Independent study title	THE IMPACT OF ESG PERFORMANCE ON ESG BOND YIELDS AT ISSUANCE: EVIDENCE FROM THAILAND
Author	Chanokchon Maneejan
Degree	Master of Science (Finance)
Major field	Master of Science Program in Finance (International Program)
Faculty	Faculty of Commerce and Accountancy
University	Thammasat University
Independent study advisor	Associate Professor Pantisa Pavabutr, Ph.D.
Academic year	2025

ABSTRACT

This study investigates whether ESG performance affects the yield to maturity at issuance of corporate ESG bonds in Thailand. The analysis is based on 110 bonds issued by 25 SET-listed firms during 2019–2025. Two methods are used: OLS regression with industry, year, and credit rating fixed effects, and a treated/control analysis based on median splits.

The findings show that ESG performance is relevant to borrowing costs, although the effect differs across ESG pillars. Governance has the strongest impact. A ten-point increase in the Governance score is associated with about a 9-basis-point reduction in yield to maturity, significant at the one percent level. Environmental performance also has a significant negative effect, reducing yields by approximately 6–7 basis points for every ten-point increase, which is consistent with the Green Bond Premium found in prior studies. In contrast, the Social pillar shows a positive association with borrowing costs. This may reflect industry composition effects and the lack of a consistent Social reporting standard in Thailand.

The Overall ESG Score is not significantly priced, partly because the Social component weakens the aggregate signal. The results for Environmental and

Governance scores remain consistent across both methods, suggesting that the findings are not driven by a specific model choice. Overall, the evidence supports the Information Friction Hypothesis: Thai bond investors appear to price ESG dimensions that are more observable and verifiable, particularly Governance through mandatory SET and SEC disclosures, and Environmental performance through green bond certification frameworks

Keywords: ESG performance, yield to maturity, ESG bonds, Green Bond Premium, Thai bond market