

Minor International Sustainability-Linked Financing Framework

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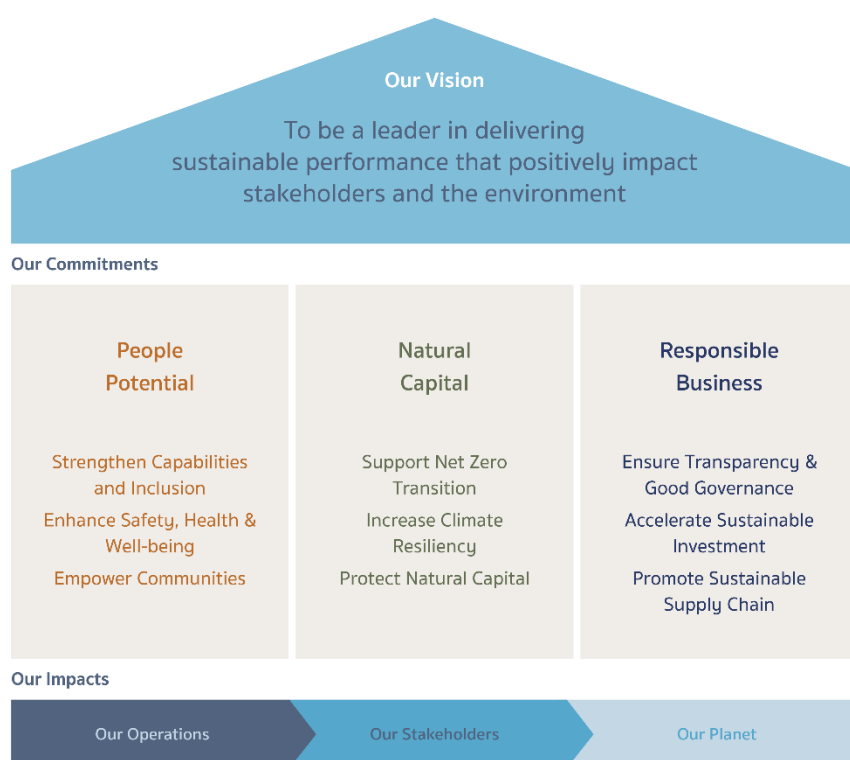
About Minor

Minor International Public Company Limited (“**Minor**”) is a global company focused on three core businesses: hospitality, restaurants, and lifestyle brands distribution. Headquartered in Thailand, Minor operates in 63 countries across the Asia Pacific, the Middle East, Africa, the Indian Ocean, Europe, South and North America. Minor is a hotel owner, operator, and investor with a portfolio comprising of hotels and serviced suites. Minor is one of Asia's preeminent restaurant owner and operator, with a system-wide network of outlets spanning multiple regions. Furthermore, Minor is one of the leading distributors of lifestyle brands in Thailand with focus on fashion, home, kitchenware, and collectible art toys. Minor is also a contract manufacturer with its own manufacturing plants.

Minor's Sustainability Strategy

Minor's Sustainability Strategy aligns business priorities with ethical imperatives to drive progress towards our vision to be a leader in delivering sustainable performance that create positive impacts for our stakeholders and the environment. Our sustainability strategy centered around three areas of impact: people potential, natural capital, and responsible business.

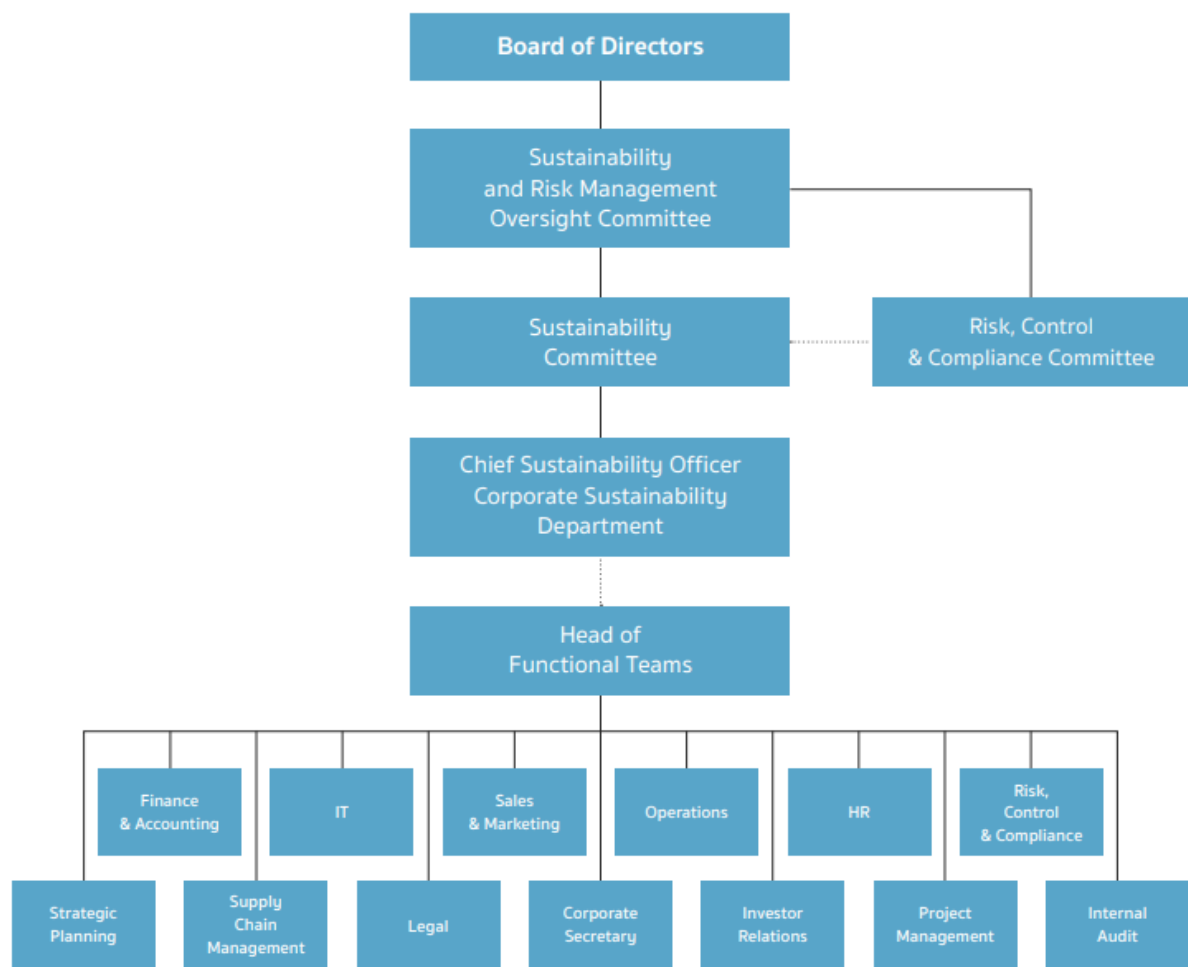
- **People Potential:** Minor is dedicated to creating inclusive and equitable workplaces that prioritize career and self-development, as well as safety and well-being. We are committed to generating jobs, improving community well-being, and providing education and training opportunities, aiming to empower communities and extend opportunities within them. Through these efforts, Minor not only drives its own growth but also plays a pivotal role in the community empowerment, ensuring that the benefits of our operations are widely shared and contribute to the overall resilience and prosperity of the communities we serve.
- **Natural Capital:** We pledge to achieve Net Zero emissions by 2050, implementing comprehensive strategies to conserve resources, reduce emissions and waste, and protect biodiversity throughout our operations and supply chains. Additionally, we are committed to increasing our climate resiliency, ensuring that our business is adaptable and sustainable in the face of climate challenges. This involves enhancing our ability to withstand and rapidly recover from climate-related events, thereby safeguarding our future and contributing to the broader goal of environmental sustainability.
- **Responsible Business:** We are committed to best-in-class corporate governance, integrity, and transparency. By working with our suppliers and business partners, we drive accountability to protect human rights and promote a sustainable supply chain. This commitment ensures that we not only adhere to the highest standards of corporate behavior but also contribute to the sustainability and resilience of our supply network, enhancing our overall market presence and reputation.



Minor's Sustainability Governance

Commitment to sustainability is anchored at the highest levels of Minor. Our efforts to embed sustainability in all business groups continue to receive strong support from the Board of Directors and senior management.











Minor Sustainability Governance Structure & Roles



Minor's Sustainability Goals

Each year we conduct a strategy review that analyze both prevailing and emerging global sustainability trends, potential impacts and opportunities, and risk management needs. This forward-looking assessment is considered together with our business directions and double materiality assessment and informs sustainability goals setting, strategic direction and initiatives across the company.

Minor has committed to achieving Net Zero emissions by 2050 and is in the process of setting science-based targets for validation by the Science Based Targets initiative (SBTi). As an interim measure while waiting for SBTi submission, Minor has committed to further reduce greenhouse gas emissions intensity and water withdrawal intensity in our hotels, relevant as our hotels materially contribute to Minor's total emissions and water withdrawal footprint. With the different emissions profiles of our diverse businesses, Minor is working to set appropriate and ambitious targets for each of our business units. We are also committed to reduce single-use plastics and organic waste in our operations and engage with our suppliers to reduce greenhouse gas emissions in our supply chain.

Sustainability Goals	
People Potential   	60% of Minor Corporate University (MCU) program graduates return to work with our organization by 2025 50% internal promotion of management levels 3 million people developed and supported by 2030 Zero annual work-related fatality of employees
Natural Capital     	15% reduction in energy intensity for Minor Hotels (kWh per rooms sold) by 2025 (vs. 2019 baseline) 15% reduction in greenhouse gas emission intensity for Minor Hotels (tCO2e per rooms sold) by 2025 (vs. 2019 baseline) 10% reduction in water withdrawal intensity for Minor Hotels (cubic meter per rooms sold) by 2025 (vs. 2022 baseline) 50% reduction in organic waste to landfill intensity for Minor Hotels (tons/ total system sales in Baht million) by 2030 (vs. 2021 baseline) 75% reduction in single-use plastics by 2024 (vs. 2018 baseline)
Responsible Business  	Minor International maintains annual "Excellent" CG scoring 100% of employees trained on anti-corruption and Company Code of Conduct each year By 2024, all Minor Food brands offer at least one new sustainable or healthy menu

Sustainability-Linked Financing Framework

This Sustainability-Linked Financing Framework (the “**Framework**”) has been developed in accordance with the relevant international principles and guidelines listed below (collectively, the “**Principles**”), to ensure that the sustainability-linked instruments meet international markets’ best practices:

- Sustainability-Linked Bond Principles (“SLBP”)¹, published by the International Capital Market Association (“ICMA”) in June 2023;
- ASEAN Sustainability-Linked Bond Standards (“ASEAN SLBS”)², published by the ASEAN Capital Markets Forum (“ACMF”) in October 2022; and
- Sustainability-Linked Loan Principles (“SLLP”)³, published by the Loan Market Association (“LMA”) / the Loan Syndications and Trading Association (“LSTA”) / the Asia Pacific Loan Market Association (“APLMA”) in February 2023.

Minor may, under this Sustainability-Linked Financing Framework, issue instruments including bonds, loans, or any other debt instruments whose financial characteristics are linked with Sustainability Performance Targets (the “Sustainability-Linked Financial Instruments”, or “SLF Instruments”).

The Framework has been formed in accordance with the following five pillars, in line with the SLBP, ASEAN SLBS and SLLP, along with recommendations to obtain a Second Party Opinion (“SPO”) report:

- Pillar 1: Selection of Key Performance Indicators (KPIs)
- Pillar 2: Calibration of Sustainability Performance Targets (SPTs)
- Pillar 3: Financial characteristics
- Pillar 4: Reporting
- Pillar 5: Verification

¹ <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-linked-bond-principles-slbp/>

² <https://www.theacmf.org/sustainable-finance/publications/asean-sustainability-linked-bond-standards>

³ <https://www.lsta.org/content/sustainability-linked-loan-principles-sllp/>

Pillar 1: Selection of Key Performance Indicators (KPIs)

Following Minor's Sustainability Goals, the KPIs selected under this Framework represents key issues to Minor's core sustainability and business strategy.

KPI 1: Scope 1 and 2 GHG emissions intensity of Minor Hotels (tCO₂e per room sold)

Definition and Methodology

The KPI represents scope 1 and 2 GHG emissions intensity from Minor's hotel business segment (Minor Hotels), measured in tCO₂e per room sold and calculated using the GHG Protocol standards.

- Scope 1: Emissions from direct sources like fuel combustion and refrigerants from buildings or operations controlled by Minor.
- Scope 2: Indirect emissions from purchased electricity and heating/cooling.

The KPI is calculated with the total annual rooms sold during a calendar year, excluding complimentary rooms and no-shows.

Per rooms sold has been selected as an appropriate intensity measure referencing guidelines set out under Cornell Hotel Sustainability Benchmarking (CHSB) Index, the hotel industry's largest annual benchmarking of energy, water, and carbon. It sets out that an appropriate measure of sustainability measures for the hotel industry is to render it in terms that are connected to their hotel stays, representative to their consumption, and practical for calculation and incentivizing improvement in performance across the industry.

Scope and Boundary

The scope of the KPI covers Minor's hotel business segment unit and reflects the operational data of entities where Minor has operational control.

Rationale and Materiality

The KPI addresses Scope 1 and 2 GHG emissions of Minor Hotels, which is the largest revenue-generating business unit and responsible for the majority of Minor's Scope 1 and 2 GHG emissions. Minor Hotels also presents an immediate and largest opportunities for greenhouse gas emissions reduction as our restaurant outlets are much more fragmented where the majority are located in buildings where we do not have operational controls.

Committing to a Net Zero target by 2050, we are progressing towards validating our science-based targets (which includes Scope 1, 2, and 3 emissions) with the SBTi, encompassing all business units.

Contribution to UN SDGs:



KPI 2: Water withdrawal intensity of Minor Hotels (m³ per room sold)

Definition and Methodology

The KPI tracks water withdrawal intensity at Minor Hotels within Minor's operational control for the reporting year, measured in cubic meters (m³) per room sold.

- Water withdrawal is the sum of all water drawn from surface water, groundwater, seawater, or a third party for any use over the course of the reporting period, in accordance with Global Reporting Initiatives (GRI) Standards for water withdrawal.

The KPI is calculated with the total annual rooms sold during a calendar year, excluding complimentary rooms and no-shows.

Per rooms sold has been selected as an appropriate intensity measure referencing guidelines set out under Cornell Hotel Sustainability Benchmarking (CHSB) Index, the hotel industry's largest annual benchmarking of energy, water, and carbon. It sets out that an appropriate measure of sustainability measures for the hotel industry is to render it in terms that are connected to their hotel stays, representative to their consumption, and practical for calculation and incentivizing improvement in performance across the industry.

Scope and Boundary

The scope of the KPI covers Minor's hotel business segment and reflects the operational data of entities where Minor has operational control.

Rationale and Materiality

The OECD highlights flooding, scarcity, pollution, and freshwater system disruptions as primary water risks, compounded by the growing challenge of securing clean water and sanitation. These concerns are critical for Minor, especially in the hospitality sector. Our commitment to water stewardship and conservation is crucial, particularly as climate change escalates these water risks. Notably, water withdrawal by Minor Hotels accounts for the majority of our total water withdrawal, reflecting its significant impact on our operations and revenue. Water usage is a highly pertinent issue in the hospitality sector. Minor is committed to water stewardship through water conservation as well as ensuring that our wastewater from our operations meet or exceed quality standards of local regulations. To proactively manage these risks, Minor employs the Aqueduct Water Risk Atlas tool. This tool aids in identifying water-related risks for its hotel properties and manufacturing facilities worldwide. As revealed in its 2023 Water Stress assessment, 46% of assessed properties under Minor's portfolio are in extremely high- and high-water stress areas.

This underlines the importance of managing water resources effectively to ensure our sustainable growth and community support.

Contribution to UN SDGs:



Pillar 2: Calibration of Sustainability Performance Targets (SPTs)

Minor has set the following SPTs for its KPIs:

SPT 1: Reduce scope 1 and 2 GHG emissions intensity to 0.018 tCO₂e per room sold by FY2026 from a FY2019 baseline of 0.023 tCO₂e per room sold.

Baseline: 2019

KPIs	Historical Performance					SPT		
	FY 2019 (baseline)	FY 2020	FY 2021	FY 2022	FY2023	FY 2024	FY 2025	FY 2026
KPI 1: Scope 1 and 2 GHG emissions intensity of Minor Hotels (tCO ₂ e per room sold)	0.023	0.041	0.039	0.027	0.024	0.021	0.020	0.018

Alignment with Minor's Sustainability Strategy

- Minor uses 2019 as the baseline year to acknowledge the substantial effects of the COVID-19 pandemic on tourism industry. Our SPT calls for a 21% reduction of GHG emissions intensity compared to our pre-pandemic baseline year of 2019. Despite a post-pandemic recovery to near pre-pandemic levels, with our current performance about 4% above the baseline, we need an ambitious annual reduction of 8.3% to meet the 2026 SPT. Minor is committed to the Science Based Targets initiative (SBTi) in 2022 and is in the process of setting and validating near-term and net zero science-based targets in line with a 1.5°C scenario.

Strategy to Achieve the SPTs

Our strategies and initiatives to reduce our Scope 1 and Scope 2 GHG emissions include:

- Energy efficiency programs:** Increase energy efficiency, from installing monitoring and controls systems, upgrading equipment, and improving building envelopes to incentivize and train our teams to save energy through behavior changes and adjustments to operations.
- Electrification:** Increase building electrification; for example, replacing natural gas heating system with heat pumps and converting corporate fleets to EV.
- On-site energy generation:** Enhance renewable energy usage, with a particular focus on expanding onsite solar PV installations and consider biogas digesters as a way to manage organic waste and generate bioenergy.
- Renewable energy procurement:** Seek to procure carbon-free electricity wherever it is accessible.
- Renewable Energy Certificates (RECs):** Consider purchasing RECs in markets where direct procurement of green electricity is not accessible.

SPT 2: Reduce water withdrawal intensity to 0.66 m³ per room sold by FY2026 from a FY2022 baseline of 0.75 m³ per room sold.

Baseline: 2022

	Historical Performance		SPT		
KPIs	FY 2022 (baseline)	FY 2023	FY 2024	FY 2025	FY 2026
KPI 2: Water withdrawal intensity of Minor Hotels (m ³ per room sold)	0.75	0.72	0.70	0.68	0.66

Alignment with Minor's Sustainability Strategy

- Minor has set an overarching target to achieve 10% reduction in water withdrawal intensity for Minor Hotels by 2025 from a 2022 baseline.
- KPI 2 uses a different baseline year (2022) compared to KPI 1 (2019) due to data limitation of water in 2019 where only municipal water use was reported. In 2020, Minor began collecting ground water, surface water, sea water, and third-party water use in alignment with GRI standards. Since business in 2020 and 2021 were fully impacted by COVID, 2022 was selected as the appropriate baseline year.

Strategy to Achieve the SPTs

Minor intends to achieve SPT 2 through the following strategies:

- Minor engages in the following water conservation practices, such as installation of water efficient fixtures and equipment in our hotels and restaurants, installation of grey water recycling systems (where possible diverting grey water to use in gardens and landscaping), operational water efficiency practices such as ensuring optimal laundry loads to reduce water intensity per kilogram of laundry, as well as preventive maintenance program to detect and fix leaks promptly.
- In addition, we assess potential water risks that may impact our operations and in communities we serve. We map our hotel properties and manufacturing facilities against World Resources Institute's Aqueduct Water Risk Atlas and use the results to analyze water risks across our asset locations. Where water-related risks are determined to be material, plans are put in place to mitigate potential impacts.

Pillar 3: Financial Characteristics

3.1. Sustainability-Linked Bonds

The debt instruments issued under this Framework have a sustainability-linked feature that will result in, such as but not limited to, a coupon adjustment, or a margin adjustment, or a premium payment, or additional covenants to Minor, as the case may be, if the performance does not achieve the stated SPT(s). The relevant KPI definitions, calculation methodologies, SPTs events and trigger events, step-up margin amount and timing or the premium payment amount and timing, as applicable, will be specified in the relevant documentation of the specific transaction (e.g., final terms of the relevant sustainability-linked bonds or instruments). Minor will notify the investors whether the SPT is achieved or not as soon as possible and in any event no later than 30 April of the relevant applicable Target Observation Date(s). If for any reason the KPI cannot be calculated, observed, or reported in a timely and satisfactory manner (as defined in the instrument's documentation), the defined bond characteristic change will be triggered as if the SPT was not met.

For the avoidance of doubt, if the selected KPIs have achieved their respective SPTs, and reporting and verification for all the SPTs have been provided and made public in accordance with the reporting and verification sections of this Framework, the financial characteristics of any security issued by Minor under this Framework shall remain unchanged, or changes (in the case that a margin benefit is applicable as defined in the instrument's terms and conditions).

3.2. Sustainability-Linked Loans, or any other Sustainability-Linked Financial Instruments

Minor will link the financial structure of each Sustainability-Linked Loan, or any other debt instruments whose financial characteristics are linked with Sustainability Performance Targets to the KPIs described above. The relevant KPI, SPTs, margin adjustment mechanism, reporting format as applicable, will be specified in the relevant documentation of the specific transaction. Minor will notify its lenders or counterparties whether the SPT is achieved or not as soon as possible and in any event no later than 30 April of each relevant Sustainability Performance Period.

Fallback Mechanisms

The relevant documentation of any instruments issued under this Framework may stipulate that the SPTs and/or the historic values of KPIs may be subject to recalculation based on specific circumstances, such as changes in the calculation methodology or significant changes in Minor's corporate structure (e.g., acquisition, divestiture, mergers, insourcing, or outsourcing).

Any recalculation or pro forma adjustments to be outlined in the security specific documentation. Such recalculation or pro forma adjustments will have to be verified and approved by an independent External Reviewer as detailed in the security specific documentation.

Pillar 4: Reporting

In order to provide investors of any instruments under this Framework and other related stakeholders with adequate information on the progress of Minor's KPIs, Minor will, annually, and in any case for any date/period relevant for assessing the trigger of the SPT performance leading to potential adjustments in financial instruments, include the progress performance in in Minor's Sustainability Report (or other report that may officially replace Minor's Sustainability Report in the possible future). Such report will be easily accessible and publicly available on Minor's website and the information will at least, but not limited to, include:

- Up-to-date information on the performance of the selected KPIs, including the baseline where relevant;
- A verification assurance report relative to the SPT outlining the performance of the KPIs against the SPTs; and
- Any other relevant information which may enable investors to monitor the progress of the selected KPIs.

Information may also include when feasible and possible: a qualitative or quantitative explanation of the contribution of the main factors, including M&A activities, behind the evolution of the performance/KPIs on an annual basis; illustration of the positive sustainability impacts of the performance improvement; and/or any re-assessments of KPIs and/or restatement of the SPTs and/or adjustments of baselines or KPI scope.

Pillar 5: Verification

Annually, and in any case for any date/ period relevant for assessing the KPI performance against the SPT leading to a potential financial adjustment, such as coupon adjustment, or a margin adjustment, or a premium payment, until the KPI trigger event of the relevant SLF Instruments has been reached, Minor will seek independent and external verification of the performance level for the stated KPI by the Assurance Provider.

“**Assurance Provider**” means any qualified provider of third party assurance or attestation services appointed by Minor, who will provide a verification assurance report in the form of a “Limited Assurance”. The verification of the performance of the KPI, along with the Assurance Provider’s verification report, will be made publicly available on Minor’s website.

The verification shall be made public together with the Minor’s Sustainability Report on Minor’s website.

For Sustainability-Linked Loans, Sustainability-Linked Derivatives, or Sustainability-Linked Financial Instruments, Minor will notify its lenders or counterparties whether the SPT is achieved or not as soon as possible and in any event no later than 30 April of each relevant Sustainability Performance Period.

Second Party Opinion

Minor has appointed an independent sustainability advisory firm, Sustainalytics, a Morningstar Company, to review the Framework’s alignment with the relevant Principles and provide a Second Party Opinion (“SPO”) report accordingly. The SPO report will be made available on Minor’s website.

Framework Review and/or Amendment

Minor may review this Framework from time to time, including (but not limited to) its alignment to updated versions of the relevant Principles as and when they are released, with the aim of adhering to best practices in the market. Minor may also review this Framework in case of material changes in the perimeter, methodology, and in particular KPI and/or the SPT’s calibration.

Such review may result in this Framework being updated and amended. The updates, if not minor in nature, will be subject to the approval of a Second Party Opinion provider prior to the release. 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 Verifier. The updated Framework, if any, will be published on Minor’s website and may replace this Framework.

For the avoidance of doubt, this updated and/or amended Framework shall not have an impact on those Sustainability-Linked Bonds or Sustainability-Linked Loans or any other debt instruments whose financial characteristics are linked with sustainability performance targets, that were previously launched or issued prior to the update and/or amendments.

Disclaimer

This Sustainability-Linked Financing Framework (the “**Framework**”) is intended to provide non-exhaustive, general information. This Framework may contain or incorporate by reference public information not separately reviewed, approved or endorsed by Minor International Public Company Limited (“**Minor**”) and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by Minor as to the fairness, accuracy, reasonableness, or completeness of such information.

This Framework may contain statements about future events and expectations that are forward-looking statements. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from those predicted in such statements. None of the future projections, expectations, estimates or prospects in this Framework should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of the assumptions, fully stated in the Framework.

No representation is made as to the appropriateness of any sustainability-linked financing in respect of fulfilling environmental and sustainability criteria of prospective investors.