

Second-Party Opinion

Minor International Sustainability-Linked Financing Framework

Second-Party Opinion

Reviewed by:

MORNINGSTAR

SUSTAINALYTICS



Evaluation Summary

Sustainalytics is of the opinion that the Minor International Sustainability-Linked Financing Framework aligns with the Sustainability-Linked Bond Principles 2024, Sustainability-Linked Loan Principles 2023 and ASEAN Sustainability-Linked Bond Standards 2022. This assessment is based on the following:

- Selection of Key Performance Indicators** The Minor International Sustainability-Linked Financing Framework defines one KPI: Absolute scope 1 and 2 GHG emissions. Sustainalytics considers the KPI chosen to be adequate based on materiality, relevance, scope of applicability and having an externally defined methodology, as applicable.
- Calibration of Sustainability Performance Targets** Sustainalytics considers the SPT to be aligned with Minor International Public Company Limited's sustainability strategy. Sustainalytics further considers the SPT to be highly ambitious based on the SPT's past performance, peer performance and alignment with science-based trajectories as applicable.
- Financial Characteristics** Minor will link the financial characteristics of the instruments issued under the Framework to the achievement of the SPT. The financial characteristics may include a coupon step-up or step-down, step-up or step-down of credit margin, a premium payment over the coupon or redemption price, or additional covenants to Minor.
- Reporting** Minor commits to provide an annual update on its KPI performance via its sustainability report. Relevant information that may enable stakeholders to measure KPI performance and monitor progress towards achieving the SPTs will be provided to lenders or investors on an annual basis.
- Verification** Minor commits to have external limited assurance conducted against each SPT for the KPI at least once a year.

Evaluation Date	March 25, 2025
Issuer Location	Bangkok, Thailand

The SPTs contribute to the following SDGs:



Overview of KPIs and SPTs

KPI	Baseline	Strength of KPI	SPT	Ambitiousness of SPT
KPI: Absolute scope 1 and 2 GHG emissions (tCO ₂ e)	2023	Adequate	SPT: Reduce absolute scope 1 and 2 GHG emissions by 42% by FY2030 from a FY2023 baseline	Highly Ambitious

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Scope of Work and Limitations

Minor International Public Company Limited (“Minor” or the “Company”) has engaged Sustainalytics to review the Minor International Sustainability-Linked Financing Framework dated March 2025 (the “Framework”) and provide an opinion on its alignment with the Sustainability-Linked Bond Principles 2024 (SLBP)¹, Sustainability-Linked Loan Principles 2023² and ASEAN Sustainability-Linked Bond Standards 2022 (ASEAN SLBS)³.

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent⁴ opinion on the alignment of the Framework with the SLBP, as administered by the International Capital Market Association (ICMA), SLLP as administered by the Asia Pacific Loan Market Association (APLMA), the Loan Market Association (LMA), the Loan Syndications and Trading Association (LSTA), and ASEAN SLBS as administered by ASEAN Capital Markets Forum (ACMF).

As part of this engagement, Sustainalytics exchanged information with representatives of Minor to understand the sustainability impact of its business processes and the SPT, as well as the reporting and verification aspects of the Framework. Minor’s representatives have confirmed that:

- (1) They understand it is the sole responsibility of the issuer to ensure that the information provided is complete, accurate and up to date.
- (2) They have provided Sustainalytics with all relevant information.
- (3) 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 the Framework. Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Minor. Sustainalytics’ Second-Party Opinion assesses alignment of the Framework with current market standards but does not provide any guarantee of alignment nor warrants any alignment with future versions of such standards. Furthermore, Sustainalytics’ Second-Party Opinion addresses the anticipated SPTs but does not measure progress on the KPI. This Second-Party Opinion is valid for issuances aligned with the Framework until one of the following occurs: i) a material change to the external benchmarks against which targets were set; ii) a material corporate action (such as a material M&A or change in business activity) which has a bearing on the achievement of the SPT or the materiality of the KPI. Measuring and reporting on the KPI and SPT is the responsibility of the Framework owner.

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

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¹ The Sustainability-Linked Bond Principles are administered by the International Capital Market Association and are available at: <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-linked-bond-principles-slbp/>

² The Sustainability-Linked Loan Principles are administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association and are available at: <https://www.lsta.org/content/sustainability-linked-loan-principles-sllp/>

³ The ASEAN Sustainability-Linked Bond Standards are administered by the ASEAN Capital Markets Forum and are available at: <https://www.theacmf.org/images/downloads/pdf/ASEAN%20Sustainability-linked%20Bond%20Standards.pdf>

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. In addition, analyst compensation is not directly tied to specific commercial outcomes.

Introduction

Minor is a publicly held company headquartered in Bangkok, Thailand. The Company mainly operates in the following business segments: Minor Hotels, with properties in Asia, Europe, Australia, New Zealand, the Middle East, Africa and Latin America; Minor Food, a restaurant chain with locations primarily in Thailand, China and Australia; and Minor Lifestyle, which offers a wide range of clothing, footwear and consumer products through stores and e-commerce in Thailand. Minor generated revenue of THB 166 billion (USD 4.88 billion) in FY2024, and as of 2024, Minor had more than 85,000 employees.

Minor intends to obtain sustainability-linked debt instruments (bonds, loans, derivatives, and other financial instruments)⁵ whose margin adjustment, coupon adjustment or premium payment is tied to the achievement of the SPTs for the selected KPI related to GHG emissions.

Minor has engaged Sustainalytics to review the Framework and provide an opinion on the alignment of the Framework with the SLBP, SLLP and ASEAN SLBS. The Framework has been published in a separate document.⁶

Minor has defined the following KPIs and SPTs:

Table 1: KPI Definitions

KPI	Definition
KPI: Absolute scope 1 and 2 GHG emissions (tCO ₂ e)	<p>The KPI measures annual absolute scope 1 and 2 GHG emissions in tonnes of CO₂ equivalent (tCO₂e). The Company calculates its scope 1 and 2 GHG emissions in accordance with the GHG Protocol Standards.</p> <ul style="list-style-type: none"> Scope 1: Emissions from the combustion of diesel, LPG, natural gas, heavy oil, kerosene, petrol, propane and butane, and from hydrofluorocarbon refrigerants from buildings or operations controlled by Minor. Scope 2: Indirect emissions associated with purchased electricity, district cooling, heat or steam.

Table 2: SPTs and Past Performance⁷

KPI	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
KPI: Absolute scope 1 and 2 GHG emissions (tCO ₂ e)	437,229	289,414	342,206	436,572	486,853	486,196

SPT FY2025	SPT FY2026	SPT FY2027	SPT FY2028	SPT FY2029	SPT FY2030
428,430 (-12%)	399,219 (-18%)	370,797 (-24%)	340,797 (-30%)	311,586 (-36%)	282,374 (-42%)

⁵ Sustainalytics has reviewed only the financial instruments that are specified in the Framework. As for derivatives, Sustainalytics notes that the considerations for such instruments are typically different from SLBs and SLLs and are thereby outside of the scope of Sustainalytics' Second-Party Opinion.

⁶ Minor, "Minor International Sustainability-Linked Financing Framework", at: <https://www.minor.com/en/investor-relations/sustainable-finance/sustainability-linked-financing-framework>

⁷ The reporting period for the KPI is the financial year from 1st January to 31st December.

Sustainalytics' Opinion

Section 1: Alignment with the Sustainability-Linked Bond Principles, Sustainability-Linked Loan Principles and ASEAN Sustainability-Linked Bond Standards

Sustainalytics is of the opinion that the Minor International Sustainability-Linked Financing Framework aligns with the five core components of the SLBP, SLLP and ASEAN SLBS.



Selection of Key Performance Indicators

Relevance and Materiality of KPIs

In assessing the materiality and relevance of a KPI, Sustainalytics considers: i) whether the indicator speaks to a material impact of the issuer's activities on environmental or social issues; and ii) to what extent the KPI is applicable.

KPI 1: Absolute scope 1 and 2 GHG emissions (tCO₂e)

Buildings have a crucial role in the transition towards a low carbon economy due to their significant energy consumption, which makes them a major source of GHG emissions. In 2023, buildings accounted for 30% of global final energy consumption and 26% of energy-related emissions from building operations (including 8% from direct emissions within buildings and 18% from indirect emissions generated during the production of electricity and heat used in buildings). In the commercial buildings sector, hotels stand out as particularly energy-intensive, not only from energy use in guest rooms, but also in business centres, restaurants and laundry rooms. This highlights the importance of reducing emissions in the hotel industry.⁸ Sustainalytics' ESG Risk Rating identifies Carbon – Own Operations as a Material ESG Issue (MEI) for the Company and the Travel, Lodging and Amusement subindustry.⁹ The Sustainability Accounting Standards Board (SASB)¹⁰ also identifies Energy Management as a material topic for the Hotels and Lodging industry. SASB emphasizes that buildings associated with the hotel and lodging sector consume substantial amounts of energy, primarily for space heating, ventilation, air conditioning, water heating, lighting, and the use of equipment and appliances.¹¹

Regarding applicability, the KPI covers 100% of Minor's scope 1 and 2 GHG emissions but accounts for only 21.3% of its total scope 1, 2 and 3 emissions in 2023. Sustainalytics notes that scope 3 emissions, which account for a significant majority (approximately 79% of Minor's total emissions) are not included in the KPI's scope. Hence, Sustainalytics considers the KPI's applicability to be limited. While Minor has committed to reducing absolute scope 3 GHG emissions as part of its SBTi-validated near-term science-based targets,¹² these reductions are not included within the scope of this Framework. Given the substantial contribution of scope 3 emissions, Sustainalytics encourages Minor to address scope 3 emissions reduction alongside its efforts to reduce scope 1 and 2 emissions to achieve full-scale decarbonization.

Based on the above, Sustainalytics considers KPI 1 to be relevant and material, and to have a limited scope of applicability.

⁸ IEA, "Buildings", at: <https://www.iea.org/reports/buildings>

⁹ Sustainalytics' Carbon – Own Operations MEI refers to a company's management of risks related to its own operational energy and GHG emissions (scope 1 and 2). It also includes parts of scope 3 emissions, such as product use and fuel- and energy-related emissions.

¹⁰ The SASB Foundation is an independent not-for-profit organization that establishes and maintains industry-specific standards to assist companies in disclosing financially material decision-useful sustainability information to investors.

¹¹ SASB, "Hotels & Lodging", (2018), at: https://www.sasb.org/wp-content/uploads/2018/11/Hotels_Lodging_BFC_2018.pdf

¹² Reduction of absolute scope 3 emissions from purchased goods and services, capital goods, fuel- and energy-related activities, upstream and downstream transportation and distribution, waste generated in operations, upstream and downstream leased assets, end-of-life treatment of sold products and investments 25% by 2030 against a 2023 baseline.

SBTi, "Companies taking action", at: <https://sciencebasedtargets.org/target-dashboard>

KPI Characteristics

In assessing a KPI's characteristics, Sustainalytics considers: i) whether it uses a clear and consistent methodology; ii) whether it follows an externally recognized definition; iii) whether the KPI is a direct measure of the issuer's performance on a material environmental or social issue;¹³ and iv) whether the methodology can be compared against an external contextual benchmark.¹⁴

KPI: Absolute scope 1 and 2 GHG emissions (tCO₂e)

Sustainalytics considers Minor's definition and methodology for calculating the KPI to be clear and consistent with the Company's historical reporting on this KPI. Minor measures and reports on the KPI in line with the GHG Protocol Corporate Accounting and Reporting Standard.¹⁵ Considering that the KPI measures absolute GHG emissions (tCO₂e), Sustainalytics views the KPI as a direct measure of Minor's performance on the environmental issue of GHG emissions. Further, Sustainalytics notes that the KPI supports comparison against external science-based decarbonization pathways, such as the Science Based Targets initiative's (SBTi) cross-sector absolute reduction method.¹⁶

Overall Assessment

Sustainalytics considers the KPI to be adequate, given that it: i) directly measures Minor's performance on a relevant and material environmental issue for Minor and the sector; ii) has a limited scope of applicability; and iii) follows a clear, consistent and an externally recognized methodology; and iv) lends itself to be externally comparable against an external benchmark or trajectory.

KPI	Strength of KPI			
KPI: Absolute scope 1 and 2 GHG emissions (tCO ₂ e)	Not Aligned	Adequate	Strong	Very strong



Calibration of Sustainability Performance Targets

Alignment with Minor's Sustainability Strategy

Minor has set the following SPTs for its KPI:

- SPT: Reduce absolute scope 1 and 2 GHG emissions by -
 - 12% by FY2025 from a FY2023 baseline
 - 18% by FY2026 from a FY2023 baseline
 - 24% by FY2027 from a FY2023 baseline
 - 30% by FY2028 from a FY2023 baseline
 - 36% by FY2029 from a FY2023 baseline
 - 42% by FY2030 from a FY2023 baseline

Sustainalytics considers the SPTs to be aligned with Minor's sustainability strategy. Please refer to Section 2 for an analysis of the credibility of Minor's sustainability strategy.

Strategy to Achieve the SPTs

Minor intends to achieve the SPT through the following strategy:

SPT: Reduce absolute scope 1 and 2 GHG emissions by 42% by FY2030 from a FY2023 baseline

¹³ A direct measure refers to a metric selected for the KPI that shows a specific indicator of performance or an outcome on the material ESG issue.

¹⁴ External contextual benchmarks are standards or points of reference established by recognized third-party organizations to facilitate comparability.

¹⁵ Greenhouse Gas Protocol, "A Corporate Accounting and Reporting Standard", at: <https://ghgprotocol.org/corporate-standard>

¹⁶ Science Based Targets initiative, "SBTi CORPORATE NEAR-TERM CRITERIA", (2024), at: <https://sciencebasedtargets.org/resources/files/SBTi-criteria.pdf>

- Minor will aim to achieve improvements in energy efficiency by implementing building management systems to track energy usage, investing in energy-efficient equipment upgrades, improving building insulation to minimize heating and cooling needs and offering employee training programs and incentive structures to encourage behaviours that conserve energy.
- Minor plans to transition away from fossil fuels by replacing natural gas heating systems with heat pumps and converting the Company fleet to electric vehicles.
- Minor intends to procure renewable energy and set up on-site energy generation facilities, including installing solar photovoltaic panels on rooftops or biogas digesters, which not only manage organic waste but also create bioenergy to power operations. This may also include the purchase of renewable energy certificates in geographies where renewable power is not accessible.

Ambitiousness, Baseline and Benchmarks

To determine the ambitiousness of an SPT, Sustainalytics considers: i) whether the SPT goes beyond a business-as-usual trajectory; ii) how the SPT compares to targets set by peers; and iii) how the SPT compares with science-based references.¹⁷

Minor has set the baselines for the SPT in 2023 in line with its SBTi-validated targets.

SPT: Reduce absolute scope 1 and 2 GHG emissions by 42% by FY2030 from a FY2023 baseline

Sustainalytics was able to use the following criteria to assess ambitiousness: past performance, peer performance and science-based trajectories.

Between 2019 and 2023, Minor's absolute scope 1 and 2 GHG emissions increased at an average annual rate of 5.9%. However, Minor confirmed with Sustainalytics that emissions patterns between 2020 to 2022 were significantly impacted by COVID-19 pandemic. In 2023, Minor's absolute scope 1 and 2 GHG emissions increased by 11.3% compared to the 2019 pre-pandemic level. Achieving the SPT requires an average annual reduction rate of 6% between FY2025 and FY2030, compared to a FY2023 baseline. Therefore, Sustainalytics considers the targeted performance required to achieve SPT 1, including its annual targets, to be above Minor's historical performance on scope 1 and 2 GHG emissions.

In its peer analysis, Sustainalytics assessed a group of nine peers. Sustainalytics notes that seven peers have set either absolute emissions reduction targets or emissions intensity targets measured in tCO₂e/m². Additionally, out of these nine peers, six have had their near-term targets validated by SBTi for alignment with the 1.5°C temperature scenario. Hence, Sustainalytics considers the SPT to be in line with similar targets set by peers.

Regarding comparison with science-based references, SBTi has validated the SPT for alignment with the 1.5°C decarbonization pathway to reach 42% emissions reduction by FY2030 compared to an FY2023 baseline. To meet this target, an average linear annual reduction of 6% is required from FY2023 to FY2030, following the SBTi's cross-sector absolute reduction method.¹⁸ The annual SPTs meet the required minimum annual reduction rate for alignment with the SBTi's 1.5°C pathway for the years FY2025 to FY2030. However, Sustainalytics notes that Minor's commitment to reducing absolute scope 3 GHG emissions, as part of its SBTi-validated targets, is not included within the scope of this Framework.

Overall Assessment

Sustainalytics considers the SPT to align with Minor's sustainability strategy and the SPT to be highly ambitious given that it is: i) above historical performance; ii) aligned with peer performance; and iii) aligned with SBTi's cross-sectoral absolute reduction method in line with the 1.5°C temperature scenario.

SPT	Ambitiousness of SPT			
SPT: Reduce absolute scope 1 and 2 GHG emissions by 42% by FY2030 from a FY2023 baseline	Not Aligned	Moderately Ambitious	Ambitious	Highly Ambitious

¹⁷ We refer here to contextual benchmarks that indicate the alignment of targets with ecosystem boundaries.

¹⁸ Science Based Targets initiative, "SBTi Criteria and Recommendations for Near-Term Targets", (2023), at: <https://sciencebasedtargets.org/resources/files/SBTi-criteria.pdf>



Financial Characteristics

Minor intends to issue sustainability-linked financial instruments (bonds, loans, derivatives and other financial instruments)¹⁹ under the Framework. The financial characteristics of the sustainability-linked financial instruments issued under the Framework will be linked to the achievement of the SPTs in the form of a coupon step-up or step-down, step-up or step-down of credit margin, a premium payment over the coupon or redemption price, or additional covenants to Minor, which will be outlined in the relevant transaction documentation. Minor has disclosed that the financial or structural characteristics of the sustainability-linked instruments will be specified in the relevant documentation of each instrument. Such documents will also include the KPI definition and calculation methodologies, the SPT details, the variation mechanisms of the financial or structural characteristics as well as related trigger events, and where needed, fallback mechanisms in case the SPTs cannot be calculated or observed in a satisfactory manner.

Sustainalytics considers the financial characteristics of the sustainability-linked financial instruments and their alignment with the SLBP, SLLP and ASEAN SLBS, but does not opine on the adequacy of the magnitude of the financial penalty.



Reporting

Minor commits to annually report on its progress on the KPI via its Sustainability Report, which will be published on Minor's website. Minor further commits to disclose relevant information enabling investors to monitor the level of ambition of the SPTs. This information may include: i) up-to-date details on the progress of the KPI, including the baseline where relevant; ii) a verification assurance report relative to the SPT outlining progress on the KPI against the SPT; iii) the sustainability impact associated with performance against the relevant KPI; and iv) any reassessment of the KPI, restatement of the SPT and adjustments to the baseline or KPI scope. The reporting commitments are aligned with the SLBP, SLLP and ASEAN SLBS.



Verification

Minor commits to have an external verifier provide limited assurance against each SPT for the KPI at least once a year, which is aligned with the SLBP, SLLP and ASEAN SLBS on verification.

Section 2: Assessment of Minor's Sustainability Strategy

Minor's sustainability strategy is underpinned by three areas of impact: i) enhancing people's potential; ii) conserving natural capital; and iii) promoting responsible business conduct.²⁰ Additionally, Minor conducted a double materiality assessment in 2023 in alignment with the European Sustainability Reporting Standards (ESRS), having identified climate change mitigation as a material issue.²¹

Minor aims to achieve net zero in its operations by 2050 to reduce the impact of its business operations on the environment. As part of this commitment, the Company has set targets to reduce absolute scope 1 and 2 emissions by 42% and scope 3 emissions by 25% by 2030. These reduction targets were validated by SBTi in 2024 and are aligned with the 1.5°C scenario set by the Paris Agreement.²² Additionally, Minor aims to reduce the scope 1 and 2 emissions intensity and energy intensity of Minor Hotels by 15% each by 2025 as compared to a 2019 baseline. To meet its long-term decarbonization targets, Minor has set the following

¹⁹ Sustainalytics has reviewed only the financial instruments that are specified in the Framework. As for derivatives, Sustainalytics notes that the considerations for such instruments are typically different from SLBs and SLLs, and are thereby outside of the scope of Sustainalytics' Second-Party Opinion.

²⁰ Minor, "Sustainability report", (2023), at: <https://www.minor.com/storage/download/sustainability-reports/2023/mint-sd-en.pdf>

²¹ Minor, "Materiality assessment", at: <https://www.minor.com/en/sustainability/materiality-assessment>

²² Science Based Targets, "Target Dashboard – Minor International Public Company Limited", at: <https://sciencebasedtargets.org/target-dashboard>

company-wide emissions-reduction initiatives: i) increase renewable energy usage; and ii) improve energy efficiency through various measures such as switching to efficient heating and cooling systems.²³

Minor also commits to reporting to CDP's Climate Change and Water Security disclosures and reporting in line with the TCFD recommendations.²⁴ In July 2024, Minor issued a THB 5 billion (approximately USD 148 million) sustainability-linked bond within Thailand's hospitality sector.²⁵

Minor's sustainability strategy is governed by the Board of Directors, which approves long-term sustainability goals and reviews progress quarterly. The Sustainability and Risk Management Oversight Committee (SRMOC) oversees sustainability initiatives and risk management. The Sustainability Committee, chaired by the Chief Sustainability Officer, manages the implementation of these initiatives across business groups.²⁶

Based on the above, Sustainalytics considers that the instruments issued under the Framework will further support Minor's sustainability strategy.

Minor's Environmental and Social Risk Management

Sustainalytics recognizes that Minor's defined targets are impactful, but notes that strategies or processes implemented to achieve the SPTs bears environmental and social risks, primarily related to occupational health and safety, corporate governance, data privacy and security, human capital and emissions, effluents and waste.

Sustainalytics comments below on Minor's ability to mitigate such potential risks:

- Minor has an Occupational Health and Safety Management System (OHSMS) in place to address risks related to occupational health and safety, based on the ISO 45001 standard. Minor uses the OHSMS to identify the risks associated with Minor's activities, formalize procedures to minimize these risks, and plan and monitor all preventive activities in relation to occupational accidents.²⁷ In 2023, Minor also adopted an occupational health and safety policy, which oversees the implementation of OHSMS.²⁸
- To address risks related to corporate governance, Minor has in place a corporate governance policy that is aligned with the recommendations of the Corporate Governance Guidelines²⁹ and Code of Conduct to enforce good practices in corporate governance.³⁰ Minor has developed a sustainable supply chain management ESG programme for screening, assessment and development of suppliers.³¹ The Company also has in place a Code of Conduct for its employees and business partners that addresses conflicts of interest, anti-corruption, transparency and legal compliance of all activities undertaken by the Company.^{32,33} Moreover, the Company has a whistleblower policy enabling its employees to report on any wrongdoing, including breaches of the Company's Code of Conduct and other policies via email, post or online.³⁴
- To mitigate data privacy and security risks, Minor has a Personal Data Protection Policy which outlines a data protection framework and details operational controls for identifying privacy risks, assessment of privacy, security and threats.³⁵ The Data Protection Executive Committee is responsible for regularly monitoring and reporting privacy-related compliance issues.³⁶

²³ Minor, "Sustainability report", (2023), at: <https://www.minor.com/storage/download/sustainability-reports/2023/mint-sd-en.pdf>

²⁴ Minor, "TCFD Report", at: <https://www.minor.com/storage/download/sustainability-reports/2022/20230410-Minor-tcf-disclosure-en.pdf>

²⁵ Minor, "MINT's Sustainability-Linked Bond a Resounding Success – Press Release", at: <https://mint.listedcompany.com/newsroom/20240704-mint-news1-en.pdf>

²⁶ Minor, "Sustainability report", (2023), at: <https://www.minor.com/storage/download/sustainability-reports/2023/mint-sd-en.pdf>

²⁷ Minor, "Occupational health and safety management system", at: <https://www.minor.com/storage/download/sustainability-reports/2022/ohs-management-system-en.pdf>

²⁸ Minor, "Occupational health and safety policy", at: <https://www.minor.com/storage/download/sustainability-reports/2022/ohs-policy-tbc-en.pdf>

²⁹ Minor, "Corporate governance guidelines", at: <https://www.minor.com/storage/download/guidelines/20221220-cg-guidelines-en.pdf>

³⁰ Minor, "Corporate governance policy", at: <https://www.minor.com/storage/download/cg-policy/download-cg-policy-en.pdf>

³¹ Minor, "Sustainable supply chain management", at: <https://www.minor.com/storage/download/sustainability-reports/2022/sustainable-supply-chain-management-en.pdf>

³² Minor, "Team Members Code of conduct", (2021), at: <https://www.minor.com/storage/download/code-of-conduct/team-members-coc-en.pdf>

³³ Minor, "Business Partner Code of conduct", (2024), at: <https://www.minor.com/storage/download/code-of-conduct/20250107-business-partner-code-of-conduct-en.pdf>

³⁴ Minor, "Whistleblower policy", (2021), at: <https://www.minor.com/storage/download/corporate-policies/20210303-whistle-blower-policy-en.pdf>

³⁵ Minor, "Personal Data Protection Policy", (2023), at: <https://www.minor.com/storage/download/sustainability-reports/2022/privacy-protection-tbd-en.pdf>

³⁶ Ibid.

- To avoid violations of human rights, Minor has established a Human Rights Policy in accordance with international labour standards and principles such as the UN Guiding Principles on Business and Human Rights, the UN Global Compact and the ILO's Declaration on Fundamental Principles and Rights at Work. The Company has established a due diligence process to identify: i) situations and activities with the highest risks of human rights violations, and ii) measures to prevent and mitigate such risks. The policy prohibits child labour and forced labour, discrimination and harassment in Minor's business operations.³⁷
- With respect to emissions, effluents and waste generation risks, Minor has an Environmental Policy that includes considerations for energy consumption, GHG emissions, sustainable procurement, pollution prevention, waste management, and water conservation and management.³⁸ Through the policy, Minor also commits to ensuring appropriate measures to treat and dispose of waste and wastewater in compliance with all applicable legal requirements and undertake action plans to monitor the environmental impacts of the Company's activities.

Overall, Sustainalytics considers that Minor has management programmes and policies to mitigate the environmental and social risks that could arise during the sustainability-linked bond or loan period.

Section 3: Impact of the SPTs

Hotels are among the most energy and water-intensive buildings in the world due to their 24-hour operations demand, among other factors.³⁹ The UN World Tourism Organization estimates that hotels and other types of accommodation account for 2% of the total 5% GHG emissions from the global tourism sector.⁴⁰ Additionally, the travel and tourism sector is expected to reach a market volume of USD 1.1 trillion by 2029, where hotels are expected to have a 45.6% share.⁴¹ Given this significant environmental impact, the hotel industry must reduce its carbon emissions by 66% by 2030 and 90% by 2050 to stay within the 2°C threshold.⁴² Therefore, it is crucial for the hotel industry to recognize the environmental consequences of its operations and take steps towards reducing its carbon footprint.

Hotels in Thailand are estimated to emit the highest amount of GHG emissions among all countries in Asia, amounting to 0.064 tCO₂/guest as compared to the Asian average of 0.057 tCO₂/guest and the global average of 0.019 tCO₂/guest.⁴³ Thailand's government has developed an energy efficiency development plan with a target to reduce energy intensity by 25% in 2030.⁴⁴ In Thailand, a number of hotels are diversifying their energy supply and reducing their GHG emissions by investing in energy-efficient technologies such as HVAC systems, LED and smart lighting systems.^{45,46} As part of the European Green Deal, EU Member States have pledged to cut carbon emissions by at least 55% by 2030 relative to 1990 levels and achieve climate neutrality by 2050.⁴⁷ To meet these goals, the hospitality sector along with commercial real estate must create strategies to reduce CO₂ emissions by 94% between 2022 and 2050 to ensure compliance with the Paris Agreement, which seeks to limit the rise in global average temperatures to 1.5°C.⁴⁸ In North America, there is a surge in the deployment of state and local government building performance standards, which are expected to ensure that buildings progressively become more energy efficient and therefore less carbon-emitting over time.⁴⁹

³⁷ Minor, "Human Rights Policy", (2022), at: <https://www.minor.com/storage/download/corporate-policies/20210906-human-rights-policy-en.pdf>

³⁸ Minor, "Environmental policy", (2022), at: <https://www.minor.com/storage/download/corporate-policies/environmental-policy-en-2022.pdf>

³⁹ US Department of Energy, "Better Buildings", at:

<https://betterbuildingssolutioncenter.energy.gov/sectors/hospitality#:~:text=With%2024%2Dhour%20365%2Dday,square%20feet%20of%20total%20floor%20space>.

⁴⁰ UN Tourism, "Hotel Energy Solutions", at: <https://www.unwto.org/hotel-energy-solution#:~:text=The%20hotel%20sector%20is%20one,emitted%20by%20the%20tourism%20sector>.

⁴¹ Statista, "Travel & Tourism – Worldwide", at: [https://www.statista.com/outlook/mmo/travel-tourism/worldwide#:~:text=The%20travel%2026%20tourism%20market%20is,US\\$241%2C114.00bn%20by%202029](https://www.statista.com/outlook/mmo/travel-tourism/worldwide#:~:text=The%20travel%2026%20tourism%20market%20is,US$241%2C114.00bn%20by%202029).

⁴² World Sustainable Hospitality Alliance, "Climate Action", at: <https://sustainablehospitalityalliance.org/our-work/climate-action/>

⁴³ The Nation, "Government urged to support hotels cut their GHG emissions", at: <https://www.nationthailand.com/special-edition/sustainability/40035974>

⁴⁴ Thai Ministry of Energy, "Thailand 20-Year Energy Efficiency Development Plan", at: https://www.eppo.go.th/images/POLICY/ENG/EEDP_Eng.pdf

⁴⁵ Saul, L., "Hospitality trends: The impact of an energy shift", EHL Insights, (2022), at: <https://hospitalityinsights.ehl.edu/hospitality-trends-energy-shift>

⁴⁶ UN Tourism, "Hotel Energy Solutions", at: <https://www.unwto.org/hotel-energy-solution>

⁴⁷ European Union, "European Climate Law", at: https://climate.ec.europa.eu/eu-action/european-climate-law_en#:~:text=The%20European%20Climate%20Law%20writes,2030%2C%20compared%20to%201990%20levels.

⁴⁸ CBRE, "Sustainability and ESG Adoption in the Hotel Industry: A Global Status Update", at: <https://www.cbre.com/insights/reports/sustainability-and-esg-adoption-in-the-hotel-industry>

⁴⁹ Ibid.

Given the above context, Sustainalytics is of the opinion that Minor's investments in emissions reduction initiatives have the potential to support Thailand's decarbonization objectives and targets.

Contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by 2030. The Sustainability-Linked Financing Framework is expected to help advance the following SDG and targets:

KPI	SDG	SDG Target
KPI: Absolute scope 1 and 2 GHG emissions (tCO ₂ e)		7.2. By 2030, increase substantially the share of renewable energy in the global energy mix
	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency
	9. Industry, Innovation and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities

Conclusion

Minor intends to issue sustainability-linked financial instruments tying the financial characteristics to the achievement or non-achievement of the following SPTs:

- SPT: Reduce absolute scope 1 and 2 GHG emissions by -
 - 12% by FY2025 from a FY2023 baseline
 - 18% by FY2026 from a FY2023 baseline
 - 24% by FY2027 from a FY2023 baseline
 - 30% by FY2028 from a FY2023 baseline
 - 36% by FY2029 from a FY2023 baseline
 - 42% by FY2030 from a FY2023 baseline

Sustainalytics considers the KPI to be adequate, given that it: i) directly measures Minor's performance on a relevant and material environmental issue for Minor and the sector; ii) has a limited scope of applicability; and iii) follows a clear, consistent and an externally recognized methodology; and iv) lends itself to be externally benchmarked against an external benchmark or trajectory. Sustainalytics considers the SPT to align with Minor's sustainability strategy and the SPT to be highly ambitious given that it: i) is above historical performance; ii) is aligned with peer performance; and iii) is validated by SBTi for alignment with the 1.5°C decarbonization pathway. Additionally, Sustainalytics considers the reporting and verification commitments to be aligned with the Sustainability-Linked Bond Principles, Sustainability-Linked Loan Principles and ASEAN Sustainability-Linked Bond Standards.

Based on the above, Sustainalytics considers the Minor International Sustainability-Linked Financing Framework to be in alignment with the five core components of the Sustainability-Linked Bond Principles 2024, Sustainability-Linked Loan Principles 2023 and ASEAN Sustainability-Linked Bond Standards 2022 and the prospective achievement of the SPTs to be impactful.

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