



WHEN TRUST MATTERS



Second Party Opinion

SECOND PARTY OPINION

SP GROUP

GREEN FINANCING FRAMEWORK 2023

Prepared by: DNV Business Assurance Singapore Pte. Ltd.

Location: Singapore

Date: 22 December 2023

DNV'S Independent Assessment

Scope and Objectives

Singapore Power Limited and its subsidiaries ("SP Group" or the "Company") is a leading utilities group in Asia Pacific, which owns and operates electricity and gas transmission and distribution businesses and a market support services business in Singapore and holds a 40% interest in SGSP (Australia) Assets Pty Ltd, an Australian company that is engaged in the transmission and distribution of electricity and gas in Australia.

SP Group is also deploying sustainable energy solutions regionally, including but not limited to energy efficiency projects, renewable projects and provision of Energy as a Service via a host of energy solutions to enable different customer segments to achieve their sustainability objectives.

SP Group has developed a Green Financing Framework ("the Framework") and is considering the issuance of green instruments as defined within the International Capital Market Association Green Bond Principles 2021 ("GBP"), Loan Market Association Green Loan Principles 2023 ("GLP") and ASEAN Capital Markets Forum ASEAN Green Bond Standards 2018 ("AGBS").

The SP Group's Green Financing Framework sets out Use of Proceeds for Eligible Projects under four Eligible Green Categories, namely Clean Transportation, Energy Efficiency, Green Buildings and Renewable Energy.

DNV Business Assurance Singapore Pte. Ltd. (henceforth referred to as "DNV") has been commissioned by SP Group to provide a Second Party Opinion on SP Group Green Financing Framework's alignment with the GBP, GLP and AGBS. 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 green 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.

The scope of this DNV opinion is limited to the GBP, GLP and AGBS.

Responsibilities of the Management of SP Group and DNV

SP Group 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 SP Group and other interested stakeholders in the Framework as to whether the Framework is aligned with the GBP, GLP and AGBS. In our work, we have relied on the information and the facts presented to us by SP Group. 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 SP Group 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 SP Group-specific Eligibility Assessment Protocol (henceforth referred to as the "Protocol"). In addition, DNV has implemented our ASEAN Green Bond Standards protocol. Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion for Use of Proceeds.

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

Use of Proceeds Section

1. Use of Proceeds

The Use of Proceeds criteria are guided by the requirement that an issuer of green instruments must use the funds raised to finance eligible activities. The eligible activities should produce clear environmental and social benefits.

2. Process for Project Evaluation and Selection

The Project Evaluation and Selection criteria are guided by the requirements that an issuer of green instruments should outline the process it follows when determining eligibility of an investment using green instruments proceeds and outline any impact objectives it will consider.

3. Management of Proceeds

The Management of Proceeds criteria are guided by the requirements that green instruments should be tracked within the organization, that separate portfolios should be created when necessary, and that there should be 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.

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 SP Group 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 1 to this Assessment;
- Assessment of documentary evidence provided by SP Group 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 SP Group and in SP Group's website;
- Discussions with SP Group, 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.

DNV has provided this SPO with reference to GBP, GLP and AGBS.

Findings and DNV's Opinion

DNV's findings are listed below:

1. Use of Proceeds

SP Group intends to allocate an amount at least equivalent to the net proceeds of the green financing instruments issued under this Framework to finance and/or re-finance, in whole or in part, new or existing, under construction and / or in operation projects which meet the eligibility criteria of the following Eligible Green Project Categories ("Eligible Green Projects") below.

Eligible Green Project Categories

- Clean Transportation
- Energy Efficiency
- Green Buildings
- Renewable Energy

Eligible Green Project details:

From Framework: The Eligible Green Projects can be:

Clean Transportation

1. Acquisition, construction, development, deployment, operation and/or maintenance of Electric Vehicles for SP Group's vehicle fleet based in Singapore.
2. Investments in development, construction and maintenance of charging infrastructure for Electric Vehicles.

Energy Efficiency

1. Acquisition, construction, development, deployment, operation and/or maintenance of projects that reduce the amount of energy consumption, improve energy efficiency and/or reduce electricity grid losses, including but not limited to:
 - a) Investments into development of energy efficiency assets such as district cooling and heating solutions.
 - b) Microgrids, where the average system grid emissions factor is below the threshold value of 100gCO₂e/kWh.
 - c) Energy storage systems

Green Buildings

1. Acquisition, construction, development, operation, renovation and/or maintenance of certified Green Buildings, such as BCA Green Mark (GoldPlus or above) or equivalent.

Renewable Energy

1. Acquisition, construction, development, deployment, operation and/or maintenance of infrastructure related to renewable energy including but not limited to solar energy (solar photovoltaic and concentrated solar power systems), offshore and onshore wind, hydropower (power density greater than 5W/m² or below 100g CO₂/kWh) and geothermal (below 100g CO₂/kWh), for purposes such as:
 - a) generation and storage of such renewable energy;
 - b) connection and/or integration of such renewable energy's generation/storage sources to the grid; and/or
 - c) transmission and distribution of such renewable energy.

DNV concludes that the eligible categories outlined in the Framework are consistent with the categories outlined in the GBP, GLP and AGBS.

2. Process for Project Evaluation and Selection

The Framework describes the process for project evaluation and selection. SP Group's Treasury team will be responsible for governing and monitoring the Framework.

The SP Group's Treasury team will be responsible for ensuring that all assets that are financed / refinanced with proceeds from the green financing instruments continue to meet the relevant criteria of standards set out in the eligibility criteria under the Framework on annual basis.

In the event of any changes to the Eligible Green Project Categories or the Eligibility Criteria as described in the Framework, it is the intention of SP Group to seek an external review and input from a qualified assurance provider to ensure the Eligible Green Project Categories and the Eligibility Criteria continue to align with the GBP, GLP, and AGBS and conform to the eligibility criteria. The outcome of the above external review will be made available in SP Group's website.

DNV concludes that SP Group Green Financing Framework appropriately describes the process of project evaluation and selection.

3. Management of Proceeds

The Framework states that the proceeds from each green financing transaction will be managed by SP Group and a Green Financing Register as described in the Framework will be established to earmark the proceeds of the Green Financing Instruments against assessed and selected Eligible Projects.

It is intended that net proceeds from the green financing transaction/s will not exceed the total value of SP Group's Eligible Projects. Eligible Projects will be quantified for exposure or investment. Pending full allocation, the balance of unallocated proceeds shall be invested at SP Group's discretion, in cash and/or cash equivalent and/or other liquid marketable instruments, as per SP Group's treasury policy and the Exclusion Criteria.

DNV has reviewed the evidence presented and can confirm that the proceeds arising from the future issuances will be appropriately managed.

4. Reporting

On an annual basis, SP Group has committed to disclose the allocation of the net proceeds in an allocation report commencing one year after issuance of green bond or within one year from first drawdown of green loan until full allocation. Any material developments, such as modification of the Framework or allocation of proceeds, will be reported as soon as is reasonably practicable. Reports will be made publicly available in SP Group's website. The disclosure is expected to contain at least the following:

- The amounts allocated in the respective Eligible Green Categories.
- A qualitative description of key Eligible Projects funded by the Green Financing Instrument proceeds.
- The proportion of new financing versus re-financing.
- The balance of unallocated proceeds.

Where possible and subject to data availability, SP Group commits to provide reporting on the environmental benefits of the Eligible Green Projects potentially with the impact indicators stated in the framework.

In addition, calculation methodologies and key assumptions are expected to be disclosed.

Based on the information provided by SP Group and the work undertaken, it is DNV's opinion that the Green Financing Framework meets the criteria established in the GBP, GLP and AGBS.

for DNV Business Assurance Singapore Pte. Ltd.

Singapore / 22 Dec 2023

Vishal Gangwar
Lead Verifier

Thomas Leonard
Technical Reviewer

Schedule 1. DNV Eligibility Assessment Protocol (GBP and GLP)

1. Use of Proceeds

Ref.	Criteria	Requirements	DNV Findings
1a	Type of bond	<p>The Bond must fall in one of the following categories, as defined by the Green Bond Principles:</p> <ul style="list-style-type: none"> Green Use of Proceeds Bond Green Use of Proceeds Revenue Bond Green Project Bond Green Securitized Bond Loan instrument made available for green project (Green use of loan proceeds) 	<p>The SP Group Green Financing Framework (“Framework”) states that the transactions will be green financing instruments and in doing so contribute to positive environmental impacts.</p> <p>From the Framework</p> <p><i>The SP Group Green Financing Framework sets out the criteria, governance and processes under which the Company, including any of its subsidiaries, intends to issue green bonds, loans, green letter of credit facilities, private placements or any other green financing instruments (together “Green Financing Instruments”), and in doing so contribute to positive environmental impacts.</i></p> <p>SP Group states that the Framework is aligned with GBP and GLP.</p> <p>The proposed green financing instruments will fall under Green Use of Proceeds Bond and Green use of loan proceeds and DNV confirms this to be in line with the GBP & GLP.</p>
1b	Sustainable Project Categories	<p>The cornerstones of Green Bond/Loan are the utilization of the proceeds of the bond/loan which should be appropriately described in the legal documentation for the security.</p>	<p>As identified by the Framework, the purpose of the instruments is to use the proceeds for the financing or refinancing of Clean Transportation, Energy Efficiency, Green Buildings and Renewable Energy projects.</p> <p>The above-mentioned project category meets the eligibility criteria mentioned in GBP and GLP.</p>
1c	Environmental benefits	<p>All designated Green Project categories should provide clear environmentally sustainable benefits, which, where feasible, will be quantified or assessed by the Issuer.</p>	<p>DNV’s assessment concluded that these project types would present significant environmental benefits and qualify for inclusion under GBP and GLP within the Clean Transportation, Energy Efficiency, Green Buildings and Renewable Energy projects categories.</p> <p>SP Group may additionally choose to independently verify specific project benefits through an independent verification in a separate pre-issuance report related to any upcoming issuance.</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 of the share of financing vs. re-financing, and where appropriate, also clarify which investments or project portfolios may be refinanced.</p>	<p>The proceeds of instruments issued under Framework will be used to finance and refinance projects. The exact proportion of finance and refinance proposed by SP Group is to be nominated at the time of bond or loan issuance.</p>

2. Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	DNV Findings
2a	Investment-decision process	<p>The Issuer of a Green Bond/Loan should outline the decision-making process it follows to determine the eligibility of projects using Green Bond/Loan proceeds. This includes, without limitation:</p> <ul style="list-style-type: none"> The environmental / social sustainability objectives of the eligible Green Projects; The process by which the issuer determines how the projects fit within the eligible Green Projects categories; and Complementary information on processes by which the issuer identifies and manages perceived environmental and social risks associated with the relevant project(s). 	<p>The Framework states that SP Group will identify the potential projects for inclusion, based on the Use of Proceeds criteria.</p> <p>From the Framework</p> <p><i>SP Group’s Treasury team will be responsible for governing and monitoring the SP Group Green Financing Framework. The key roles include the below:</i></p> <ul style="list-style-type: none"> <i>Review, select and validate the pool of Eligible Projects based on the Green Financing Framework on an annual basis;</i> <i>During annual review of outstanding Green Financing Instruments, exclude projects that no longer comply with the Eligibility Criteria or have been disposed of, and replace them on a best efforts basis with new Eligible Projects;</i> <i>During the life of any Green Financing Instrument, should any validated Eligible Projects mature, these will be replaced with an equivalent value of new Eligible Projects;</i> <i>Create and validate the annual reporting on Green Financing Instruments issued under this Framework for investors and lenders; and</i> <i>Monitor on-going evolution related to the sustainable financing market practices in terms of disclosure / reporting in order to be in-line with best market practices.</i> <p>DNV recommends that SP Group may consider engaging an external reviewer to provide a separate pre-issuance assurance.</p> <p>According to the Framework, SP Group plans to evaluate the eligible portfolio on an annual basis as set out in the project identification section of the Framework.</p> <p>DNV considers this to be aligned with the set criteria, defined by GBP and GLP.</p>
2b	Issuer / borrower’s environmental and social and governance framework	<p>Issuers are also encouraged to:</p> <ul style="list-style-type: none"> Position the relevant information within the context of the issuer’s overarching objectives, strategy, policy and/or processes relating to environmental / social sustainability. Provide information, if relevant, on the alignment of projects with official or market-based taxonomies, related eligibility criteria Have a process in place to identify mitigants to known material risks of negative environmental and/or social impacts from the relevant project(s). 	<p>SP Group has included a summary of the organisation’s position on sustainability within the Framework. This includes the following:</p> <p>From the Framework</p> <p><i>Sustainability is central to our mission and guides us to achieve our mission in a responsible and committed manner. We anchor our sustainability strategy around two United Nation’s Sustainable Development Goals (SDG), namely SDG 7 – to ensure access to reliable, sustainable and modern energy for all and SDG 9 – to build resilient infrastructure, promote sustainable industrialisation and foster innovation. As a group, we support the Singapore Green Plan to build a resilient future by empowering the future of energy with low-carbon, smart-energy solutions for our customers.</i></p> <p><i>we have defined three material topics and our approach for our business: (a) Maintaining world class grid reliability in a distributed energy landscape (b) becoming the leading sustainable energy solutions player in Asia Pacific and (c) empowering customers to achieve their sustainability objectives.</i></p> <p><i>In this context, SP Group has established a Green Financing Framework which focuses on meeting climate and other environmental challenges, while simultaneously responding to increasing investor demand for positive environmental impact investments with a greater transparency in terms of use of proceeds and the funded projects / investments impact on the environment. This would also be a way to reinforce our</i></p>

Ref.	Criteria	Requirements	DNV Findings
			<p><i>strategy to expedite clean energy transition and create low-carbon and smart energy cities.</i></p> <p>DNV considers this to be aligned with the set criteria, defined by GBP and GLP.</p>

3. Management of Proceeds

Ref.	Criteria	Requirements	DNV Findings
3a	Tracking procedure	<ul style="list-style-type: none"> (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/Social Projects. 	<p>SP Group plans to manage green financing transaction proceeds, in accordance with management of proceeds criteria.</p> <p>From the Framework</p> <p><i>SP Group intends to allocate the proceeds to fund Eligible Projects under the Eligible Green Categories, selected in accordance with the use of proceeds criteria and evaluation and selection process presented above. These projects may consist of new and / or existing projects. A Green Financing Register will be established to earmark the proceeds of the Green Financing Instruments against assessed and selected Eligible Projects following the process described in section 2.2 above.</i></p> <p><i>SP Group will strive to maintain a level of allocation which, after adjustments for intervening circumstances including, but not limited to, divestments, matches or exceeds the balance of net proceeds from its outstanding Green Financing Instruments. Additional Eligible Projects will be added to the Green Financing Register to the extent required to ensure that an amount equal to the net proceeds from outstanding Green Financing Instruments will be allocated to Eligible Projects until the maturity of the instruments.</i></p> <p>DNV considers this to be aligned with the set criteria & market practice.</p>
3b	Tracking procedure	So long as the Green Bonds 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>SP Group will establish and maintain a Green Financing Register that will track the outstanding balance of net proceeds from Green Financing Instruments issuance and will adjust to match allocations to Eligible Green Projects accordingly.</p> <p>DNV considers this to be aligned with the set criteria & market practice.</p>
3c	Temporary holdings	Pending such investments or disbursements to eligible Green and Social Projects, the Issuer should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds.	<p>SP Group intends to allocate all proceeds to eligible project as soon as practicable. The unallocated proceeds can be used as cash or cash equivalents.</p> <p>From the Framework</p> <p><i>Pending the full allocation of the proceeds, the balance of unallocated proceeds shall be invested at SP Group's discretion, in cash and/or cash equivalent and/or other liquid marketable instruments, as per SP Group's treasury policy and the Exclusion Criteria.</i></p> <p>DNV considers this to be aligned with the set criteria & market practice.</p>

4. Reporting

Ref.	Criteria	Requirements	DNV Findings				
4a	Periodical reporting	<ul style="list-style-type: none"> • 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. • The annual report should include a list of the projects to which Green Bond/Loan proceeds have been allocated, as well as a brief description of the projects, the amounts allocated, and their expected impact. • Where confidentiality agreements, competitive considerations, or many underlying projects limit the amount of detail that can be made available, the GBP/GLP recommend that information is presented in generic terms or on an aggregated portfolio basis (e.g., percentage allocated to certain project categories). 	<p>SP Group has confirmed that it will disclose the allocation of the net proceeds of this transaction to investors and lenders.</p> <p>From the Framework <i>SP Group commits to transparent reporting on its Green Financing Instruments. A Green Financing Report will be made available to investors and lenders within one year from the date of the issuance of the Green Bond and within one year from the first drawdown of green loan and thereafter once a year until the proceeds have been fully allocated. The respective Green Financing Report will consist of both i) allocation reporting and ii) impact reporting. Green Financing Reports will be available on SP Group's website.</i></p> <p>DNV recommends that SP Power's Green Financing Report consisting of allocation and impact reporting be supplemented by use of an external auditor, or other third party.</p> <p>From the Framework <i>The Green Finance Framework and Second Party Opinion will be published on SP Group's website.</i></p> <p>SP Group states in the Framework that they will report on the allocation of proceeds and the impact metrics as below.</p> <p>From the Framework <i>To the extent practicable, this will detail:</i></p> <ul style="list-style-type: none"> - <i>The amounts allocated in the respective Eligible Green Categories</i> - <i>A qualitative description of key Eligible Projects funded by the Green Financing Instrument proceeds</i> - <i>The proportion of new financing versus re-financing</i> - <i>The balance of unallocated proceeds</i> <p><i>Where practical and feasible, SP Group will provide impact reporting for each Eligible Green Category where competition and confidentiality considerations permit. It may contain the following impact metrics for each Eligible Green Category:</i></p> <table border="1" data-bbox="738 1641 1362 1977"> <thead> <tr> <th data-bbox="738 1641 938 1736">Eligible Green Categories</th> <th data-bbox="938 1641 1362 1736">Indicative Reporting Indicators</th> </tr> </thead> <tbody> <tr> <td data-bbox="738 1736 938 1977">Clean Transportation</td> <td data-bbox="938 1736 1362 1977"> <ul style="list-style-type: none"> - <i>Annual GHG emissions reduced/avoided in tons of CO₂ equivalent</i> - <i>Number or percentage of clean vehicles in fleet</i> - <i>Number of charging infrastructure points installed</i> </td> </tr> </tbody> </table>	Eligible Green Categories	Indicative Reporting Indicators	Clean Transportation	<ul style="list-style-type: none"> - <i>Annual GHG emissions reduced/avoided in tons of CO₂ equivalent</i> - <i>Number or percentage of clean vehicles in fleet</i> - <i>Number of charging infrastructure points installed</i>
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Ref.	Criteria	Requirements	DNV Findings						
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SCHEDULE 2: DNV ELIGIBILITY ASSESSMENT PROTOCOL (ASEAN GBS)

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

The criteria against which SP Group Green Financing Framework have been reviewed prior to inclusion in the Bond are grouped under the requirements as detailed within the ASEAN Green Bond Standards 2018.

3.0: Criteria for ASEAN Green 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 Green and Social Projects must be located in any of the ASEAN countries.	Singapore Power Limited is incorporated in Singapore, an ASEAN member country.
3.2	ASEAN Green Bonds issuances must be originated from any of the ASEAN member countries.	The bonds are to be originated from Singapore.

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 Sustainable Bonds must be described in the documentation for issuance of the ASEAN Sustainable Bonds.	SP Group has set out the Use of Proceeds in its Green Financing Framework.
4.1.2	In relation to 4.1.1, the Issuer must disclose the following information: (i) The categories of eligible Green Projects to which the ASEAN Green Bonds proceeds will be allocated; and/or (ii) The information on specific Green Projects in the case where the Issuer has identified the specific Green Projects to which the ASEAN Green Bonds proceeds will be allocated.	i. SP Group has set out the Eligible Green Categories in the Use of Proceeds section of the Green Financing Framework. ii. SP Group has detailed the specific green project types which qualify as Eligible Projects in its Green Financing Framework.
4.1.3	All designated Green and Social Projects must provide clear environmental and social benefits, which will be assessed and, where feasible, quantified by the Issuer.	As per 1c in Schedule 1 above, these project types would present clear and demonstrated environmental benefits.
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 Green and Social Projects.	SP Group has committed, to the extent practicable, to detail in its allocation reports the new investment projects that have been added to the project pool, the amount allocated to the respective Eligible Green Categories and the percentage of net proceeds allocated to new financing and re-financing.

4.1.5	Green Bond Categories	Green Bond categories have been disclosed by SP Group in its Green Financing Framework.
4.1.6	For clarification purposes, fossil fuel power generation projects are excluded from the ASEAN GBS.	DNV has confirmed that the Use of Proceeds is not proposed to include fossil fuel generation related investments.

4.2: Process for Project Evaluation and Selection

Criteria	Requirement	Demonstrated Compliance
4.2.1	The Issuer of ASEAN Green Bonds must clearly communicate to investors– (i) the environmental objectives; (ii) the process by which the Issuer determines how the projects fit within the eligible Green 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 risks associated with the Green Projects.	SP Group has communicated: i. The environmental objectives of its Green Financing Framework. ii. SP Group has described the process for Project Evaluation and Selection in its Green Financing Framework. iii. Selection criteria has been set out in sections “Use of Proceeds” and “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 Green Bonds and disclose the same to investors in the documentation for the issuance of the ASEAN Green Bonds.	The Process for Project Selection and Evaluation has been defined and presented in the Green Financing 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 green standards or certifications referenced in project selection.	SP Group has presented the Green Financing Framework in the context of SP Group’s corporate and strategic vision.
4.2.4	It is recommended that the Issuer’s process for project evaluation and selection be supported by an external review.	SP Group is highly recommended to have external review/s at the time of allocation of proceeds to selected projects
4.2.5	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 Green Bonds: (i) The process for project evaluation; (ii) The use of proceeds; and (iii) External review report on the process (if any).	SP Group proposes to make publicly available on its corporate website the: i. Green Financing Framework including Process for Project Selection and 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 Green Bonds, the Issuer must disclose to investors in the documentation for the issuance of the ASEAN Green Bonds the process for managing the net proceeds from the ASEAN Green Bonds.	SP Group has in its Framework disclosed the process for managing the net proceeds from Green Financing Instruments (including Green Bonds) and has communicated its intention to document this process in the bond issuance documentation (where necessary) that is consistent with its Framework.
4.3.2	The net proceeds from the ASEAN Green 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 Green Projects. The total amount deployed from the net proceeds for the eligible Green Projects need not occur simultaneously.	SP Group has prepared and presented the process for the tracking and monitoring of proceeds and allocation reporting in the Green Financing Framework.
4.3.3	As long as the ASEAN Green Bonds are outstanding, the balance of tracked proceeds must be periodically adjusted to match allocations to eligible Green and Social Projects made during that period.	SP Group has defined how proceeds are to be tracked and reported to match the allocation to eligible green projects.
4.3.4	The Issuer must also disclose to investors in the documentation for the issuance of the ASEAN Green Bonds the intended types of temporary placement for the balance of unallocated proceeds.	SP Group has disclosed that all temporary investments will be held in cash, cash equivalent or short-term investments that do not include fossil fuel related activities or GHG intensive investments.
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 Green Bonds proceeds.	DNV recommends that SP Group's management of proceeds be supplemented by the use of an external auditor, or other third party, to verify the internal tracking and the allocation of funds from the Green Bond proceeds to eligible Green Projects.
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 Green Bonds.	DNV recommends that any verification report from external party on SP Group's management of proceeds is to be made available for investors on SP Group's corporate website at the time of issuance of the AGBS.

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 Green Bonds proceeds have been allocated, as well as a brief description of the projects and the amounts allocated and their expected impact.	SP Group has confirmed annual reporting on the green instruments allocations until full allocation and impacts by category.
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.	SP Group reserves the right to manage confidentiality obligations with regards to green bond reporting.
4.4.3	It is recommended that Issuers use qualitative performance indicators, and where feasible,	SP Group intends to provide qualitative and where possible quantitative impact reporting.

	quantitative performance measures and disclosure of the key underlying methodology and/or assumptions used in the quantitative determination.	
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.	DNV recommends that SP Group's Green Financing Report be supplemented by an assessment on alignment of the allocation of funds with its Green Financing Framework's criteria by an external auditor, or other third party.
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 Sustainable Bonds.	<p>SP Group stated that the Green Financing Report will be made available for investors on SP Group's corporate website.</p> <p>DNV recommends that any verification report from external party is to be made available for investors on SP Group's corporate website.</p>

5.0: External Review

Criteria	Requirement	Demonstrated Compliance
5.1	Issuers are recommended to appoint external review providers for their ASEAN Sustainable Bonds issuances.	DNV has been appointed as Verifier of the SP Group's Green Financing Framework.
5.2	The external review may be partial, covering only certain aspects of the Issuer's ASEAN Sustainable Bonds framework or full, assessing alignment with all four core components as stated in the ASEAN GSSBS.	The scope of this verification is full compliance with the four core components as stated in the AGBS.
5.3	The external review provider must have the relevant expertise and experience in the components of the ASEAN Sustainable Bonds which they are reviewing.	DNV is an Accredited Verifier under the Climate Bonds Standard with global experience providing Sustainable 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 Sustainable 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 AGBS.
5.6	Independent external reviews may vary in scope and may address an ASEAN Sustainable Bonds framework/programme, an individual ASEAN Sustainable 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 AGBS.



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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