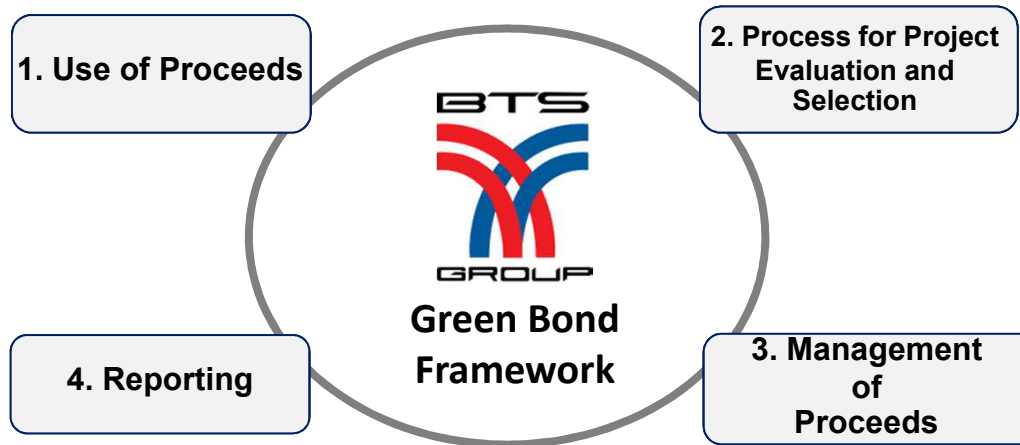
Section 4: Bond Issuance

Section 5: Fact & Figure
Environmentally Friendly Conscious



BTSG Green Bond Framework

Aligned with ICMA GBP & ASEAN GBS & Climate Bonds Standard version 2.1 & Verified by Sustainalytics and Certified Climate Bonds Initiative



Complied with



Verified by



Provide Second Party Opinion (SPO) to verify BTSG Greenbond Framework Aligned with GBP

Certified by



Certified by Climate Bonds Initiative (CBI)



BTSG Green Bond Framework: 1. Use of Proceeds

Finance/Refinance the Eligible Green Assets (the Pink & Yellow Lines)

BTSG Green Bond proceeds will be used to finance or refinance for the Eligible Green Assets, enhancing to the achievement of two Sustainable Development Goals.

Definition of Use of Proceeds

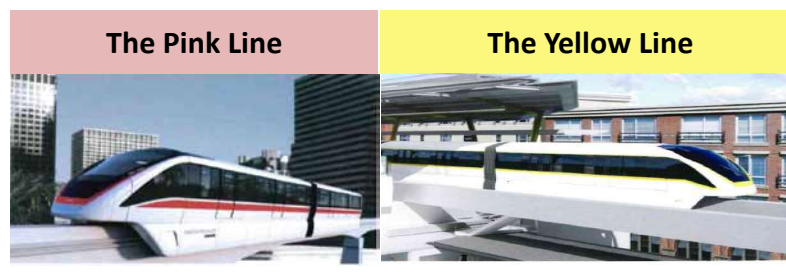
The proceeds of BTSG Green Bond will be exclusively used to finance or refinance for the Eligible Green Assets, which include:

- Clean transportation, including electric mass transit and electric feeder transit
- Infrastructure supporting the clean transportation

The Eligible Green Assets will be subjected to :

- Two-year look back period for refinancing
- Look-forward period to allocate at least 50% of bond proceeds within 12 months after issue date and 100% within 24 months

Use of Proceeds of this Green Bond transaction is to refinance for the Pink and Yellow Lines



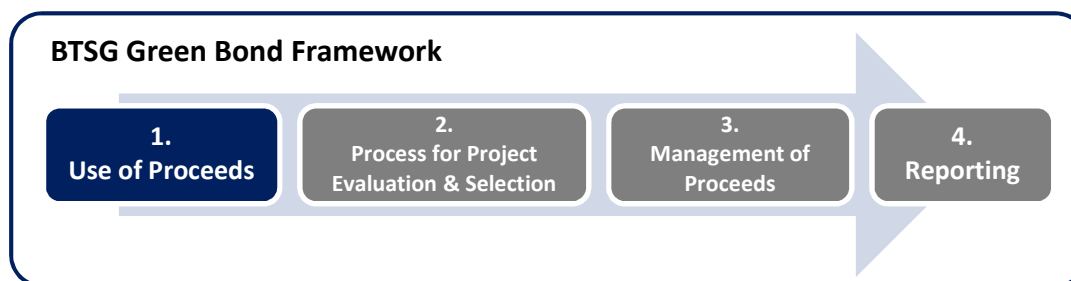
United Nations Sustainable Development Goals



Goal 11:
Sustainable cities and communities

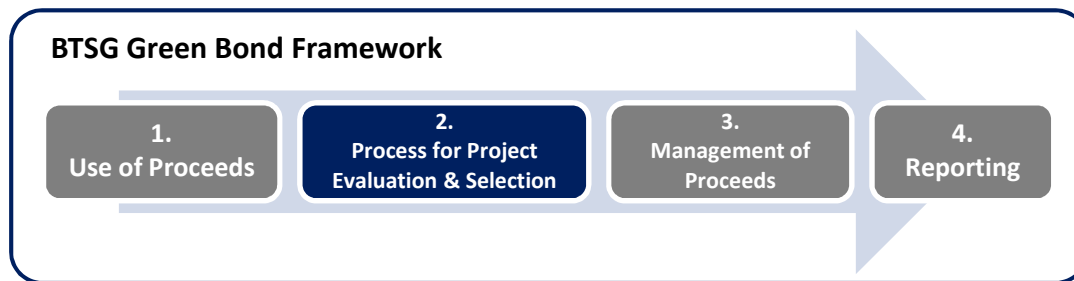


Goal 13:
Climate action



BTSG Green Bond Framework: 2. Process for Project Evaluation & Selection


Eligible projects will be evaluated GBWG, approved by ExCom and notified to BOD

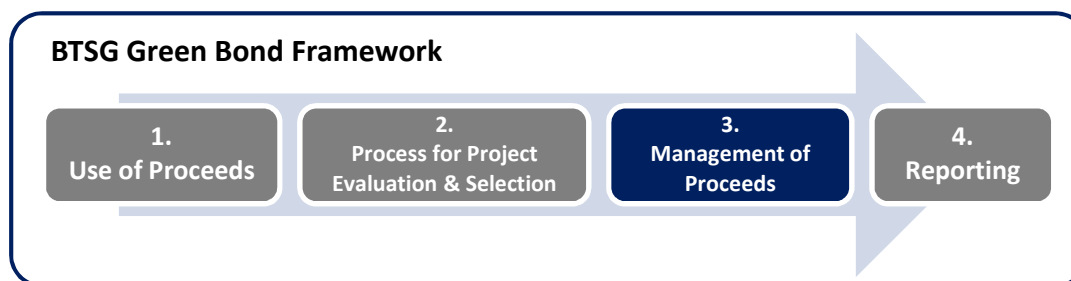


BTSG Green Bond Framework: 3. Management of Proceeds

Segregated accounts for the Green Bond proceeds & reviewed by Internal Audit



 Management of Proceeds	Allocated Proceeds	<ul style="list-style-type: none">Accounting team will establish segregated accounts to disburse and track the use of proceeds via its internal information systems on a quarterly basisInternal Audit will verify the use of Green Bond proceeds annually and until the maturity of Green Bond
	Unallocated Proceeds (if any)	<ul style="list-style-type: none">Any unallocated proceeds will be held in cash or cash equivalents according to the BTSG's liquidity management policies and highlighted in reporting



BTSG Green Bond Framework: 4. Allocation & Impact Reporting

Report on annual basis & publish on BTSG website



Allocation and Impact Reporting

Green Bond Proceeds Allocation Reporting

- The allocation reporting will include :
 - Summary of Projects
 - the balance amount of allocated and unallocated net proceeds
- Until the Green Bond is fully allocated, the report allocation of proceeds will be made available on BTSG's website on an annual basis

Impact Reporting

- When possible, the impact reporting which includes following impact metrics, will be made available on BTSG's website :
 - Number of passengers using electric transportation of projects under Green Bonds per year
 - Amount of CO₂ emission reduction per year

BTSG Green Bond Framework



Agenda

Section 1: Company Overview & Updates

Section 2: BTSG Green Bond Framework

Section 3: Green Bond Principles/Standard

Section 4: Bond Issuance

Section 5: Fact & Figure

Environmentally Friendly Conscious



BTSG Greenbond Framework Comply to All Three Principles/Standard

verified by Sustainalytics and certified by CBI



The ICMA's Green Bond Principles (GBP)

are voluntary process guidelines that recommend transparency and disclosure and promote integrity in the development of the Green Bond market by clarifying the approach for issuance of a Green Bond



ASEAN Green Bond Standards (ASEAN GBS)

are developed based on the ICMA's Green Bond Principles, but provide more specific guidance on how the GBP are to be applied across ASEAN. For example, the proceeds must use to create a green asset for the ASEAN region, and shall not be used for fossil fuel power generation projects



Climate Bonds Standard Version 2.1

provides clear criteria to verify certain green credentials of a bond or other debt instrument and provides a robust approach to verifying that the funds are being used to finance projects and assets that are consistent with delivering a low carbon and climate resilient economy



Second Party Opinion (SPO) provided by Sustainalytics

- To verify BTSG Greenbond Framework aligned with the Green Bond Principles
- Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors



Certified by Climate Bonds Initiative (CBI)

An international, investor-focused non-profit organization working solely on mobilising the bond market for climate change solutions

Agenda

Executive Summary

Section 1: Sustainability at BTS Group

Section 2: BTSG Green Bond Framework

Section 3: Green Bond Principles/Standard

Section 4: Bond issuance

Section 5: Fact & Figure

Environmentally Friendly Conscious



Bond Issuance

Investment Highlighted



First Thai Green Bond Offering to Institutional & HNW investors

- under ICMA's Green Bond Principles & ASEAN Green Bond Standards
- Opportunity for Thai investors to invest in sustainable financing

Industry Leadership –Mass Transit Sector

- Investment Opportunity in Infrastructure Companies
- 62% ridership market share of mass transit in Bangkok

Strong Business Profile & Financial Performance

- High predictability of revenue from mass transit train operation
- Market leader in providing out-of-Home media and digital services

Contribution to Social & Environmental Sustainability

- Support the UN's Sustainable Development Goals (SDGs)
- Member of DJSI Emerging Markets 2018



Bond Issuance

Subscription result : **8.41x** Oversubscribe



BTS Group Holdings PCL

Company Rating : A / Stable ; May 15 , 2019

Issue Rating : A / Stable ; May 23 , 2019

Tenor	2Y	3Y	5Y	7Y	10Y	Total
Government Yield	1.82%	1.88%	2.08%	2.27%	2.52%	
Spread	0.69%	0.75%	1.07%	1.30%	1.34%	
Final coupon	2.51%	2.63%	3.15%	3.57%	3.86%	
Issue size (MB)	1,000	1,300	3,000	2,700	5,000	13,000 ¹
Demand (MB)	9,570	10,017	7,291	5,179	9,986	42,043

Bid Coverage Ratio	8.41x	IRR	3.58 % p.a
Weighted Avg Cost	3.41 % p.a	Average tenor	6.91 Yrs

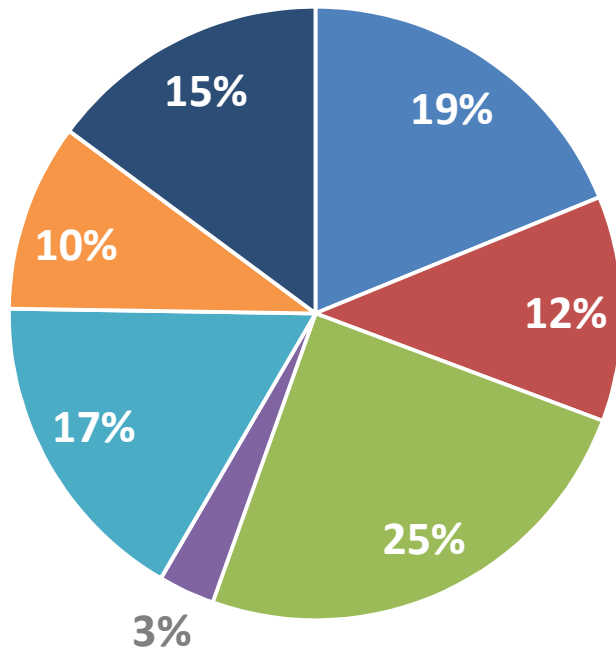
¹ Original planned issuance size is 5,000 MB

Bond Issuance

Investor by Type – 32.4 % Are New Investor

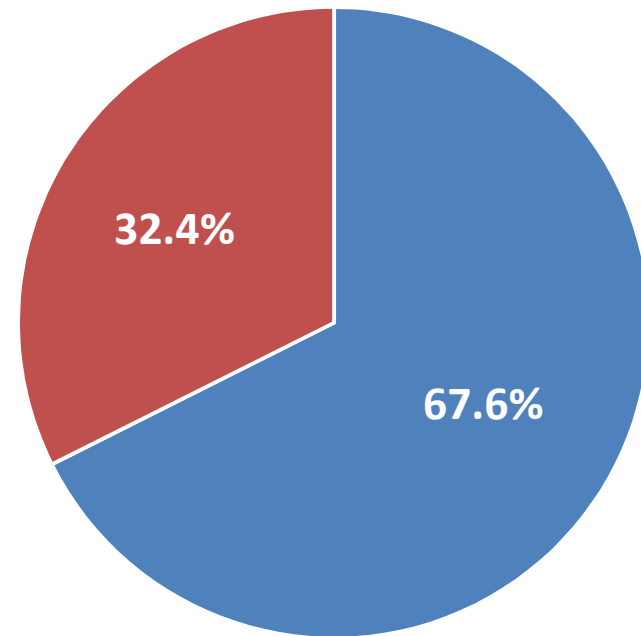


Investor by type



- Asset Mgt
- Bank
- Life Insurance
- Non-Life
- Co-Op
- Others
- HNW

Existing VS New Investor



- Existing
- New

BTS Group Green Bond on International Financial News

BTS Group sells Bt13bn multi-tranche Green bond

May 23, 2019, 11:39:00 PM EDT By Reuters



Shutterstock photo

SINGAPORE, May 24 (IFR) - BTS Group Holdings will settle Bt13bn (US\$408.2m) five-tranche Green bonds today after pricing tenors of two to 10 years.

The Bt1bn two-year tranche will pay 2.51%, a Bt1.3bn three-year tranche will pay 2.63%, a Bt3bn five-year piece pays 3.15%, a Bt2.7bn seven-year piece pays 3.57% and the Bt5bn 10-year tranche pays 3.86%.

This is Thailand's first Green bond under new regulatory guidelines introduced by the regulator Securities and Exchange Commission on December 31 2018.

Bangkok's skytrain goes green - IFR News

10-May-2019 15:36:15

- Bonds: BTS to sell first deal under new guidelines for environmentally friendly bonds

TOP NEWS-Fixed Income - Reuters News

24-May-2019 13:28:39

- > JGBs rise on stronger U.S. Treasuries, slowdown worries
- > Italy unlikely to tap retail investors before summer
- > Westpac sees third rate cut in Australia this year
- > Thai 14-day c.bank bond yield 1.76752 pct at auction
- > POLL-Bank of Canada done raising rates, 40% chance of
- > CPF Thailand prices Bt17bn multi-tranche bond
- > German bond yields slide back towards 2-1/2 year lows
- > NLC India eyes Rs20bn from 10yr bonds
- > Huarong bonds plunge in early trading
- > BTS Group sells Bt13bn multi-tranche Green bond
- > U.S. yields plummet on trade war, growth worries
- > Fed's Kaplan says he's 'agnostic' on next Fed rate move
- > Bond investors seek protection from UK inflation on Ba

BTS ออก Green Bonds ขายนลก.สถาบัน- รายใหญ่ เป็นรายแรกในไทย พ.ค.นี้



BTS ขยายวงเงินออกกรีนบอนด์ 1.3 หมื่นล.หลังยอดจองล้น 8 เท่า

Home > Breaking News

Agenda

Executive Summary

Section 1: Sustainability at BTS Group

Section 2: BTSG Green Bond Framework

Section 3: Green Bond Principles/Standard

Section 4: Bond Issuance

**Section 5: Fact and Figure ,
Environmentally Friendly Conscious**

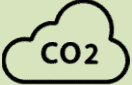


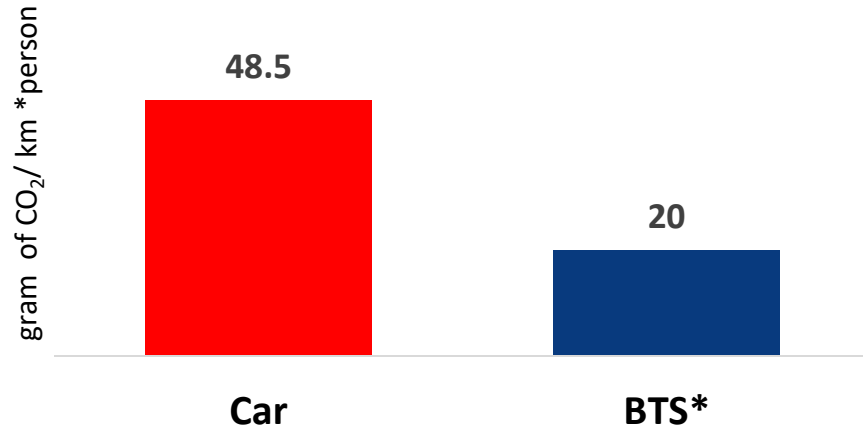
New Pink and Yellow Line Mass Transit Rail Project

Estimated to reduce CO₂ Emission by > 28,000 Ton/Year

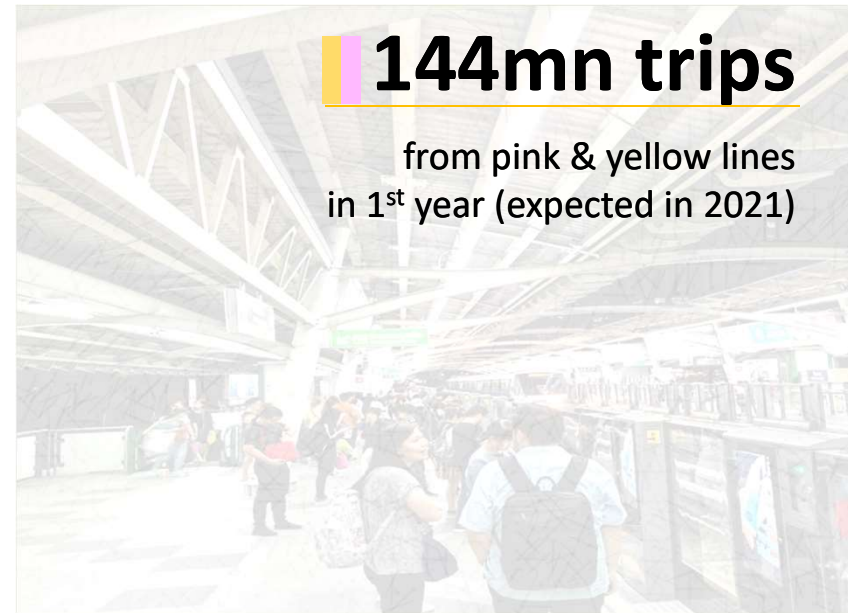


CARBON EMISSION IN DIFFERENT TRANSPORTATION MODE

 **28.5 gram CO₂ reduction**
per person per 1km if switching from car to BTS



EXPECTED 1ST YEAR RIDERSHIP OF PINK & YELLOW



28,728 ton/year = **A Carbon Reduction if switching from car to BTS**

* From the studies of Engineering department BTSC

Average riding per trip is 7 kms



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**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM

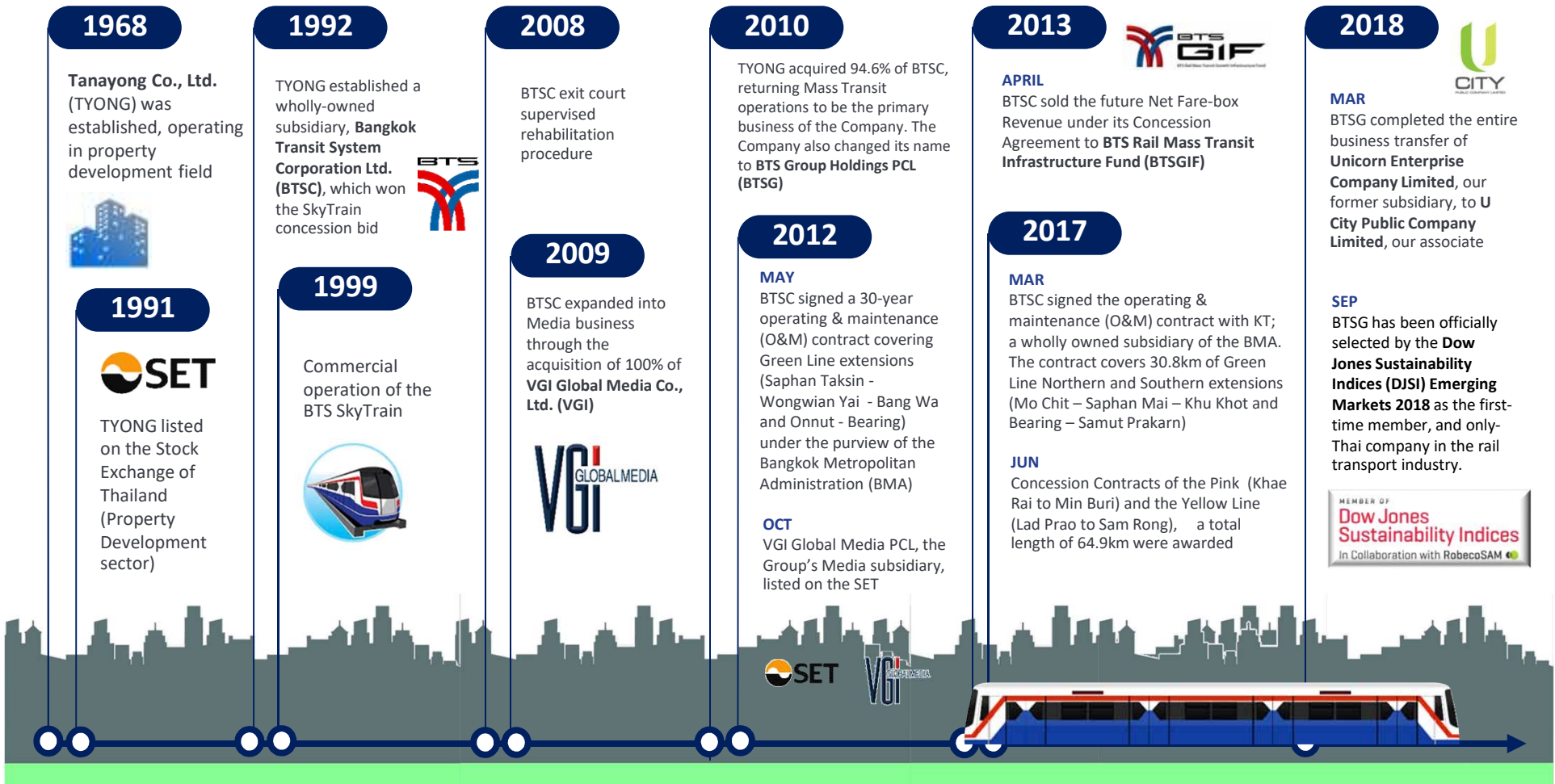


BTS Group Holdings PCL

Thank You

APPENDIX

BTS Group Key Milestones

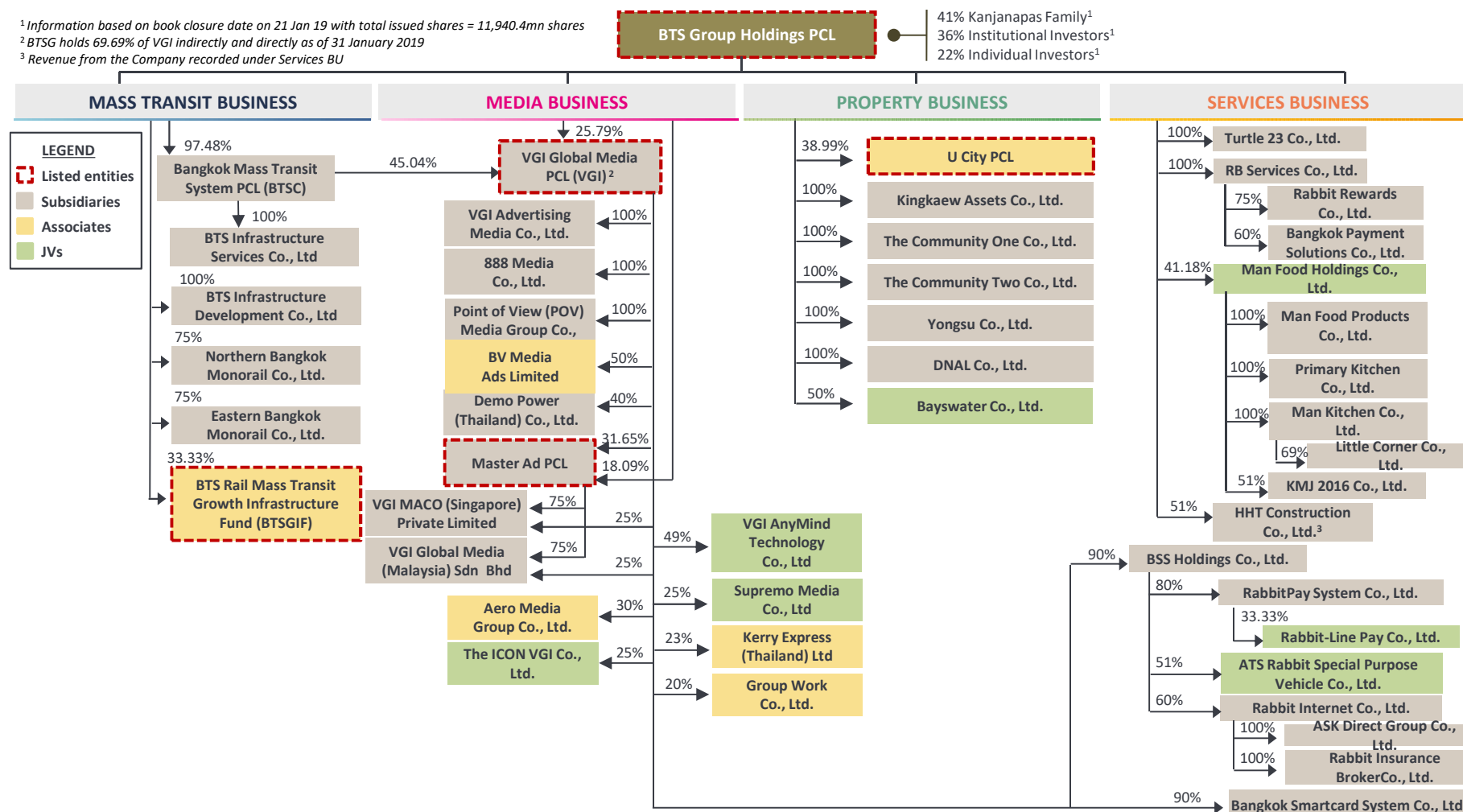


Business Organization and Shareholding Structure as of 31 March 2019

¹ Information based on book closure date on 21 Jan 19 with total issued shares = 11,940.4mn shares

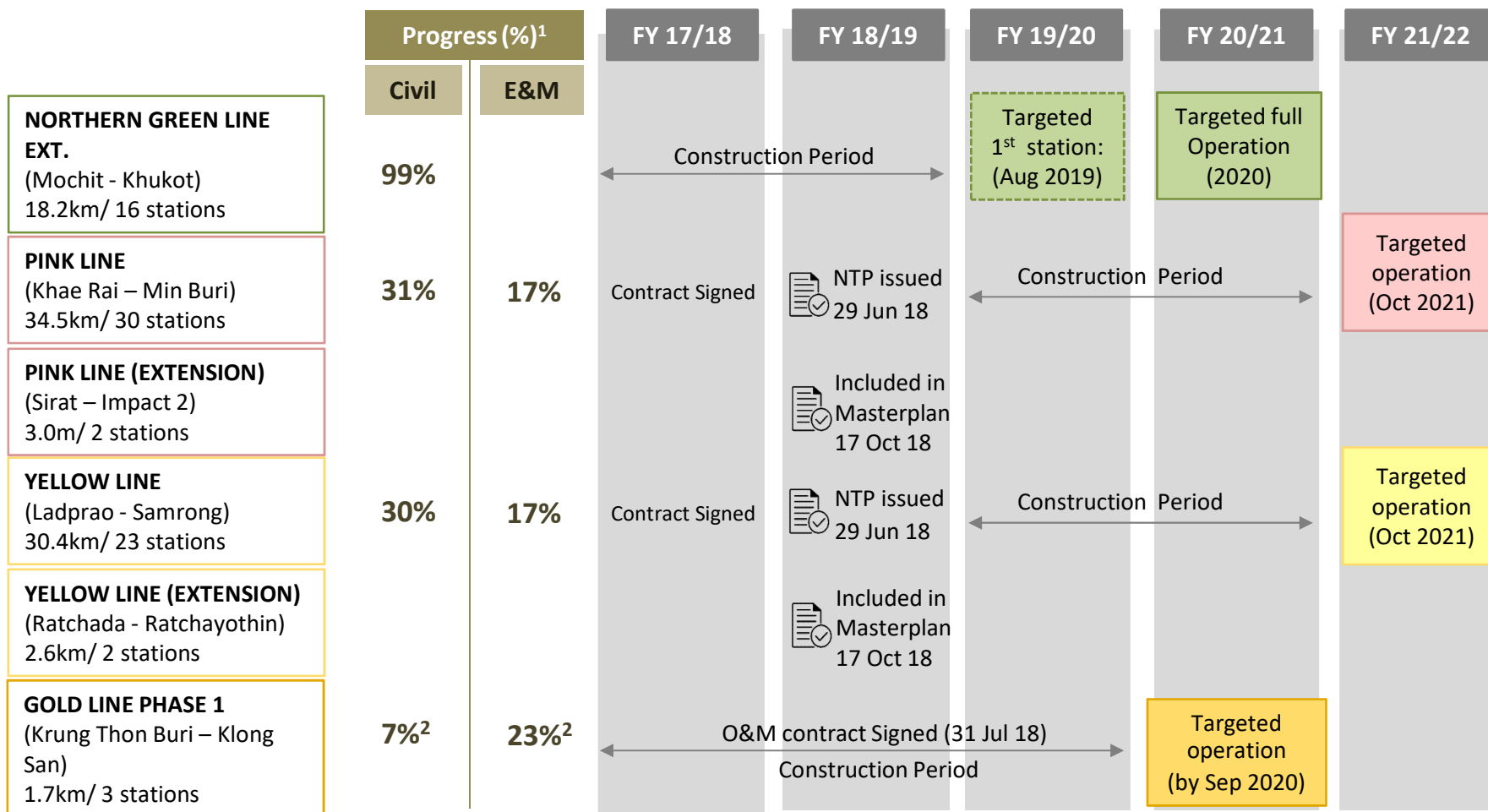
² BTSG holds 69.69% of VGI indirectly and directly as of 31 January 2019

³ Revenue from the Company recorded under Services BU



Mass Transit Update

Progress of BTS Secured Lines



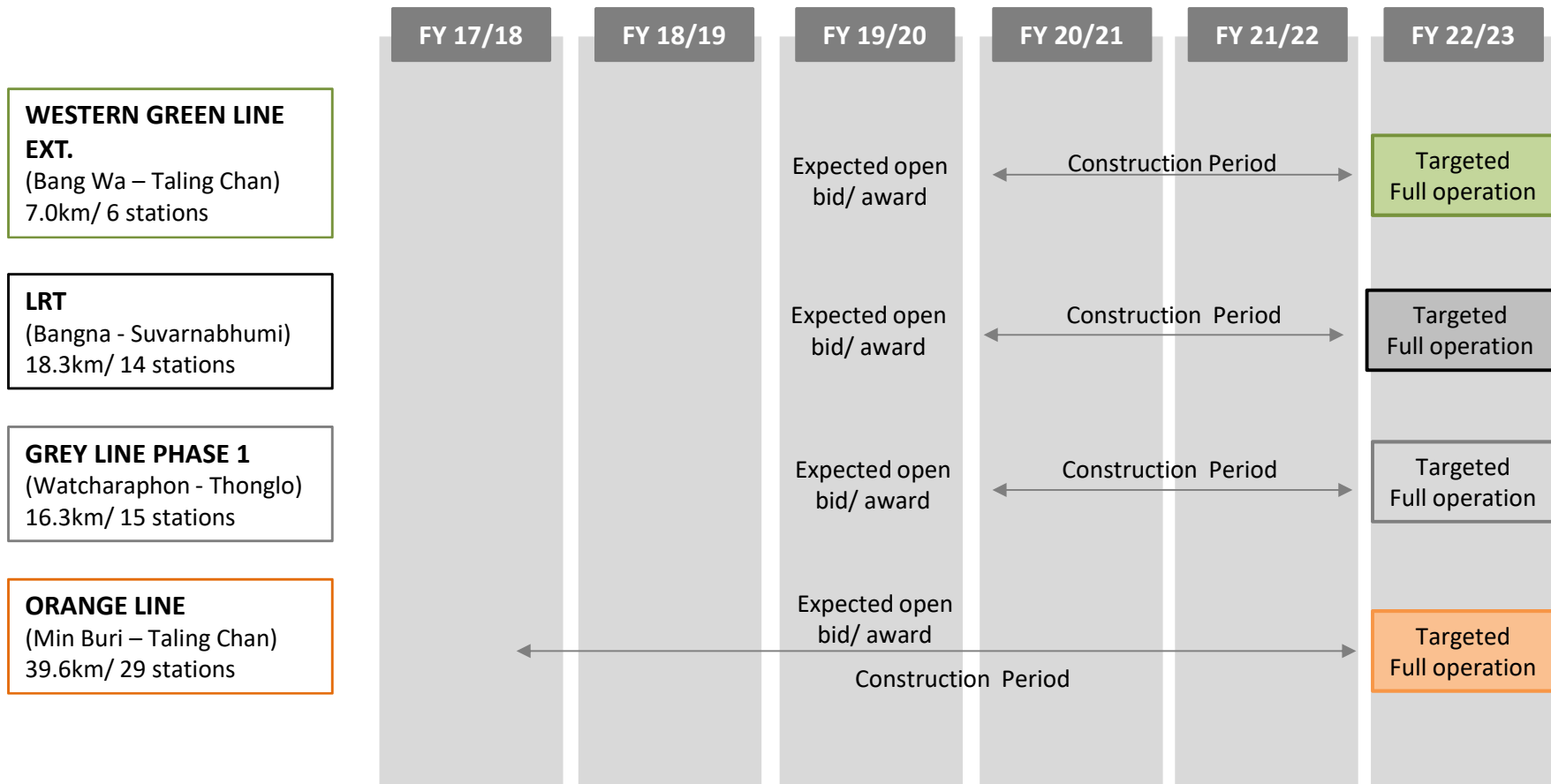
Sources:

¹Information was from MRTA and the Company's report as of 31 March 2019

²Information was from MRTA and the Company's report as of 31 December 2018

Mass Transit Update

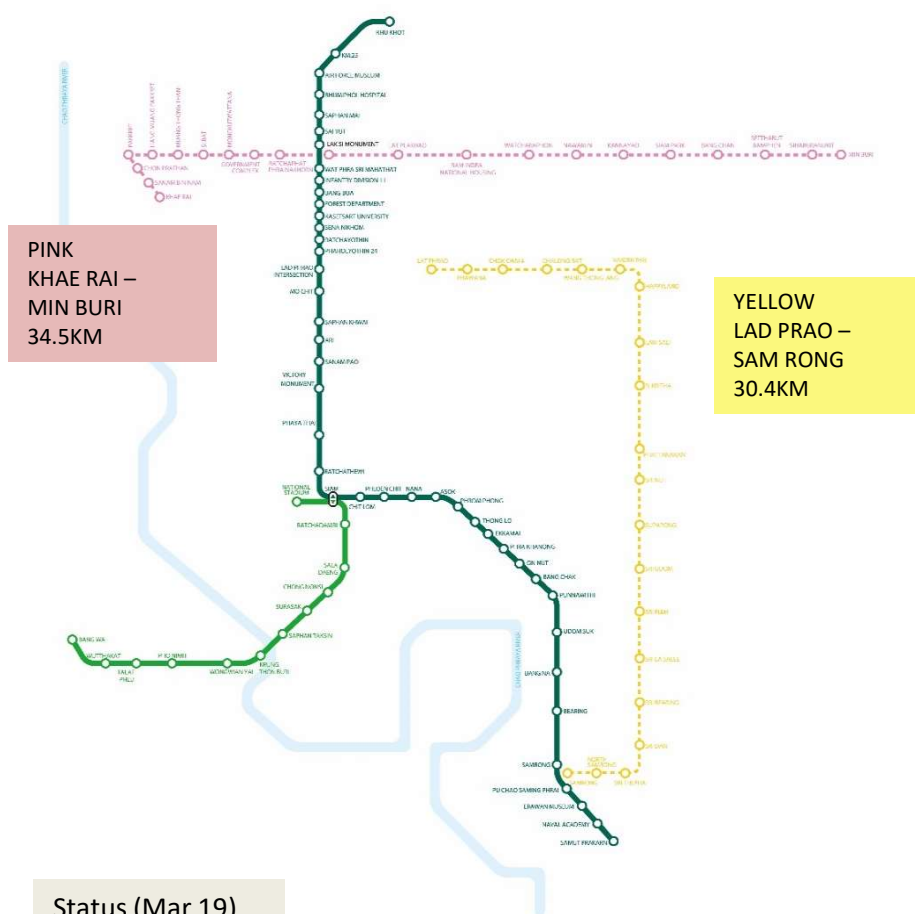
Progress of BTS Targeted Lines



Sources: MRTA, the Company

Project Details of the Pink and Yellow Lines

Green bond proceeds will be refinanced the Pink and Yellow lines



Status (Mar 19)

Civil	30%
E&M	17%

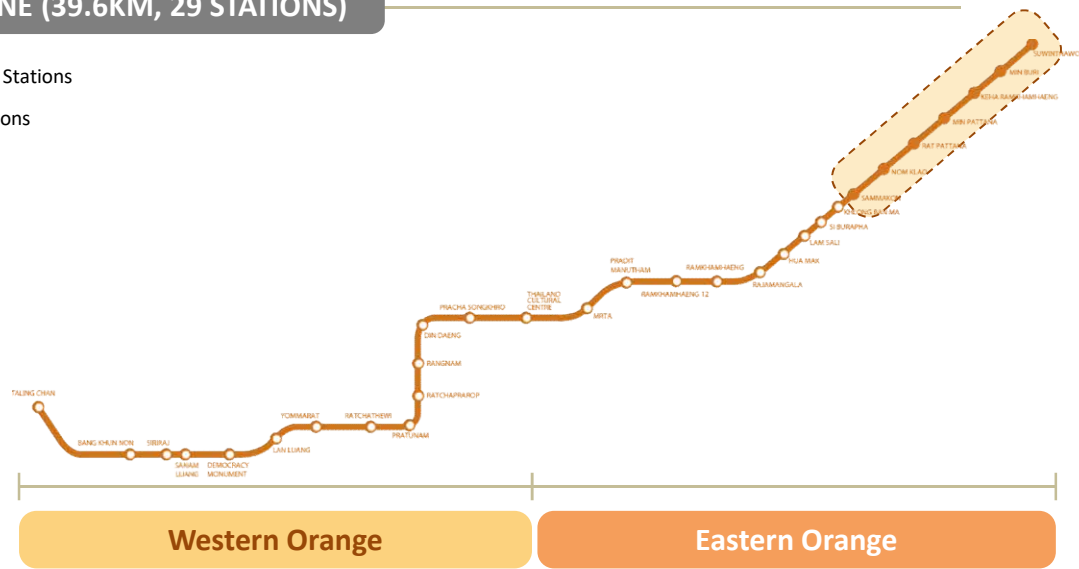
	PINK	YELLOW
Route	Khae Rai to Min Buri	Lad Prao to Sam Rong
Distance	34.5km	30.4km
No. of stations	30	23
Type	Elevated Straddle Monorail	Elevated Straddle Monorail
Required trains	42 4-car train (168 cars)	30 4-car train (120 cars)
System Capacity	Up to 40,000 PPHPD	Up to 40,000 PPHPD
Contract type	PPP Net Cost (BTO)	PPP Net Cost (BTO)
Contract length	30-year operation	30-year operation
Civil Subsidy	Not exceeding the value of civil engineering work	
Expected operation year	Oct 2021	Oct 2021
Extensions	Spur Line 2.8km, 2 stations from Si Rat station (PK10) to Meung Thong Thani	2.6km, 2 stations from Ratchada station (YL01) of Yellow line to new station closed to Ratchayothin Station
Project Cost	THB 49.4bn	THB 46.7bn

Mass Transit Update

Orange Line – Project at a Glance

ORANGE LINE (39.6KM, 29 STATIONS)

- Underground Stations
- ⊙ Elevated Stations



Route	Taling Chan - Thailand Cultural Center	Thailand Cultural Center - Min Buri
Length	17km	22.6km
No. of Stations	12 (underground)	17 (10 on ground ,7 underground)
CAPEX	Civil ~THB 90bn E&M ~THB 30bn	

EXPECTED TIMELINE

- MAY 2017**
Civil work construction of Eastern Orange began
- 2019**
Expect RFP for Civil work construction of Western Orange & E&M, available for sale
- 2023**
Targeted Commercial Operation Date

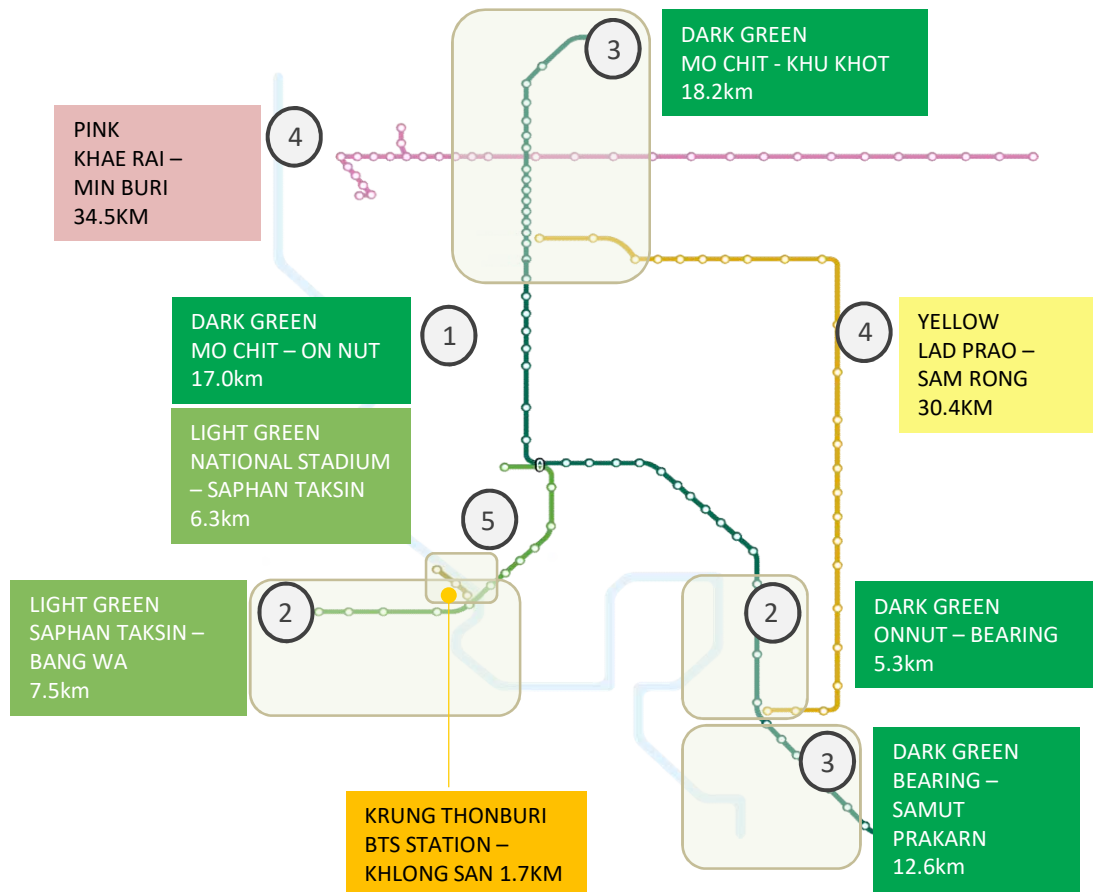
Source: Company Data and Market Sounding

Mass Transit Update

Expanding BTS Network



BTS NETWORK LINES – EXPANDING FROM 48.9KM (43 STATIONS) TO 133.7KM (115 STATIONS)



1. CORE NETWORK

MOCHIT TO ONNUT AND NATIONAL STADIUM TO SAPHAN TAKSIN

- 23.5KM & 23 STATIONS
- CONCESSION CONTRACT (1999-2029)
- 13YR O&M CONTRACT (2029-2042)

2. GREEN LINE EXTENSIONS

ONNUT TO BEARING AND SAPHAN TAKSIN TO BANG WA

- 12.8KM & 11 STATIONS
- 30YR O&M CONTRACT (2012-2042)

3. NEW GREEN LINE EXTENSIONS

BEARING TO SAMUTPRAKARN AND MO CHIT TO KHU KHOT

- 30.1KM & 25 STATIONS
- 26YR O&M CONTRACT (2017-2042)

4. PINK AND YELLOW

KHAE RAI TO MIN BURI AND LAD PRAO TO SAM RONG

- 64.9KM & 53 STATIONS
- 30YR PPP NET COST CONTRACT

5. GOLD

KRUNG THONBURI BTS STATION TO KHLONG SAN

- 1.7KM & 3 STATIONS
- 30YR O&M CONTRACT