

ESMS Reports

Environment and Social Impact Corporate Audit Summary (10 September 2018)

Issuer	The PAN Group Joint Stock Company ("PAN")
Relevant Business Activities ("RBA")	Food processing business across the food products that the Company produces, processes and trades mainly the baked goods, confectionary and condiments. This activity is not listed under CGIF's Prohibited Investment Activities List.
Countries of Operations	Vietnam
ESMS Category	General Corporate Finance – 2 (medium risk)
<u>Summary of Audit Findings</u>	
<p>An audit of PAN's relevant business activities with potentially adverse environmental or social risks and/or impacts was undertaken. The audit confirmed that the inherent overall environmental and social risk exposure is considered medium. The audit concluded that (i) PAN's existing objectives and environmental and social principles, policies, and systems are not adequate to enable the company achieve full compliance with ADB's SPS requirements; and (ii) while there are existing systems and procedures in place to address environmental and social risks on subsidiaries, there are improvements required to ensure compliance and effective implementation. PAN will enhance their ESMS addressing the gaps identified in the due diligence.</p> <p>Progress on the implementation of the corrective actions will be reported as part of the Annual Environmental and Social Performance Report (AESPR).</p>	

The summary above is reported pursuant to CGIF's disclosure policy and should not be relied upon by any party for any purpose whatsoever. This summary neither stands for nor implies any representation on the part of CGIF or any of its clients. As such, CGIF or any of its clients shall not be held liable for any reliance of any party on this summary.