

Annex NBIM Responses to the Securities and Exchange Commission, Thailand Public Consultation Aor Sor Yor. 5-/2567 on the Principle of Thailand Sustainability Disclosure Roadmap

Do you agree with the principle of ISSB Roadmap?

1. The reporting entity is required to disclose in the reporting frame in line with the ISSB Standards. However, the disclosure on other information as prescribed in 56-1 One Report beyond IFRS S1 and S2 will remain unchanged (details as prescribed in 5.1).
Agree or disagree? The additional recommendations and observations

Q1. NBIM Response

Agree. Thai listed securities issuers have been required to disclose ESG information on 56-1 One Report since 2022. Keeping this practice unchanged enables consistent sustainability reporting to wider stakeholders on the same platform and basis.

The information disclosure requirements under the ISSB standards are based on standard-specific conceptual foundations including the definition of materiality. ISSB-defined material information should not be obscured by the other information prescribed in 56-1 One Report beyond IFRS S1 and S2. This also ensures that primary users can identify and access information that is comparable to information disclosed by other listed entities using the ISSB standards, both within and across jurisdictions.

2. The implementation period for disclosing information in accordance with ISSB Standards shall be on phased-in approach (details as prescribed in 5.2)
Agree or disagree? The additional recommendations and observations

Q2. NBIM Response

Agree. The timeline set out is reasonable, and allows sufficient time for listed companies to build up internal capabilities including management information systems for collecting and analysing data. The size-based phasing in approach factors in the skills and resources of listed companies for sustainability-related financial disclosures.

3. The consideration on the listed companies as the reporting entity required to disclose information according to ISSB Standards under SET Index (details as prescribed in 5.3)
Agree or disagree? The additional recommendations and observations

Q3. NBIM Response

Agree. Listed companies would be aware that they are on the cusp of inclusion as a constituent of either the SET50 Index or SET100 Index. This requirement ensures that

listed companies plan ahead to build the necessary capabilities. This facilitates compliance with the ISSB standards and maintains the reporting integrity of SET50 and SET100 Index companies.

4. The limited assurance for the disclosure on GHG emissions (details as prescribed in 5.4). Agree or disagree? The additional recommendations and observations

Q4. NBIM Response

Disagree. SEC may consider requiring reasonable independent assurance on GHG emissions (scope 1 and 2) disclosures and that the conclusions of the assurance are disclosed. SEC may consider extending the ISSB Roadmap to include a timeline towards assurance of the full report, and using a sized-based approach to phase this in.

During the time period when independent assurance is limited to GHG emissions data, SEC may consider additional measures such as guidance on directors' duties or internal audit review processes to enhance investor confidence in the listed companies' ISSB disclosures.

5. Transition reliefs (details as prescribed in 5.5).

5.1 The comparative Reporting: The relief will be applied on the first reporting period on providing comparative information. Agree or disagree? The additional recommendations and observations

Q5.1 NBIM Response

Agree. This transition relief is built into the standard.

5.2 Climate-first reporting: During the transition relief period of each reporting entity, the entity is required to disclose the information by following ISSB Standards IFRS S1 only to the extent that is related to climate and IFRS S2 entirely. Once the relief expires, the reporting entity shall uplift their disclosure by following ISSB Standards IFRS S1 and IFRS S2 (details as prescribed in 5.5.2). Agree or disagree? The additional recommendations and observations

Q5.2 NBIM Response

Disagree. SEC may consider a shorter transition relief period for reporting beyond climate-related matters for the larger listed companies e.g. SET50 Index and SET100 Index companies. SEC may refer to the jurisdictional approach 'adopting ISSB Standards with limited transition' in the IFRS Foundation's Inaugural Jurisdictional Guide for the adoption or other use of ISSB standards. Thai listed companies will likely have to disclose wider sustainability-related financial information in order to maintain access to global supply chains and international institutional investors.

5.3 Timing of Reporting: During the transition relief period of each reporting entity, the reporting entity is eligible to report its annual sustainability-related financial disclosure in the different period of time from its related financial statements. Once the relief expires, the reporting entity shall report its sustainability-related financial information in the same timeframe as reports on financial positions and operating results depending on circumstance (details as prescribed in 5.5.3). Agree or disagree? The additional recommendations and observations

Q5.3 NBIM Response

Disagree. SEC may consider a shorter transition relief period for the larger listed companies e.g. SET50 Index and SET100 Index companies for reporting sustainability-related financial disclosures at the same time as financial statements.

To inform investment decisions, risk management processes and ownership activities, investors require reliable, consistent, complete and comparable sustainability-related financial information that is concurrent, connected and complementary to financial statements.

5.4 GHG Protocol: During the transition relief period of each reporting entity, the reporting entity is eligible to apply either GHG Protocol 2004 or other international standards and its equivalent. Once the relief expires, the entity shall disclose the GHG emission information by applying GHG Protocol 2004 (details as prescribed in 5.5.4). Agree or disagree? The additional recommendations and observations

Q5.4 NBIM Response

Disagree. The GHG Protocol is the most widely used and recognised global standard and is well understood by both investors and supply chain partners across jurisdictions. SEC may consider a shorter transition relief period for the larger listed companies e.g. SET50 Index and SET100 Index companies and provide capacity building to transition listed companies to the GHG Protocol.

5.5 GHG Emission scope 3: During the transition relief period, the reporting entity is eligible to omit GHG emissions scope 3 and disclose only scope 1 and 2. After that, the reporting entity shall disclose all scopes without relief. In this regard, the reporting entity shall identify the name of verifier, who is either registered with TGO or verified the information in accordance with other acceptable international standards (details as prescribed in 5.5.5). Agree or disagree? The additional recommendations and observations.

Q5.5 NBIM Response

Disagree. Scope 3 emissions can be significant for many industries, comprising 40% or more of total scopes 1, 2 and 3 emissions. Information on scope 3 emissions can therefore be material for investors. SEC may consider a shorter transition relief period for

the larger listed companies e.g. SET50 Index and SET100 Index companies. SEC may consider allowing limited rather than reasonable assurance of scope 3 GHG emissions for a longer period to alleviate concerns from listed companies.

6. The arrangement of capacity building (e.g. seminar, workshop) in order to enhance the understanding of the ISSB Standards for the benefit of the disclosure
Agree or disagree? The additional recommendations and observations.

Q6. NBIM Response

Agree. Capacity building for listed companies will be crucial to ensure robust implementation of the ISSB disclosure requirements. SEC is already cooperating with strategic partners such as the ADB for the 56-1 One Report – ISSB Standards gap analysis and may consider potential synergies working with organisations such as the ASEAN Capital Markets Forum or the Climate Training Alliance <https://fsi.bis.org/cta/>

7. Additional recommendations and observations (if any)

Q7. NBIM Response

No further recommendations.