



Thaifoods Group Social Bond

Thaifoods Group Public Company Limited (TFG) is a complete food manufacturer in feed, farm, and food, specializing in poultry and pig production. TFG’s annual revenue in 2022 reached THB53.0 billion (USD1.7 billion). TFG operates in both Thailand and Viet Nam, and it has investments and operations in several areas relevant to the food industry such as innovation and the environment.

TFG’s Social Bond

TFG has established a Sustainable Finance Framework under which it can issue social bonds. In 2021–2022, TFG issued three social bonds (Thai Bond Market Association symbols: TFG26NA, TFG247A, and TFG267A) with a total value of THB2.4 billion to finance/refinance eligible social projects. These projects support community-based employment and the purchase of corn from local smallholder farmers. These purchasing agreements allow local farmers to sell their corn to TFG at a predetermined price that has been mutually agreed upon, eliminating price volatility and providing farmers with income certainty. Details for the social bond issuance are shown in **Table 1**.


Table 1: Background Information on Thaifoods Group Public Company Limited’s Social Bond

ThaiBMA Symbol	Issue Date	Maturity Date	Tenor (years)	Coupon	Issue Size (THB million)
TFG26NA	11 Nov 2021	11 Nov 2026	5	2.15	1,000
TFG247A	15 Jul 2022	16 Jul 2024	2	4.00	660
TFG267A	15 Jul 2022	16 Jul 2026	4	4.60	740




Source: Thai Bond Market Association (ThaiBMA).

Table 2 presents the social bond’s list of eligible social projects, assets, and expenditures, all of which are in alignment with the United Nations Sustainable Development Goals.

Table 2: Projects, Benefits, and SDG Alignments of the Thaifoods Group Public Company Limited’s Social Bond

Project Category	Examples of Eligible Projects, Assets, and Expenditures	Environmental and Social Benefits	SDG Alignment and Contribution
Employment generation	<ul style="list-style-type: none"> – Increase employment for local communities with higher standards and fair compensation packages compared to normal jobs in local communities – Prioritize local employees for new retail shops 	<ul style="list-style-type: none"> – Achieve full and productive employment – Provide support to local communities 	



Project Category	Examples of Eligible Projects, Assets, and Expenditures	Environmental and Social Benefits	SDG Alignment and Contribution
Food security and sustainable food systems	– Support for local farmers via purchasing agreements and improved food security	<ul style="list-style-type: none"> – Provide access to safe and affordable food – Good health and well being 	  

SDG = United Nations Sustainable Development Goal.

Source: Thaifoods Group Public Company Limited.

Use of Proceeds

All of the bond’s net proceeds were used to finance and refinance eligible social corn purchases and to pay the salaries of local employees under the community-based employment program (Table 3).

Table 3: Use of Proceeds for the Thaifoods Group Public Company Limited’s Social Bond

Project	Date of Process	Allocated Amount (THB million)	% of Total Issue
Local raw material purchases	30 December 2021	950	39.6%
	15 August 2022	1,100	45.8%
	15 September 2022	300	12.5%
Community-based employment	30 December 2021	50	2.1%
	Total	2,400	100.0%

Related information:

TFG has engaged DNV Business Assurance Australia Pty. Ltd. (DNV) to provide an external review of the TFG Sustainable Finance Framework and to assess the proposed bond issuance against the International Capital Market Association’s Social Bond Principles (released in 2021) and the Association of Southeast Asian Nations Social Bond Standards (released in 2018).

A copy of the Sustainable Finance Framework can be found at:

<https://investor.tfg.co.th/misc/sustainable-finance/tfg-sustainable-finance-framework.pdf>