

Green Bond / Green Bond Programme

Independent External Review Form

Section 1. Basic Information

Issuer name: Far Eastern New Century Corporation (FENC)

Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: TW000B501725

Independent External Review provider's name: Ernst & Young

Completion date of this form: 2022/10/26

Publication date of review publication: 2021/5/4

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 GBPs:

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

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*)

Ernst & Young is engaged by FENC by assured the Framework for Sustainable Bonds on 2021/5/4, and the FENC issued the Green Bond based on the Framework for Sustainable Bonds on 2022/10/26.

For our assurance work to the Framework for Sustainable Bonds on 2021/5/4, we have the conclusion below: Based on our procedures and the obtained evidence, nothing has come to our attention that causes us to believe that the Framework, in all material aspects, does not meet the applicable criteria.

The assurance report is uploaded to public in the following URL :
https://cg.fenc.com/upload/cg/cg_20211004018.pdf

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):

Based on our procedures and the obtained evidence, nothing has come to our attention that causes us to believe that the Framework, in all material aspects, does not meet the applicable criteria.

Use of proceeds categories as per GBP:

- | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> Renewable energy | <input type="checkbox"/> Energy efficiency |
| <input 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 type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input checked="" 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 (please specify): |

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

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

Based on our procedures and the obtained evidence, nothing has come to our attention that causes us to believe that the Framework, in all material aspects, does not meet the applicable criteria.

Evaluation and selection

- | | |
|--------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability 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)*:

Based on our procedures and the obtained evidence, nothing has come to our attention that causes us to believe that the Framework, in all material aspects, does not meet the applicable criteria.

Tracking of proceeds:

- | |
|----------------------------------------------------------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other <i>(please specify)</i> : |

Additional disclosure:

- | | |
|----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| <input type="checkbox"/> Allocations to future investments only | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input type="checkbox"/> Allocation to a portfolio of disbursements |
| <input type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other <i>(please specify)</i> : |

4. REPORTING

Overall comment on section *(if applicable)*:

Based on our procedures and the obtained evidence, nothing has come to our attention that causes us to believe that the Framework, in all material aspects, does not meet the applicable criteria.

Use of proceeds reporting:

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

Information reported:

- Allocated amounts
- Other (please specify):
- Green Bond financed share of total investment

Frequency:

- Annual
- Other (please specify):
- Semi-annual

The post issuance report will be published after the year of proceeds completely allocated.

Impact reporting:

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

Frequency:

- Annual
- Other (please specify):
- Semi-annual

The post issuance report will be published after the year of proceeds completely allocated.

Information reported (expected or ex-post):

- GHG Emissions / Savings
- Decrease in water use
- Energy Savings
- Other ESG indicators (please specify):
Total weight of recycled materials (kg)

Means of Disclosure

- Information published in financial report
- Information published in ad hoc documents
- Information published in sustainability report
- Other (please specify):
Post issuance report for Green Bond
- Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Both Use of proceeds and impact KPIs will be assured by Ernst & Young with ISAE 3000 Standard.

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.)

The Pre-issuance assurance report for the Framework for Sustainable Bonds is uploaded to public in the following URL : https://cg.fenc.com/upload/cg/cg_20211004018.pdf

The Post-Issuance assurance report is estimated to upload on the FENC website as following URL : <https://www.fenc.com/index.aspx?lang=en>

And also will be on the website created by Taiwan Exchange / Taipei Exchange as the regulation requires : <https://mops.twse.com.tw/mops/web/index>

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- | | |
|--------------------------------------------------|-----------------------------------------|
| <input 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): | |

Review provider(s):

Ernst & Young



Date of publication:

2022/10/26

ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

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 Bond 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 Green Bond 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 Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
3. **Certification:** An issuer can have its Green Bond or associated Green Bond 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. **Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond 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 GBP, 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.