



SECOND PARTY OPINION

THAIFOODS GROUP SOCIAL BOND

Prepared by: DNV Business Assurance Australia Pty. Ltd.

Location: Bangkok, Thailand

Date: 6 June 2024

This statement is valid until the Framework provided in 2022 remains unchanged.

DNV ELIGIBILITY ASSESSMENT

Executive Summary

DNV Business Assurance Australia Pty Ltd has been engaged to provide an External Review of the Thaifoods Group ("TFG" of the "Issuer") Sustainable Finance Framework and proposed Bond issuance against the Social Bond Principles and ASEAN Social Bond Standards.

DNV carried out the External Review through creation of an TFG-specific Assessment Protocol adapted to the purpose of the Bond to confirm alignment of the Sustainable Finance Framework and proposed Bond with the Social Bond Principles 2023 and ASEAN Social Bond Standards 2018.

It is DNV's opinion that the Thaifoods Group Sustainable Finance Framework and proposed Bond meet the criteria established in the Protocol and are aligned with the stated definition of social bonds within the Social Bond Principles 2023 and are compliant with the requirements of the ASEAN Social Bond Standards 2018.

DNV's External Review conclusion is based on our assessment of the 4 key principles as follows:

- 1. Principle One: Use of Proceeds.** TFG intends to use the proceeds of the Bond to finance and refinance projects and assets associated with Employment Generation and Economic Advancement in local communities. These are described as Social impacts. DNV undertook an analysis of the associated project types including type and location and scale of the initiatives to determine eligibility of these projects as "Socially Beneficial" in line with the SBP.
- 2. Principle Two: Process for Project Evaluation and Selection.** The Bond's proceeds will be allocated to finance and refinance the assets as defined in Schedule 1. DNV has reviewed evidence that demonstrates that TFG regularly assesses opportunities for improvement and devises action plans and initiatives to mitigate negative environmental and social impacts from its operations.
- 3. Principle Three: Management of Proceeds** DNV has reviewed evidence showing how TFG plans to trace the proceeds from the Bond, from the time of issuance to the time of disbursement. TFG will monitor the allocation of an amount equal to the proceeds via internal information systems. Tracking will be established to facilitate the monitoring and reporting of the issued Bonds and the deployment of an amount equal to the projects and Assets. DNV has confirmed the proposed issuance value is to be less than the TFG exposure to the eligible projects and assets.
- 4. Principle Four: Reporting.** TFG has confirmed that it will include allocation reporting and impact reporting to be made available to stakeholders and be publicly available. Allocations of proceeds will be reported on a portfolio basis with details of selected projects, assets, and expenditures. Impact reporting will be aligned with TFG's existing information flows and will highlight key achievements across the company's sustainability programs.

DNV Business Assurance Australia Pty Ltd

Bangkok, 6 June 2024

Introduction, Scope and objectives

Thaifoods Group (“TFG” or “Issuer”) is a complete food manufacture in feed, farm, and food specializing in poultry and pig production. The company operates in both Thailand and Vietnam and has investments and operations in other areas relevant to the food industry such as innovation and the environment. Some of these are discussed below.

TFG has developed a Sustainable Finance Framework and is considering the issuance of bonds as defined within the Social Bond Principles 2023 (“SBP”) and the ASEAN Social Bond Standards, 2018 (ASEAN SBS).

TFG has previously issued Social Bonds in 2021¹ and 2022² for each of which DNV has issued a Second party Opinion (“SPO”). This SPO is issued in respect of any financial instrument which fulfils the terms of the Framework shared with DNV in 2022.

TFG intends to use the proceeds of the Bond to finance and refinance projects within the categories of Employment Generation and Economic Advancement.

DNV Business Assurance Australia Pty Ltd (henceforth referred to as “DNV”) has been commissioned by TFG to provide a Social Bond eligibility assessment of the Bond. Our methodology to achieve this is described under ‘Work Undertaken’ below. We were not commissioned to provide independent assurance or other audit activities.

No assurance is provided regarding the financial performance of the Bond, the value of any investments in the Bonds, or the long-term environmental benefits of the transaction. Our objective has been to provide an assessment that the Bond has met the criteria established on the basis set out below.

The scope of this DNV opinion is limited to the SBP and ASEAN SBS.

Responsibilities of the Management of TFG and DNV

The management of TFG has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform TFG management and other interested stakeholders in the Bond as to whether the established criteria have been met, based on the information provided to us. In our work we have relied on the information and the facts presented to us by TFG. DNV is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by TFG’s management and used as a basis for this assessment were not correct or complete.

Basis of DNV’s opinion

We have adapted our Social Bond Principles and ASEAN Social Bond Standards assessment methodology, to create a TFG-specific Social Bond Eligibility Assessment Protocol (henceforth referred to as “Protocol”). Our Protocol includes a set of suitable criteria that can be used to underpin DNV’s opinion. The overarching

¹ Thaifoods Group Social Bond 2021 was assessed by DNV 13 September 2021, <https://investor.tfg.co.th/misc/sustainable-finance/tfg-social-bond-dnv-external-review.pdf>

² Thaifoods Group Social Bond 2022 was assessed by DNV in 28 June 2022, https://investor.tfg.co.th/dnv_external_review_2022.html

principle behind the criteria is that a Social Bond should “enable capital-raising and investment for new and existing projects with social benefits”.

As per our Protocol, the criteria against which the Bond has been reviewed are grouped under the four Principles:

- **Principle One: Use of Proceeds.** The Use of Proceeds criteria are guided by the requirement that an issuer of a Social Bond must use the funds raised to finance eligible activities. The eligible activities should produce clear social benefits.
- **Principle Two: Process for Project Evaluation and Selection.** The Project Evaluation and Selection criteria are guided by the requirements that an issuer of a Social Bond should outline the process it follows when determining eligibility of an investment using bond proceeds, and outline any impact objectives it will consider.
- **Principle Three: Management of Proceeds.** The Management of Proceeds criteria are guided by the requirements that a Social Bond should be tracked within the issuing organization, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled should be made.
- **Principle Four: Reporting.** The Reporting criteria are guided by the recommendation that at least annual reporting to the bond investors should be made of the use of bond proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible.

Work undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by TFG in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

- Creation of an TFG-specific Protocol, adapted to the purpose of the Bond, as described above and in Schedule 2 and 3 to this Assessment;
- Assessment of documentary evidence provided by TFG on the Bond and supplemented by a high-level desktop research. These checks refer to current assessment best practices and standards methodology;
- Assessment in alignment with the Social Bond Principles, International Capital Market Association (ICMA), June 2023
- Assessment of compliance with the ASEAN Social Bond Standards;
- Discussions with TFG management, and review of relevant documentation;
- Documentation of findings against each element of the criteria. Our opinion as detailed below is a summary of these findings.

Findings and DNV's opinion

DNV's findings are listed below:

- 1. Principle One: Use of Proceeds.** TFG intends to use the proceeds of the Bond to finance and refinance projects and assets associated with Employment Generation and Economic Advancement in local communities. These are described as Social impacts. DNV undertook an analysis of the associated project types including type and location and scale of the initiatives to determine eligibility of these projects as "Socially Beneficial" in line with the SBP.
- 2. Principle Two: Process for Project Evaluation and Selection.** The Bond's proceeds will be allocated to finance and refinance the assets as defined in Schedule 1. DNV has reviewed evidence that demonstrates that TFG regularly assesses opportunities for improvement and devises action plans and initiatives to mitigate negative environmental and social impacts from its operations.
- 3. Principle Three: Management of Proceeds** DNV has reviewed evidence showing how TFG plans to trace the proceeds from the Bond, from the time of issuance to the time of disbursement. TFG will monitor the allocation of an amount equal to the proceeds via internal information systems. Tracking will be established to facilitate the monitoring and reporting of the issued Bonds and the deployment of an amount equal to the projects and Assets. DNV has confirmed the proposed issuance value is to be less than the TFG exposure to the eligible projects and assets.
- 4. Principle Four: Reporting.** TFG has confirmed that it will include allocation reporting and impact reporting to be made available to stakeholders and be publicly available. Allocations of proceeds will be reported on a portfolio basis with details of selected projects, assets, and expenditures. Impact reporting will be aligned with TFG's existing information flows and will highlight key achievements across the company's sustainability programs.

On the basis of the information provided by TFG and the work undertaken, it is DNV's opinion that the TFG Sustainable Finance Framework and proposed Bond meet the criteria established in the Protocol and are aligned with the stated definition of social bonds within the Social Bond Principles 2023. Based on the External Review procedures conducted, nothing has come to our attention that causes us to believe that the TFG Sustainable Finance Framework and Bond are not, in all material respects, in accordance with the ASEAN Social Bond Standards 2018.

for DNV Business Assurance Australia Pty Ltd

Bangkok / 06 June 2024



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About DNV

Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight. With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 16,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

SCHEDULE 1: DESCRIPTION OF NOMINATED ASSET TO BE FINANCED OR REFINANCED THROUGH TFG BONDS

Use of Proceeds	Asset Category	Location
Raw material purchase from local farmers	Employment Generation and Economic Advancement	Thailand

Total

SCHEDULE 2: SOCIAL BOND ELIGIBILITY ASSESSMENT PROTOCOL

1. Use of proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1a	Type of bond	<p>The bond must fall in one of the following categories, as defined by the Social Bond Principles:</p> <ul style="list-style-type: none"> • Social Use of Proceeds Bond • Social Use of Proceeds Revenue Bond • Social Project Bond • Social Securitized Bond 	<p>Review of:</p> <ul style="list-style-type: none"> • Bond Issuance Information • TFG Sustainable Finance Framework <p>Correspondence with TFG management</p>	<p>The reviewed evidence confirms that the Bond falls in the category: Social Use of Proceeds Bond.</p>
1b	Project Categories	<p>The cornerstone of a Social Bond is the utilization of the proceeds of the bond which should be appropriately described in the legal documentation for the security.</p>	<p>Review of:</p> <ul style="list-style-type: none"> • Bond Issuance Information • TFG Sustainable Finance Framework <p>Correspondence with TFG management</p>	<p>As identified by the Sustainable Finance Framework the purpose of the Bond is to use the proceeds for the financing or refinancing of Employment Generation and Economic Advancement. The TFG Sustainable Finance Framework considers Use of Proceeds from both Green and Social perspectives.</p> <p>Specifically, the use of proceeds for the proposed TFG Social Bond are summarised in Schedule 1 above.</p> <p>DNV’s assessment concluded that these assets would present tangible and genuine social benefits in the target areas and for the target populations.</p> <p>Social Use of Proceeds impacts have been linked to SDGs 1; No Poverty.</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<p>DNV considers the SDG linkage made to reasonably reflect the impacts resulting from the nominated projects and the Use of Proceeds set out in the Framework. DNV confirms that the Use of Proceeds set out in the framework has clear social benefits.</p>
1c	Social benefits	<p>All designated Social Project categories should provide clear environmentally sustainable benefits, which, where feasible, will be quantified or assessed by the issuer.</p>	<p>Review of:</p> <ul style="list-style-type: none"> • Bond Issuance Information • TFG Sustainable Finance Framework • TFG Asset Specifications <p>Correspondence with TFG management</p>	<p>Employment Generation and Economic Advancement projects</p> <p>The nominated projects and assets include:</p> <ul style="list-style-type: none"> - Raw materials and stock purchased from local farmers. <p>The target populations include local under employed and unemployed residents in the local areas surrounding the factories. Agricultural target populations include local farmers in the factory regions.</p> <p>From the interview conducted on 5 June 2024, TFG confirms TFG provides necessary trainings to target populations to ensure that the raw materials provided to TFG comply with the national standards issued by Department of Livestock Development, and to ensure the maximization of resources efficiency through reduction of unnecessary inputs.</p> <p>DNV can confirm that the Use of Proceeds associated with the TFG Social Bond are considered to qualify under and be well aligned with the Use of Proceeds and associated Categories Social Bond Principles.</p>
1d	Refinancing share	<p>In the event that a proportion of the proceeds may be used for refinancing, it is recommended that issuers provide an estimate</p>	<p>Review of:</p> <ul style="list-style-type: none"> • Bond Issuance Information • Bond disclosure documentation 	<p>The proceeds of the Bond will be used to refinance the projects and assets listed in Schedule 1, above.</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		of the share of financing vs. re-financing, and where appropriate, also clarify which investments or project portfolios may be refinanced.	<ul style="list-style-type: none"> Sustainable Finance Framework <p>Correspondence with TFG management</p>	

2. Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2a	Investment-decision process	<p>The issuer of a Social Bond should outline the decision-making process it follows to determine the eligibility of projects using Social Bond proceeds. This includes, without limitation:</p> <ul style="list-style-type: none"> A process to determine how the projects fit within the eligible Social Projects categories identified in the Social Bond Principles; The criteria making the projects eligible for using the Social Bond proceeds; and The environmental sustainability objectives 	<p>Review of:</p> <ul style="list-style-type: none"> Bond Issuance Information TFG Sustainable Finance Framework 	<p>As per the TFG Sustainable Finance Framework, the Issuer has set out the following for project selection:</p> <p>TFG’s evaluation and selection process ensures that the proceeds from all TFG green, social, and sustainable bonds, loans, and other financing instruments are earmarked to finance or refinance projects, assets, and expenditures that meet the eligibility criteria set out in this framework.</p> <p>TFG’s Financial Controller, the Budgeting Department and the Corporate Governance Department are responsible and accountable for the Sustainable Finance Framework, including meeting at least once per year and when appropriate based on material developments to:</p> <ul style="list-style-type: none"> review the eligibility of the projects, assets, and expenditures in the pool; review social and environmental risks associated with the projects; review the earmarking of net proceeds to eligible projects, assets, and activities, and the alignment with associated bonds, loans, and other financial instruments already issued;

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<ul style="list-style-type: none"> review the impact metrics and performance of the relevant areas of the business; and approve the annual updated report under TFG’s Sustainable Finance Framework to be included in the annual TFG Sustainability Report. <p>DNV has reviewed the structure and function of the Project Selection criteria and confirmed it is in line with the criteria set out in the SBP.</p>
2b	Issuer’s environmental and social and governance framework	In addition to information disclosed by an issuer on its Social Bond process, criteria and assurances, Social Bond investors may also take into consideration the quality of the issuer’s overall framework and performance regarding environmental sustainability.	Review of: <ul style="list-style-type: none"> TFG Environmental and Social Policies and Procedures TFG Sustainable Finance Framework Correspondence with TFG management	<p>TFG has published a Corporate ESG Framework and commitments. TFG exercises governance based on the following principles:</p> <ol style="list-style-type: none"> Define the objectives of ESG sustainable development for stakeholders, especially environment-friendly and sustainable outcomes. Ensure effective people are employed to incorporate ESG objectives into work processes. Engage and communicate internally to build awareness and culture. Disclose all material information regarding ESG objectives. <p>We have also carried out a high-level media review of TFG. Based on the evidence reviewed and the discussion we had with senior managers, we found that TFG’s current environmental, social and governance framework is in line with good practice of the industry for the nominated projects and assets within the proposed Bond.</p>

3. Management of proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3a	Tracking procedure	The net proceeds of Social Bonds should be credited to a sub-account, moved to a sub-portfolio or otherwise tracked by the issuer in an appropriate manner and attested to by a formal internal process that will be linked to the issuer's lending and investment operations for Social Projects.	Review of: <ul style="list-style-type: none"> Bond Issuance Information Bond Proceeds and Reporting Framework Correspondence with TFG management	<p>The evidence reviewed shows how TFG plans to trace the Bond's proceeds, from the time of issuance to the time of disbursement.</p> <p>TFG plans to monitor the allocation of an amount equal to the proceeds via internal treasury information systems. Tracking will be conducted to facilitate the monitoring and reporting of the issued Bonds and the deployment of an amount equal to the projects and assets.</p> <p>DNV concludes that the process set out in the Issuer's Framework is aligned with the Management of Proceeds as set out in the Social Bond Principles.</p>
3b	Tracking procedure	So long as the Social Bonds are outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible investments or loan disbursements made during that period.	Review of: <ul style="list-style-type: none"> Bond Issuance Information TFG Sustainable Finance Framework Correspondence with TFG management	<p>The evidence reviewed shows that TFG plans to trace the proceeds from the Bond, from the time of issuance to the time of disbursement. On an annual basis, the outstanding balance of the Bond will be reviewed.</p>
3c	Temporary holdings	Pending such investments or disbursements to eligible Social Projects, the issuer should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds.	Review of: <ul style="list-style-type: none"> Bond Proceeds and Reporting Framework Correspondence with TFG management	<p>The net proceeds of the Bond will be held in cash or cash equivalent on account until disbursement to the nominated assets as per the TFG Sustainable Finance Framework. TFG will aim to be fully allocated to Social Projects within the term of the Bond.</p> <p>TFG have nominated the use of proceeds as per Section 3.1 within their Sustainable Finance Framework. If, for reasons beyond the control of the Issuer, these investments are required</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<p>to be altered in nature or scope, other compliant investment will be identified with approval from TFG Management.</p> <p>DNV confirms that the Management of Proceeds set out by TFG is in line with the SBP.</p>

4. Reporting

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
4a	Periodical reporting	In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, issuers should provide at least annually a list of projects to which Social Bond proceeds have been allocated including - when possible with regards to confidentiality and/or competitive considerations - a brief description of the projects and the amounts disbursed, as well as the expected environmentally sustainable impact.	<p>Review of:</p> <ul style="list-style-type: none"> Bond Proceeds and Reporting Framework <p>Correspondence with TFG management</p>	<p>TFG has confirmed that it will include allocation reporting and impact reporting to be made available to stakeholders and be publicly available. Allocations of proceeds will be reported on a portfolio basis with details of selected projects, assets, and expenditures. Impact reporting will be aligned with TFG's existing information flows and will highlight key achievements across the company's sustainability programs.</p> <p>DNV considers the proposed financial and impact reporting proposed and the means of communication to be aligned with the criteria set out in the SBP.</p>

SCHEDULE 3: ASEAN SOCIAL BOND STANDARDS VERIFICATION

Summary criteria for assertions of compliance with the ASEAN Social Bond Standards 2018 and compliance conclusion.

The criteria against which TFG and its nominated projects and assets have been reviewed prior to inclusion in the Bond are grouped under the requirements as detailed within the ASEAN Social Bond Standards 2018.

3.0: Criteria for ASEAN Social Bonds

Criteria	Requirement	Demonstrated Compliance
3.1	(i) Must be an ASEAN issuer, or; (ii) In the case of a Non-ASEAN issuer, the eligible Sustainability Projects must be located in any of the ASEAN countries.	The Bond Issuer and nominated project is located in Thailand, an ASEAN member country.
3.2	ASEAN Social Bonds issuances must be originated from any of the ASEAN member countries.	The bond is to be originated from Thailand and issued in THB.

4.0: Guidance for the Four Components of the GBP

4.1 Use of Proceeds

Criteria	Requirement	Demonstrated Compliance
4.1.1	The utilisation of proceeds from the ASEAN Social Bonds must be described in the documentation for issuance of the ASEAN Social Bonds.	The Issuer has set out the Use of Proceeds in both the Sustainable Finance Framework and the description of Nominated Projects and Assets as summarised in Section 3.1 of the Framework and Schedule 1 of this Statement.
4.1.2	In relation to 4.1.1, the issuer must disclose the following information: (i) The categories of eligible Social Projects to which the ASEAN Social Bonds proceeds will be allocated; and/or (ii) The information on specific Social Projects in the case where the issuer has identified the specific Social Projects to which the ASEAN Social Bonds proceeds will be allocated.	<ul style="list-style-type: none"> i. The Issuer has set out the categories for Nominated Projects and Assets in the Use of Proceeds section of the Sustainable Finance Framework. ii. The Issuer has detailed the specific Social Projects as per Schedule 1 of this report.

4.1.3	All designated Social Projects must provide clear environmental/Social benefits, which will be assessed and, where feasible, quantified by the issuer.	As per 1c in Schedule 2 above, the Nominated Projects have clear and demonstrated social benefits. This includes Social Benefits and defined target populations
4.1.4	In the event that all or a proportion of the proceeds are or may be used for refinancing, it is recommended that issuers provide an estimate of the share of financing and refinancing, and where appropriate, also clarify which investments or project portfolios may be refinanced and, to the extent relevant, the expected look-back period for refinanced Social Projects.	The Issuer has detailed the refinancing share as shown in Schedule 2.
4.1.5	Social Bond Categories	Social Bond categories have been disclosed by the Issuer in both the Sustainable Finance Framework and as per Schedule 1.
4.1.6	For clarification purposes, fossil fuel power generation projects are excluded from the ASEAN SBS.	DNV has confirmed that the Use of Proceeds is not proposed to include fossil fuel power generation project related activities.

4.2: Process for Project Evaluation and Selection

Criteria	Requirement	Demonstrated Compliance
4.2.1	The issuer of ASEAN Social Bonds must clearly communicate to investors– (i) the environmental/social sustainability objectives; (ii) the process by which the issuer determines how the projects fit within the eligible Social Projects categories identified above; and (iii) the related eligibility criteria, including, if applicable, exclusion criteria or any other process applied to identify and manage potentially material environmental and social risks associated with the Social Projects.	The Issuer has communicated: i. The sustainability objectives of their Sustainability Finance Program and of the Nominated Projects and Assets has been communicated in the Sustainable Finance Framework. ii. The Issuer has described the process for Project Evaluation and Selection in the Sustainable Finance Framework. iii. Selection criteria has been set out in section Use of Proceeds and section Process for Project Selection and Evaluation.
4.2.2	The issuer must establish the process for project evaluation and selection prior to the issuance of the ASEAN Social Bonds and disclose the same to investors in the documentation for the issuance of the ASEAN Social Bonds.	The Process for Project Selection and Evaluation has been defined and presented in the Sustainable Finance Framework prior to issuance.

4.2.3	Issuers are encouraged to position this information within the context of the issuers' overarching objectives, strategy, policy and/or processes relating to environmental sustainability. Issuers are also encouraged to disclose any standards or certifications referenced in project selection.	The Issuer has presented the Sustainability Financing Framework in the context of TFG's Sustainability Program, policies and procedures.
4.2.4	It is recommended that the issuer's process for project evaluation and selection be supported by an external review.	This external verification has been conducted to provide external review of the Issuers claims.
4.2.5	<p>The issuer must make the following publicly available on a website designated by the issuer at the time of the issuance and throughout the tenure of ASEAN Social Bonds:</p> <p>(i) The process for project evaluation;</p> <p>(ii) The use of proceeds; and</p> <p>(iii) External review report on the process (if any).</p>	<p>The Issuer proposes to make publicly available on its corporate website the:</p> <ul style="list-style-type: none"> i. Sustainable Finance Framework including Process for Project Evaluation; ii. Use of Proceeds, and; iii. This external review report.

4.3: Management of Proceeds

Criteria	Requirement	Demonstrated Compliance
4.3.1	Prior to the issuance of the ASEAN Social Bonds, the issuer must disclose to investors in the documentation for the issuance of the ASEAN Social Bonds the process for managing the net proceeds from the ASEAN Social Bonds.	The Issuer has disclosed to bond placement investors that it will hold Social Bond proceeds raised in internal treasury cash accounts for allocation to existing and new investments associated with nominated projects and assets.
4.3.2	The net proceeds from the ASEAN Social Bonds, or an amount equal to these net proceeds, must be credited into a sub-account, moved to a sub-portfolio or otherwise tracked by the issuer in an appropriate manner and attested to by a formal internal process linked to the issuer's lending and investment operations for Social Projects. The total amount deployed from the net proceeds for the eligible Social Projects need not occur simultaneously.	The Issuer has prepared and presented the process for the tracking and monitoring of proceeds and allocation reporting in the Sustainable Finance Framework.
4.3.3	As long as the ASEAN Social Bonds are outstanding, the balance of tracked proceeds must be periodically adjusted to match allocations to eligible Social Projects made during that period.	The Issuer has defined how proceeds are to be tracked and reported to match the allocation to eligible Social Projects.

4.3.4	The issuer must also disclose to investors in the documentation for the issuance of the ASEAN Social Bonds the intended types of temporary placement for the balance of unallocated proceeds.	The Issuer has disclosed that all temporary investments will be held in cash or cash equivalent.
4.3.5	It is recommended that the issuer’s management of proceeds be supplemented by the use of an auditor, or other third party to verify the internal tracking method and the allocation of funds from the ASEAN Social Bonds proceeds.	The Issuer has confirmed in order to provide transparent information about the reporting of the funds from bonds issued under this framework, TFG intends to engage a Second Party Opinion Provider/ Verifier/ External Auditor to provide the assessment on the alignment of the allocation of funds with Framework’s criteria until the full allocation of the proceeds.
4.3.6	Where the issuer appoints an auditor or other third party to verify the issuer’s management of proceeds, the issuer must make the report produced by the auditor or other third party publicly available on a website designated by the issuer at the time of the issuance of the ASEAN Social Bonds.	The verification report will be made available for investors on its corporate website.

4.4: Reporting

Criteria	Requirement	Demonstrated Compliance
4.4.1	Issuers must report to investors at least on an annual basis and encouraged to make more frequent reporting on the use of proceeds until full allocation, and as necessary thereafter in the event of material developments. This should include a list of the projects to which the ASEAN Social Bonds proceeds have been allocated, as well as a brief description of the projects and the amounts allocated and their expected impact.	The Issuer has confirmed annual reporting on the Social Bond allocations.
4.4.2	Where confidentiality agreements, competitive considerations, or a large number of underlying projects limit the amount of detail that can be made available, the issuer may present the information in generic terms or on an aggregated portfolio basis.	The Issuer reserves the right to manage confidentiality obligations with regards to Social Bond reporting.
4.4.3	It is recommended that issuers use qualitative performance indicators, and where feasible, quantitative performance measures and disclosure of the key underlying methodology and/or assumptions used in the quantitative determination.	The Issuer intends to provide qualitative and where possible quantitative impact reporting.

4.4.4	It is recommended that the issuer’s annual reporting on the use of proceeds be supplemented by a confirmation of such use of proceeds by an external reviewer along with any relevant updates of the external review.	The Issuer has confirmed in order to provide transparent information about the reporting of the funds from bonds issued under this framework, TFG intends to engage a Second Party Opinion Provider/ Verifier/ External Auditor to provide the assessment on the alignment of the allocation of funds with Framework’s criteria until the full allocation of the proceeds.
4.4.5	The issuer must provide to investors the annual reporting and the external review on the annual reporting, if any, through a website designated by the issuer and/ or annual reports throughout the tenure of the ASEAN Social Bonds.	The verification report will be made available for investors on its corporate website.

5.0: External Review

Criteria	Requirement	Demonstrated Compliance
5.1	Issuers are recommended to appoint external review providers for their ASEAN Social Bonds issuances.	DNV has been appointed as External Reviewer of the Social Bond Issuance.
5.2	The external review may be partial, covering only certain aspects of the issuer’s ASEAN Social Bonds framework or full, assessing alignment with all four core components as stated in the ASEAN SBS.	The scope of this verification is full compliance with the four core components as stated in the ASEAN SBS.
5.3	The external review provider must have the relevant expertise and experience in the components of the ASEAN Social Bonds which they are reviewing.	DNV is an Accredited Verifier under the Climate Bonds Standard with global experience providing Green Bond Verification and Services since 2011.
5.4	The external review provider must also disclose their relevant credentials and expertise, and the scope of the review conducted in the review report.	DNV’s credentials and expertise have been disclosed in this Opinion. The scope of this Verification has been detailed in the “Scope and Objective” section.
5.5	There are a variety of ways for issuers to obtain outside input into the formulation of their ASEAN Social Bonds process and there are several levels and types of review that can be conducted.	This Verification has been conducted as an independent external review and verification against the criteria set out in the ASEAN SBS.
5.6	Independent external reviews may vary in scope and may address an ASEAN Social Bonds framework/programme, an individual ASEAN Social Bonds issuance, the underlying assets and/or procedures.	This Verification has been conducted as an independent external review and verification against the criteria set out in the ASEAN SBS.