

# SRI TRANG GLOVES (THAILAND) PUBLIC COMPANY LIMITED GREEN FINANCING FRAMEWORK SECOND PARTY OPINION

**Document title:** Second Party Opinion on Sri Trang Gloves (Thailand) Public Company Limited's Green Financing Framework

**Prepared by:** DNV (Thailand) Co., Ltd.

**Location:** Bangkok, Thailand

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### Disclaimer

Our assessment relies on the premise that the data and information provided by the client to us as part of our review procedures have been provided in good faith. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied as per scope of work. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Statement.

### Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17029:2019 - Conformity Assessment – General principles and requirements for validation and verification bodies, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct<sup>1</sup> during the assessment and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of statements or data included in the Framework except for this Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assessment process.

<sup>1</sup> DNV Code of Conduct is available from DNV website ([www.dnv.com](http://www.dnv.com))

## DNV'S INDEPENDENT ASSESSMENT

### Scope and Objectives

Sri Trang Gloves (Thailand) Public Company Limited ("STGT", or the "Issuer", or the "Company") offers a wide range of premium quality latex and nitrile examination gloves as well as general use disposable gloves, both powdered and powder-free. STGT products are being used around the world in various industries, i.e. healthcare, food, manufacturing and operations, where hygiene standards are highly valued. Believed to be Thailand's largest and the world's third largest gloves producer, the Company has a current capacity of 49.4 billion units per annum and exports to over 170 countries.

The STGT Green Financing Framework ("Framework") was developed with the intention of issuing of Green Bonds, Loans, and other financing instruments (collectively "Green Financing Instruments" or "GFIs") STGT aspires to comply with the following standards and principles (collectively "Standards & Principles"):

- The Green Bond Principles ("GBP"), issued by the International Capital Market Association ("ICMA") in June 2021
- The ASEAN Green Bond Standards ("AGBS"), issued by the ASEAN Capital Markets Forum ("ACMF") in October 2018
- Green Loan Principles ("GLP"), issued by the Loan Syndications and Trading Association ("LSTA"), the Loan Market Association ("LMA") and the Asia Pacific Loan Market Association ("APLMA") in February 2023

Alignment of the Green Finance with the Principles is presented in the Framework through the following key pillars:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

This Second Party Opinion is updated in April 2024 to align with the new version of STGT Framework to provide a non-exhaustive list of example eligible activities. Hence it supersedes the Second Party Opinion issued by DNV in August 2022.

### Responsibilities of the Management of STGT and DNV

The management of STGT 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 STGT management and other interested stakeholders in the Framework as to whether the Framework is aligned with Principles. In our work, we have relied on the information and the facts presented to us by STGT. 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 STGT's management and used as a basis for this assessment were not correct or complete.

## **Basis of DNV's opinion**

We have adapted our assessment methodology to create the STGT-specific 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.

As per our Protocol, the criteria against which the Framework has been reviewed are grouped under the four core components:

**1. Use of Proceeds**

The Use of Proceeds criteria are guided by the requirement that an issuer of a bond/a borrower of a loan must use the funds raised to finance eligible activities. The eligible activities should produce clear environmental benefits.

**2. Process for Project Evaluation and Selection**

The Project Evaluation and Selection criteria are guided by the requirements that an issuer of a bond/a borrower of a loan should outline the process it follows when determining eligibility of an investment using Green Bond/Loan proceeds, and outline any impact objectives it will consider.

**3. Management of Proceeds**

The Management of Proceeds criteria are guided by the requirements that a bond or loan should be tracked within the organization, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled.

**4. Reporting**

The Reporting criteria are guided by the recommendation that at least annual reporting should be made of the use of proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible.

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

## 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 STGT 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 a Protocol, adapted to the purpose of the Framework, as described above and in Schedule 3 to this Assessment;
- Assessment of documentary evidence provided by STGT on the Framework and supplemented by a high-level desktop research. These checks refer to current assessment best practices and standards methodology;
- Review of published materials by STGT and the website of STGT and, where relevant, parent organisations;
- Discussions with STGT's management, and review of relevant documentation and evidence related to the criteria of the Protocol; and
- 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. Use of Proceeds

STGT intends to use the proceeds from the Green Financing Instruments ("GFI") issued under the Framework to finance or refinance eligible green assets as identified by the Principles.

The Framework defines the following eligible project categories.

*Eligible Green Project Categories:*

- Renewable Energy
- Pollution Prevention & Control
- Energy Efficiency
- Sustainable Water and Wastewater Management
- Clean Transportation

DNV undertook an analysis of the associated project type to determine the eligibility as "Green" and in line with the Standards & Principles. DNV concludes that the eligible categories outlined in the Framework are consistent with the categories outlined in the Standards & Principles.

### 2. Process for Project Evaluation and Selection

STGT has set up an ESG Working Group, comprising of the Corporate Governance and Sustainable Development Committee, factory managers, Sustainability Department as well as environmental team members, Investor Relations, Finance and Human Resources personnel, along with group of experienced engineers. The team shall be responsible for the evaluation and selection of the Eligible Green Project(s).

DNV concludes that STGT's Framework appropriately describes the process of project evaluation and selection.

### 3. Management of Proceeds

The net proceeds from green financing instruments under this framework will be managed by the ESG Working Group who will be held responsible for the allocation of the net proceeds to the above Eligible Green Project(s).

The net proceeds will be deposited in the Company's dedicated green financing account. With this, STGT shall maintain its funding towards such project to be at least equal to or exceed the net proceeds received and shall regularly monitor its use of net proceeds from the instruments issued under the Framework. In the event that any of the above project fails to maintain its quality and eligibility to be in accordance with the criteria, STGT shall replace such project with the alternative projects as soon as it/they are identified and approved.

DNV concludes that STGT's Framework appropriately describes the process for Management of Proceeds.

### 4. Reporting

Reporting of STGT's use of net proceeds from the instruments will commence within a year after the issuance/financing and will be revised to reflect the latest data on an annual basis until the full amount has been allocated.

STGT shall aim to communicate its progress and impact of the above Green Eligible Projects on its stakeholders on an annual basis. The company plans to track its progress.

On the basis of the information provided by STGT and the work undertaken, it is DNV's opinion that the Framework meets the criteria established in the Protocol and that it is aligned with the stated definition of Green Financing



Instuments within the Standards & Principles, which is to “enable capital-raising and investment for new and existing projects with environmental benefits”.

for DNV (Thailand) Co., Ltd.

Bangkok, Thailand, 02 April 2024

Kobrat C.

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Kobrat Chotruangprasert  
**Lead Verifier**

Thomas Leonard

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Thomas Leonard  
**Technical Reviewer**

## Schedule 1. Description of Categories to be financed or refinanced through STGT's Green Financing Transactions

Eligible Green Project Categories	Criteria and Sample Projects	DNV Findings
Renewable Energy	<ul style="list-style-type: none"> <li>Installation of floating solar, solar rooftop, and solar panel</li> <li>Biomass plants with lifecycle emission of less than 100g CO<sub>2</sub> /kWh from waste wood chips, bark, sourced from sustainable plantation, including the maintenance and replacement of equipment, e.g., back pressure turbine</li> </ul>	DNV finds that the criteria and project types are eligible projects according to the Standards & Principles.
Pollution Prevention & Control	<ul style="list-style-type: none"> <li>Projects to introduce higher efficiency boilers with bag filters system which enable the reduction of amount of particulate matter that is produced by the combustion of biomass and equipment acquisition and replacement, e.g., ash chain conveyor, dust collector, and wood chipper</li> <li>Installation of wood bark separator to separate small wood bark from soil. Such wood barks are now being used as biomass for boilers.</li> </ul>	
Energy Efficiency	<ul style="list-style-type: none"> <li>Projects to introduce higher efficiency boilers with bag filters system which enable the reduction of energy consumption</li> <li>Installation of new chiller</li> <li>Installation of new air conditioner with high energy efficiency and lower Global Warming Potential ("GWP")</li> <li>Installation of new air compressors used in production processes</li> <li>Projects to replace fluorescent tubes with LEDs</li> <li>Installation of automatic air blowers for auto striping</li> <li>Installation of venturi steam traps which have better efficiency in term of energy loss minimisation as compared to float traps</li> </ul>	
Sustainable Water and Wastewater Management	<ul style="list-style-type: none"> <li>Installation of new (upgraded) wastewater recycling systems</li> <li>Installation of wastewater pre-treatment systems</li> </ul>	
Clean Transportation	<ul style="list-style-type: none"> <li>Electric vehicles, e.g. electric motorcycle, electric truck, electric forklifts</li> <li>Project to renovate an area to be a battery charging station to support increased number of electric vehicles</li> </ul>	



## Schedule 2. Contributions to UN SDGs

Eligible Green Project Categories	UN SDGs	DNV Findings
Renewable energy	<b>SDG 7.2:</b> By 2030, increase substantially the share of renewable energy in the global energy mix	DNV is of the opinion that eligible category outlined in the Framework contributes to the achievement of the UN SDGs.
Pollution Prevention & Control	<b>SDG 3.9</b> By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination <b>SDG 9.4</b> 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 <b>SDG 11.6</b> By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management <b>SDG 12.2</b> By 2030, achieve the sustainable management and efficient use of natural resources	
Energy efficiency	<b>SDG 7.3:</b> By 2030, double the global rate of improvement in energy efficiency <b>SDG 9.4</b> 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	
Sustainable water and wastewater management	<b>SDG 6.3:</b> By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally <b>SDG 6.4</b> By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity	
Clean Transportation	<b>SDG 3.9</b> By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination <b>SDG 7.b</b> By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries, small island developing States and landlocked developing countries, in accordance with their respective programmes of support <b>SDG 9.4</b> 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 <b>SDG 11.6</b> By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management	

## Schedule 3. Eligibility Assessment Protocol

### 1. Use of Proceeds

Ref.	Criteria	Requirements	DNV Findings
1a	Type of bond / loan	<p>The Bond/Loan must fall in one of the following categories, as defined by the Green Bond Principles:</p> <ul style="list-style-type: none"> <li>Green Use of Proceeds Bond</li> <li>Green Use of Proceeds Revenue Bond</li> <li>Green Project Bond</li> <li>Green Securitized Bond</li> <li>Loan instrument made available for Green project (Green use of proceeds loan)</li> </ul>	<p>The Framework states that each Green Financing Instrument ("GFI") will contribute to positive environmental impacts.</p> <div> <p><b>From the Framework</b></p> <p><i>STGT intends to allocate an amount of at least equivalent to its net proceeds from the upcoming green financing instrument under this Framework. The net proceeds will be exclusively used for the financing and/or refinancing of the below Eligible Green Project(s), with initial investment up to 2 years prior to the issuance date of such instrument.</i></p> </div> <p>The reviewed evidence confirms that the GFIs fall in the category: Green Use of Proceeds Bond/Loan.</p>
1b	Green Project Categories	<p>The cornerstones of Green Bond and Loan are the utilization of the proceeds of the bond and the loan which should be appropriately described in the legal documentation for the security.</p>	<p>Eligible green project categories presented by STGT are as follows:</p> <ul style="list-style-type: none"> <li>Renewable energy</li> <li>Pollution Prevention &amp; Control</li> <li>Energy efficiency</li> <li>Sustainable water and wastewater management</li> <li>Clean Transportation</li> </ul> <p>The above-mentioned project categories meet the eligible Green Project Categories in Standards &amp; Principles.</p>
1c	Environmental / Social benefits	<p>All designated Green Project categories should provide clear environmentally / socially sustainable benefits, which, where feasible, will be quantified or assessed by the Issuer.</p>	<p>Environmental benefits are noted to include:</p> <ul style="list-style-type: none"> <li>To promote use of clean electricity while reducing use of electricity from non-renewable energy</li> <li>To reduce emission of particulate matter.</li> <li>To minimise waste and increase the use of wood bark as biomass fuel for boilers.</li> <li>To reduce energy/ electricity consumption and GHG emissions</li> <li>To improve energy efficiency, reduce energy consumption of the production process</li> <li>To reduce water withdrawal and increase the use of recycled water in production line</li> <li>To control water pollution to be in line with legal water discharge standards.</li> <li>To increase efficiency of wastewater treatment plants to support larger volume of wastewater loading (input) and improve treated water (output) quality.</li> </ul>

1d	Refinancing Share	In the event that a proportion of the proceeds may be used for refinancing, it is recommended that issuers provide an estimate of the share of financing vs. re-financing, and where appropriate, also clarify which investments or project portfolios may be refinanced.	The Framework indicates that, proceeds will be used for financing of new or refinancing projects/expenditures that meet the criteria.
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## 2. Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	DNV Findings
2a	Investment-decision process	<p>The Issuer of a Green Bond and Loan should outline the decision-making process it follows to determine the eligibility of projects using Green Bond and Loan proceeds. This includes, without limitation:</p> <ul style="list-style-type: none"> <li>• The environmental objectives of the eligible Green Projects;</li> <li>• The process by which the issuer determines how the projects fit within the eligible Green Projects categories; and</li> <li>• Complementary information on processes by which the issuer identifies and manages perceived environmental and social risks associated with the relevant project(s).</li> </ul>	<p>STGT states that sustainable business operations and investment are at its core under the concept of “Clean World, Clean Gloves” that cares about product quality, while being mindful of environmental, social and governance issues and ever ready to deal with business risks and potential risks.</p> <p><b>From the Framework</b></p> <p><i>Operating in the manufacturing sector, STGT is well aware of the possible environmental impacts in terms of resources, energy, water and management of air pollution, and residual waste it may have on the surrounding communities. Subsequently, the Company has adopted the ISO 14001:2015 Environmental Management System standard which covers both the use of resources and pollution control as a tool with a view to bring about continuous and proactive development.</i></p>
2b	Issuer / borrower's environmental, social and governance framework	<p>Issuers are also encouraged to:</p> <ul style="list-style-type: none"> <li>• Position the relevant information within the context of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability.</li> <li>• Provide information, if relevant, on the alignment of projects with official or market-based taxonomies, related eligibility criteria</li> <li>• Have a process in place to identify mitigants to known material risks of</li> </ul>	<p>The Framework describes governance structure for selecting projects for investment</p> <p><b>From the Framework</b></p> <p><i>In order to verify the eligibility of the above proposed Eligible Green Project(s), the ESG Working Group, comprising of the Corporate Governance and Sustainable Development Committee, factory managers, Sustainability Department as well as environmental team members, Investor Relations, Finance and Human Resources personnel, along with group of experienced engineers, was put together. The team shall be responsible for the evaluation and selection of the Eligible Green Project(s). Every potential Green Eligible Project will have to be evaluated using financial analysis, while making sure they contribute to the benefits of the Company as well as the environment.</i></p>

		negative environmental impacts from the relevant project(s).	
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### 3. Management of Proceeds

Ref.	Criteria	Requirements	DNV Findings
3a	Tracking procedure	<ul style="list-style-type: none"> <li>(Bond) The net proceeds of Green 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 Green Projects.</li> <li>(Loan) The proceeds of Green Loans should be credited to a dedicated account or otherwise tracked by the borrower in an appropriate manner, so as to maintain transparency and promote the integrity of the product. Where a Green loan takes the form of one or more tranches of a loan facility, each Green tranche(s) must be clearly designated, with proceeds of the Green tranche(s) credited to a separate account or tracked by the borrower in an appropriate manner.</li> </ul>	<p>The evidence reviewed shows how STGT plans to manage the GFI proceeds.</p> <p><b>From the Framework</b></p> <p><i>The net proceeds from green financing instruments under this framework will be managed by the ESG Working Group who will be held responsible for the allocation of the net proceeds to the above Eligible Green Project(s). The net proceeds will be deposited in the Company's dedicated green financing account. With this, STGT shall maintain its funding towards such project to be at least equal to or exceed the net proceeds received and shall regularly monitor its use of net proceeds from the instruments issued under this Framework.</i></p>
3b	Tracking procedure	So long as the Green Bond are outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible Green investments or loan disbursements made during that period.	<p>The Framework describes the Sustainable Finance Register which describes how proceeds are logged and tracked.</p> <p><b>From the Framework</b></p> <p><i>The balance figure shall be updated and reflected on the Company's website on an annual basis in order to remain transparent.</i></p>
3c	Temporary holdings	Pending such investments or disbursements to eligible Green Projects, the Issuer should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds.	<p>The Framework explains the treatment of unallocated funds.</p> <p><b>From the Framework</b></p> <p><i>As for the remaining (unallocated) proceeds, STGT may choose to hold them in either cash or investments (limited to short-term liquid instruments) and shall aim to allocate the amount to eligible green projects within 5 years of instrument's issue date. In the event that any of the above project fails to maintain its quality and eligibility to be in accordance with the criteria, STGT shall replace such project with the alternative projects as soon as it/they are identified and approved.</i></p>

#### 4. Reporting

Ref.	Criteria	Requirements	DNV Findings
4a	Periodical reporting	<ul style="list-style-type: none"> <li>Issuers should make, and keep, readily available up to date information on the use of proceeds to be renewed annually until full allocation, and on a timely basis in case of material developments.</li> <li>The annual report should include a list of the projects to which Green Bond proceeds have been allocated, as well as a brief description of the projects, the amounts allocated, and their expected impact.</li> <li>Where confidentiality agreements, competitive considerations, or a large number of underlying projects limit the amount of detail that can be made available, the GBP recommend that information is presented in generic terms or on an aggregated portfolio basis (e.g. percentage allocated to certain project categories).</li> </ul>	<p>STGT has confirmed that it will annually disclose the allocation of the net proceeds, as well as impacts, of the GFIs.</p> <p><b>From the Framework</b></p> <p><i>Reporting of STGT's use of net proceeds from the instruments will commence within a year after the issuance/financing and will be revised to reflect the latest data on an annual basis until the full amount has been allocated.</i></p> <p>The Framework explains the proposed Allocation Reporting.</p> <p><b>From the Framework</b></p> <p><i>Until the total net proceeds from the instrument has been fully allocated, the ESG Working Group will prepare and make available through the Company's website, a report on the fund allocation progress.</i></p> <p>...</p> <ul style="list-style-type: none"> <li><i>The net proceeds figure along with amount or portion (%) of allocated funds towards the Eligible Green Project(s)</i></li> <li><i>Brief description and summary of projects financed by the Eligible Green Project(s) including location(s) and status of each project</i></li> <li><i>The amount or portion (%) used in financing as well as refinancing</i></li> <li><i>The balance or portion (%) of unallocated proceeds</i></li> </ul> <p>The Framework also provides examples of indicators and Metrics used in Impact Reporting of green projects:</p> <ul style="list-style-type: none"> <li>Renewable Energy: <ul style="list-style-type: none"> <li>Increase in consumption of renewable energy (kWh)</li> <li>Reduction in amount of non-renewable energy consumed or purchased (kWh)</li> <li>Reduction in total GHG emissions including the indirect scope 2 GHG emissions (tCO<sub>2</sub>e)</li> </ul> </li> <li>Pollution Prevention &amp; Control <ul style="list-style-type: none"> <li>Reduction in vented particulate matter (ppm)</li> <li>Reduction in disposal of mixture of wood bark and soil (tons)</li> <li>Improvement in the utilization of biomass resources (%)</li> </ul> </li> <li>Energy Efficiency : <ul style="list-style-type: none"> <li>Reduction in energy consumption (GJ)</li> <li>Reduction in electricity consumption (kWh)</li> <li>Reduction in steam/heat consumption (GJ)</li> <li>Reduction in total GHG emissions including the indirect scope 2 GHG emissions (tCO<sub>2</sub>e)</li> </ul> </li> <li>Sustainable Water and Wastewater Management: <ul style="list-style-type: none"> <li>Increase in amount of water being recycled (m<sup>3</sup>)</li> <li>Reduction in new water withdrawal (m<sup>3</sup>)</li> <li>Improvement in (or the efficiency of) wastewater treatment systems (%)</li> </ul> </li> <li>Clean Transportation: <ul style="list-style-type: none"> <li>Annual reduction in GHG emissions (tCO<sub>2</sub>e)</li> </ul> </li> </ul>

## Schedule 4. GFIs External Review Form

### Section 1. Basic Information

**Issuer name:**

Sri Trang Gloves (Thailand) Public Company Limited. ("STGT")

**Green Bond ISIN or Issuer Framework Name, if applicable:**

STGT Green Finance Framework, August 2022

**Independent External Review provider's name:**

DNV Business Assurance Australia Pty Ltd.

**Completion date of this form:**

2 April 2024

**Publication date of review publication:**

2 April 2024

### Section 2. Review overview

#### SCOPE OF REVIEW

*The following may be used or adapted, where appropriate, to summarise the scope of the review.*

The review assessed the following elements and confirmed their alignment with the GBP, GLP, and ASEAN GBS:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds        | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting                                    |

#### ROLE(S) OF INDEPENDENT EXTERNAL REVIEW PROVIDER

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Second Party Opinion | <input type="checkbox"/> Certification  |
| <input checked="" type="checkbox"/> Verification         | <input type="checkbox"/> Scoring/Rating |
| <input type="checkbox"/> Other (please specify):         |   |

*Note: In case of multiple reviews / different providers, please provide separate forms for each review.*

#### EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (if applicable)

On the basis of the information provided by STGT and the work undertaken, it is DNV's opinion that the STGT's Green Finance Framework meets the criteria established in the Protocol and are aligned with the stated definition of Green Bonds and Loans within the Standards & Principles.

### Section 3. Detailed review

*Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.*

#### 1. USE OF PROCEEDS

**Overall comment on section (if applicable):**

STGT intends to use the proceeds of the GFIs issued under the Framework to finance or refinance, in whole or in part, new or existing Eligible Green Project Categories. DNV concludes that the STGT Framework is aligned with the Standards & Principles.

**Use of proceeds categories as per GBP/GLP:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Renewable energy   | <input checked="" type="checkbox"/> Energy efficiency  |
| <input checked="" type="checkbox"/> Pollution prevention and control   | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation   | <input checked="" type="checkbox"/> Clean transportation   |
| <input checked="" type="checkbox"/> Sustainable water and wastewater management  | <input type="checkbox"/> Climate change adaptation   |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes                             | <input type="checkbox"/> Green buildings   |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input type="checkbox"/> Other <i>(please specify)</i> :   |

If applicable please specify the environmental taxonomy, if other than GBPs:

#### Use of proceeds categories as per ASEAN GBS:

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Renewable Energy  | <input checked="" type="checkbox"/> Clean transportation   |
| <input checked="" type="checkbox"/> Energy Efficiency   | <input checked="" type="checkbox"/> Sustainable water and waste water management   |
| <input checked="" type="checkbox"/> Pollution prevention and control                                      | <input type="checkbox"/> Climate change adaptation   |
| <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use; | <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes           |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation                                | <input type="checkbox"/> Green buildings which meet regional, national or internationally recognised standards or certifications |

## 2. PROCESS FOR PROJECT EVALUATION AND SELECTION

### Overall comment on section *(if applicable)*:

DNV reviewed the Framework which describes the process through which projects are evaluated and selected. DNV can confirm the proceeds of the GFIs go through an internal process for evaluation and selection.

### Evaluation and selection

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's green objectives                                   | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories               |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available       | <input type="checkbox"/> Other <i>(please specify)</i> :  |

### Information on Responsibilities and Accountability

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other <i>(please specify)</i> :   |  |

## 3. MANAGEMENT OF PROCEEDS

### Overall comment on section *(if applicable)*:

The Framework states that the proceeds of each STGT's green, and sustainable bonds, loans, and other financing instruments will be earmarked to finance or refinance loans to projects, assets, and expenditures that meet the eligibility criteria set out in this framework.



### Tracking of proceeds:

- ☒ Green Bond/Loan proceeds segregated or tracked by the issuer in an appropriate manner
- ☒ Disclosure of intended types of temporary investment instruments for unallocated proceeds
- ☐ Other *(please specify)*:

### Additional disclosure:

- ☐ Allocations to future investments only
- ☒ Allocations to both existing and future investments
- ☒ Allocation to individual disbursements
- ☐ Allocation to a portfolio of disbursements
- ☐ Disclosure of portfolio balance of unallocated proceeds
- ☐ Other *(please specify)*:

## 4. REPORTING

### Overall comment on section *(if applicable)*:

Reporting of STGT's use of net proceeds from the instruments will commence within a year after the issuance/financing and will be revised to reflect the latest data on an annual basis until the full amount has been allocated.

### Use of proceeds reporting:

- ☐ Project-by-project
- ☒ On a project portfolio basis
- ☒ Linkage to individual bond(s)
- ☐ Other *(please specify)*:

### Information reported:

- ☒ Allocated amounts
- ☐ Sustainability Bond financed share of total investment
- ☐ Other *(please specify)*:

### Frequency:

- ☒ Annual
- ☐ Semi-annual
- ☐ Other *(please specify)*:

### Impact reporting:

- ☐ Project-by-project
- ☒ On a project portfolio basis
- ☐ Linkage to individual bond(s)
- ☐ Other *(please specify)*:

### Frequency:

- ☒ Annual
- ☐ Semi-annual
- ☐ Other *(please specify)*:

### Information reported *(expected or ex-post)*:

- ☒ GHG Emissions / Savings
- ☒ Energy Savings
- ☒ Decrease in water use
- ☐ Number of beneficiaries
- ☐ Target populations
- ☐ Other ESG indicators *(please specify)*:

### Means of Disclosure



- |   |  |
|---|--|
| <input type="checkbox"/> Information published in financial report  | <input type="checkbox"/> Information published in sustainability report  |
| <input type="checkbox"/> Information published in ad hoc documents  | <input checked="" type="checkbox"/> Other (please specify): STGT website |
| <input type="checkbox"/> Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review): |  |

Where appropriate, please specify name and date of publication in the useful links section.

**USEFUL LINKS** (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

**SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE**

**Type(s) of Review provided:**

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Second Party Opinion (GBP, GLP) | <input type="checkbox"/> Certification  |
| <input type="checkbox"/> Verification (ASEAN GBS)                   | <input type="checkbox"/> Scoring/Rating |
| <input type="checkbox"/> Other (please specify):                    |   |

**Review provider(s):**

DNV Business Assurance Australia Pty Ltd.

**Date of publication:**

2 April 2024

## ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE Standards & Principles

- 1. Second Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Finance Framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Standards & Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- 2. Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Finance proceeds, statement of environmental impact or alignment of reporting with the Standards & Principles, may also be termed verification.
- 3. Certification:** An issuer can have its GFIs or associated Green Finance Framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- 4. GFIs Scoring/Rating:** An issuer can have its Green Finance Framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the Standards & Principles, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.



WHEN TRUST MATTERS

### 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.

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