



Second Party Opinion

## SECOND PARTY OPINION

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# BAYFRONT INFRASTRUCTURE MANAGEMENT SUSTAINABLE FINANCE FRAMEWORK 2021

**Prepared by:** DNV Business Assurance Singapore Pte. Ltd.

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# BAYFRONT INFRASTRUCTURE MANAGEMENT SUSTAINABLE FINANCE FRAMEWORK

## DNV ELIGIBILITY ASSESSMENT

### Scope and objectives

Bayfront Infrastructure Management Pte Ltd ("BAYFRONT" taken to include Bayfront or any of its subsidiaries), was established in 2019 in connection with the Infrastructure Take-Out Facility ("TOF") initiative, which was designed and structured by Clifford Capital Pte. Ltd. to help mobilise institutional capital for infrastructure debt in Asia. The establishment of BAYFRONT builds on the successful issuance of Asia's first securitisation of project finance and infrastructure loans through BAYFRONT Infrastructure Capital Pte. Ltd. ("BIC") in 2018.

BAYFRONT has developed a Sustainable Finance Framework and is considering the issuance of green, social or sustainability notes as defined within the International Capital Market Association (ICMA) Green Bond Principles 2018 ("GBP"), ICMA Social Bond Principles 2020 ("SBP"), ICMA Sustainability Bond Guidelines 2018 ("SBG"), ASEAN Capital Markets Forum ASEAN Green Bond Standards 2018, ASEAN Social Bond Standards 2018 and the ASEAN Sustainability Bond Standards 2018 ("ASEAN GSSBS").

The BAYFRONT Sustainable Finance Framework sets out Use of Proceeds including Green categories of Renewable Energy, Clean Transportation, Pollution Prevention and Control, Sustainable Water and Wastewater Management and Social categories of Affordable Basic Infrastructure and Access to Essential Services.

DNV Business Assurance Singapore Pte. Ltd. (henceforth referred to as "DNV") has been commissioned by BAYFRONT to provide a Sustainable Bond eligibility assessment of the BAYFRONT Sustainable Finance Framework. 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 the green, social or sustainability notes, the value of any investments in the green, social or sustainability notes, or the long-term environmental benefits of the issuance of the green, social or sustainability notes.

The scope of this DNV opinion is limited to the GBP, SBP, SBG and ASEAN GSSBS.

### Responsibilities of the Management of BAYFRONT and DNV

The management of BAYFRONT 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 BAYFRONT management and other interested stakeholders in the green, social or sustainability notes as to whether the established criteria have been met, based on the information provided to us. In our work we have relied on the information and the facts presented to us by BAYFRONT. 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 BAYFRONT's management and used as a basis for this assessment were not correct or complete.

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## Basis of DNV's opinion

We have adapted our ICMA GBP, SBP, SBG and ASEAN GSSBS assessment methodology, to create a BAYFRONT-specific Sustainable Bond Eligibility Assessment Protocol (henceforth referred to as "Protocol"). In addition, DNV has implemented our ASEAN Sustainability Bond Standards protocol. Our Protocols include sets of suitable criteria that can be used to underpin DNV's opinion. The overarching principle behind the criteria is that an offering of green, social or sustainability notes should "enable capital-raising and investment for new and existing projects with environmental and social benefits".

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

- **Principle One: Use of Proceeds.** The Use of Proceeds criteria are guided by the requirement that an issuer of a sustainable bond must use the funds raised to finance eligible activities. The eligible activities should produce clear environmental and social benefits.
- **Principle Two: Process for Project Evaluation and Selection.** The Project Evaluation and Selection criteria are guided by the requirements that an issuer of sustainability notes should outline the process it follows when determining eligibility of an investment using proceeds from the issuance of sustainability notes, and outline any impact objectives it will consider.
- **Principle Three: Management of Proceeds.** The Management of Proceeds criteria are guided by the requirements that the proceeds from the issuance of sustainability notes should be tracked within the issuing organization, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled should be made.
- **Principle Four: Reporting.** The Reporting criteria are guided by the recommendation that at least Sustainability Reporting to the green, social or sustainability notes' investors 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 BAYFRONT 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 BAYFRONT-specific Protocol, adapted to the purpose of the green, social or sustainability notes, as described above and in Schedule 2 and 3 to this Assessment;
  - Assessment of documentary evidence provided by BAYFRONT on the green, social or sustainability notes and supplemented by a high-level desktop research. These checks refer to current assessment best practices and standards methodology;
  - Discussions with BAYFRONT management, and review of relevant documentation;
  - Documentation of findings against each element of the criteria. Our opinion as detailed below is a summary of these findings.
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## Findings and DNV's opinion

DNV's findings are listed below:

1. **Principle One: Use of Proceeds.** BAYFRONT intends to use the proceeds of green, social or sustainability notes under the Framework to finance and refinance Green projects and assets including: Solar Energy projects, Wind Energy projects and Run-of-River hydro projects; and/or to finance and refinance Social projects and assets including: Desalination investments, Transmission and Distribution lines and Roadway Upgrade investments. DNV undertook an analysis of the associated project types, including type, location and scale of the assets to determine eligibility of these projects as "Green" and "Social". DNV evaluates and concludes that BAYFRONT's nominated projects and assets are aligned with one or more of eligible Green or Social project categories specified in the GBP and SBP.
2. **Principle Two: Process for Project Evaluation and Selection.** The raised proceeds will be allocated to finance and refinance the assets as set out under Use of Proceeds. DNV has reviewed evidence that demonstrates that BAYFRONT regularly assesses opportunities for improvement and devises action plans and initiatives to mitigate negative environmental and social impacts from its operations.
3. **Principle Three: Management of Proceeds** DNV has reviewed evidence showing how BAYFRONT plans to trace the proceeds from the green, social or sustainability notes, from the time of issuance to the time of disbursement. The full amount of the proceeds will be deposited in the general account and an amount equal to the net proceeds will be earmarked for allocation to the Eligible Green and Social Projects and tracked using BAYFRONT's internal financial reporting system. On an annual basis, BAYFRONT will review the outstanding balance of the green, social or sustainability notes. As stated above, DNV provides no assurance regarding the financial performance of the green, social or sustainability notes, the value of any investments in the green, social or sustainability notes, or the effects of the issuance of the green, social or sustainability notes.
4. **Principle Four: Reporting.** BAYFRONT has confirmed that it will report on its corporate website the following:
  - i) The total amount of proceeds allocated to eligible loans;
  - ii) The number of eligible loans;
  - iii) The balance of unallocated proceeds;
  - iv) The amount or the percentage of new financing and refinancing;
  - v) Impact Reporting to a range of metrics as available and as selected.

On the basis of the information provided by BAYFRONT and the work undertaken, it is DNV's opinion that the BAYFRONT Sustainable Finance Framework meets the criteria established in the Protocol and are aligned with the stated definition of green/social/sustainability bonds within the ICMA GBP, SBP and SBG. Based on the External Review procedures conducted, nothing has come to our attention that causes us to believe that the BAYFRONT Sustainable Finance Framework is not, in all material respects, in accordance with the ASEAN GSSBS.

### for DNV Business Assurance Singapore

Singapore / 13 April 2021



Silas Ding  
Lead Assessor



Mark Robinson  
Technical Reviewer

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.

## SCHEDULE 1: GBP, SBP AND SBG SUSTAINABLE FINANCE FRAMEWORK ELIGIBILITY ASSESSMENT PROTOCOL

### 1. Use of proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1a	Type of bond	<p>The bond must fall in one of the following categories, as defined by the ICMA Green/Social/Sustainability Bond Principles:</p> <ul style="list-style-type: none"> <li>• Green/Social/Sustainability Use of Proceeds Bond</li> <li>• Green/Social/Sustainability Use of Proceeds Revenue Bond</li> <li>• Green/Social/Sustainability Project Bond</li> <li>• Green/Social/Sustainability Securitized Bond</li> </ul>	<p>Review of:</p> <ul style="list-style-type: none"> <li>- BAYFRONT Sustainable Finance Framework</li> </ul> <p>Correspondence with BAYFRONT representatives</p>	<p>The reviewed evidence confirms that the Bonds would fall in the category: Green/Social/Sustainability Use of Proceeds Securitized Bonds.</p>
1b	Project Categories	<p>The cornerstone of a Sustainability Bond is the utilization of the proceeds of the bond which should be appropriately described in the legal documentation for the security.</p>	<p>Review of:</p> <ul style="list-style-type: none"> <li>- BOND Issuance Information</li> <li>- BAYFRONT Sustainable Finance Framework</li> </ul> <p>Correspondence with BAYFRONT representatives</p>	<p>As identified by the Framework, the purpose of the Bonds is to use the proceeds for the financing or refinancing of Renewable Energy, Clean Transportation, Pollution Prevention and Control, Sustainable Water and Wastewater Management, Affordable Basic Infrastructure and Access to Essential Services projects.</p> <p>DNV's assessment concluded that these project types would present significant Environmental and Social benefits and qualify for inclusion under the Sustainability Bond Guidelines</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<p>within the Renewable Energy, Affordable basic infrastructure and Access to essential services categories.</p> <p>BAYFRONT 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>
1c	Environmental and Social benefits	All designated Green and Social Project categories should provide clear environmentally sustainable benefits, which, where feasible, will be quantified or assessed by the Issuer.	<p>Review of:</p> <ul style="list-style-type: none"> <li>- BOND Issuance Information</li> <li>- BAYFRONT Sustainable Finance Framework</li> <li>- BAYFRONT Asset Specifications</li> </ul> <p>Correspondence with BAYFRONT representatives</p>	<p>DNV's assessment concluded that these project types would present significant Environmental and Social benefits and qualify for inclusion under ICMA GBP, SBP AND SBG within the Renewable Energy, Clean Transportation, Pollution Prevention and Control, Sustainable Water and Wastewater Management, Affordable basic infrastructure and Access to essential services categories.</p> <p>BAYFRONT 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	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>Review of:</p> <ul style="list-style-type: none"> <li>- BOND Issuance Information</li> <li>- Sustainable Finance Framework</li> </ul> <p>Correspondence with BAYFRONT representatives</p>	<p>The proceeds of instruments issued or entered under the Sustainable Finance Framework will be used to finance and refinance projects. The exact proportion of finance and refinance is proposed by BAYFRONT to be nominated at the time of Bond issuance.</p>

2. Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2a	Investment-decision process	<p>The Issuer of a Sustainability Bond should outline the decision-making process it follows to determine the eligibility of projects using Sustainable Bond proceeds. This includes, without limitation:</p> <ul style="list-style-type: none"> <li>• A process to determine how the projects fit within the eligible Green and Social Projects categories identified in the Green and Social Bond Principles;</li> <li>• The criteria making the projects eligible for using the Sustainable Bond proceeds; and</li> <li>• The environmental and social sustainability objectives</li> </ul>	<p>Review of:</p> <ul style="list-style-type: none"> <li>- BOND Issuance Information</li> <li>- BAYFRONT Sustainable Finance Framework</li> </ul>	<p>As per the BAYFRONT Sustainable Finance Framework, BAYFRONT has set out the following for project selection:</p> <p>To ensure eligibility for green or social financing, BAYFRONT has set up the <b>“Sustainable Finance Working Group”</b> in charge of the evaluation and selection of the Eligible Green and Social Projects, in accordance with the eligibility criteria defined in the Use of Proceeds.</p> <p>BAYFRONT has in place policies, systems, and procedures including for Environmental and Social aspects that equip it to “do no significant harm” to the environment or social aspects. DNV can confirm that the Use of Proceeds set out in the BAYFRONT policies, systems and procedures, the BAYFRONT Framework and the projects types selected under the Framework.</p> <p>DNV has reviewed the structure and function of the Project Selection criteria and confirmed it is in line with the criteria set out in the Green Bond Principles and Social Bond Principles.</p>
2b	Issuer’s environmental and social and governance framework	<p>In addition to information disclosed by an issuer on its Sustainability Bond process, criteria and assurances, Sustainability Bond investors may also take into consideration the quality of the issuer’s overall framework and performance regarding environmental and social sustainability.</p>	<p>Review of:</p> <ul style="list-style-type: none"> <li>- BAYFRONT E&amp;S Framework</li> <li>- BAYFRONT Sustainable Finance Framework</li> </ul> <p>Correspondence with BAYFRONT representatives</p>	<p>From the materials and information provided DNV confirmed that BAYFRONT has in place an E&amp;S Framework, incorporating E&amp;S considerations into organisational decision making and activities.</p> <p>We have also carried out a high-level media review of BAYFRONT. We have found no evidence to suggest that BAYFRONT or any of its assets are or have been operating in breach of national or local environmental regulations or good practice.</p> <p>Based on the evidence reviewed and the discussion we had with senior managers, we found nothing to suggest that BAYFRONT’s E&amp;S Framework is not in line with good practice of the industry</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				for the nominated projects and assets within the proposed issuance of green, social or sustainability notes.

### 3. Management of proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3a	Tracking procedure	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 and Social Projects.	<p>Review of:</p> <ul style="list-style-type: none"> <li>- BOND Issuance Information</li> <li>- BOND Proceeds and reporting framework</li> </ul> <p>Correspondence with BAYFRONT representatives</p>	<p>The evidence reviewed shows how BAYFRONT plans to trace the issuance proceeds, from the time of issuance to the time of disbursement.</p> <p>An amount equal to the net proceeds will be earmarked for allocation to the Eligible Projects in accordance with BAYFRONT's Sustainable Finance Framework.</p> <p>The details of the disbursement and the outstanding value will be tracked in BAYFRONT's internal financial reporting system. On an annual basis, the outstanding balance of the instruments will be reviewed.</p> <p>DNV concludes that the process set out in the BAYFRONT's Sustainable Finance Framework is aligned with the Management of Proceeds as set out in the Green Bond Principles and Social Bond Principles.</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3b	Tracking procedure	So long as the Sustainable 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.	Review of: <ul style="list-style-type: none"> <li>- BOND Issuance Information</li> <li>- BAYFRONT Sustainable Finance Framework</li> </ul> Correspondence with BAYFRONT representatives	The evidence reviewed shows that BAYFRONT plans to trace the proceeds from the issued instruments, from the time of issuance to the time of disbursement and reduce the net balance of proceeds by amounts in line with the assets financing and refinancing requirements. On an annual basis, the outstanding balance of the green, social or sustainability notes issued will be reviewed.
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.	Review of: <ul style="list-style-type: none"> <li>- BOND Proceeds and reporting framework</li> </ul> Correspondence with BAYFRONT representatives	<p>The net proceeds of the Instruments will be held in cash or cash equivalent on account until disbursement to the nominated assets as per the BAYFRONT Sustainable Finance Framework. BAYFRONT will aim to be fully allocated to Green and Social Projects within 12 months of Issue date.</p> <p>BAYFRONT have nominated the use of proceeds within their Sustainable Finance Framework. If, for reasons beyond the control of the BAYFRONT, these investments are required to be altered in nature or scope, other compliant green or social investment will be identified with approval from the BAYFRONT Sustainable Finance Working Group.</p>

4. Reporting

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
4a	Periodical reporting	In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, Issuers should provide at least annually a list of projects to which Sustainable Bond proceeds have been allocated including - when possible with regards to confidentiality and/or competitive considerations - a brief description of the projects and the amounts disbursed, as well as the expected environmentally sustainable impact.	Review of: - BOND Proceeds and reporting framework  Correspondence with BAYFRONT representatives	BAYFRONT has confirmed that it will report on its corporate website <a href="https://www.bayfront.sg">https://www.bayfront.sg</a> the following:  Allocation Reporting: <ul style="list-style-type: none"> <li><b>i)</b> The total amount of proceeds allocated to eligible loans;</li> <li><b>ii)</b> The number of eligible loans;</li> <li><b>iii)</b> The balance of unallocated proceeds;</li> <li><b>iv)</b> The amount or the percentage of new financing and refinancing;</li> </ul> Impact Reporting:  Where feasible, BAYFRONT intends to report on the impact of the portfolio by category from environmental perspective on an annual basis, subject to the availability of information and baseline data and based on methodologies that will be publicly available.  DNV considers the proposed allocation and impact reporting proposed and the means of communication to be aligned with the criteria set out in the Green Bond Principles and Social Bond Principles.

## SCHEDULE 2: ASEAN GREEN, SOCIAL AND SUSTAINABILITY BOND STANDARDS VERIFICATION

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

The criteria against which BAYFRONT and its nominated projects and assets have been reviewed prior to inclusion in the Bond are grouped under the requirements as detailed within the ASEAN Green, Social and Sustainability 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.	BAYFRONT and any of its subsidiaries are/will be 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.	BAYFRONT has set out the Use of Proceeds in its Sustainable Finance Framework.
4.1.2	In relation to 4.1.1, the Issuer must disclose the following information: (i) The categories of eligible Green and Social Projects to which the ASEAN Sustainable Bonds proceeds will be allocated; and/or	<ul style="list-style-type: none"> <li>i. BAYFRONT has set out the categories for nominated projects and assets in the Use of Proceeds section of the Sustainable Finance Framework.</li> <li>ii. BAYFRONT has detailed the specific Green and Social projects types in its Sustainable Finance Framework.</li> </ul>

	(ii) The information on specific Green and Social Projects in the case where the Issuer has identified the specific Green and Social Projects to which the ASEAN Sustainable Bonds proceeds will be allocated.	
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 2 above, the nominated projects have clear and demonstrated environmental and social 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.	BAYFRONT has committed to detail in its allocation reports the new investment projects that have been added to the project pool.
4.1.5	Sustainable Bond Categories	Green and Social Bond categories have been disclosed by BAYFRONT in its Sustainable Finance 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 Sustainable Bonds must clearly communicate to investors– (i) the environmental and social sustainability objectives; (ii) the process by which the Issuer determines how the projects fit within the eligible Green and Social 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	BAYFRONT has communicated: i. The environmental and social sustainability objectives of its Sustainable Finance Framework and of the nominated projects and assets. ii. BAYFRONT has described the process for Project Evaluation and Selection in its Sustainable Finance Framework. iii. Selection criteria has been set out in section 1 Use of Proceeds and section 2 Process for Project Selection and Evaluation.

	material environmental and social risks associated with the Green and Social Projects.	
4.2.2	The Issuer must establish the process for project evaluation and selection prior to the issuance of the ASEAN Sustainable Bonds and disclose the same to investors in the documentation for the issuance of the ASEAN Sustainable Bonds.	The Process for Project Selection and Evaluation has been defined and presented in the Sustainable Finance 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 and social standards or certifications referenced in project selection.	BAYFRONT has presented the Sustainable Finance Framework in the context of BAYFRONT'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.	This external verification has been conducted to provide external review of BAYFRONT's claims.
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 Sustainable Bonds: (i) The process for project evaluation; (ii) The use of proceeds; and (iii) External review report on the process (if any).	BAYFRONT proposes to make publicly available on its corporate website the: i. Sustainable Finance Framework including Process for Project 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 Sustainable Bonds, the Issuer must disclose to investors in the documentation for the issuance of the ASEAN Sustainable Bonds the process for managing the net proceeds from the ASEAN Sustainable Bonds.	BAYFRONT has disclosed to bond placement investors that it will hold Sustainable Bond proceeds raised in internal treasury accounts for allocation to existing and new investments associated with nominated projects and assets.
4.3.2	The net proceeds from the ASEAN Sustainable 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	BAYFRONT has prepared and presented the process for the tracking and monitoring of proceeds and allocation reporting in the Sustainable Finance Framework.

	to the Issuer’s lending and investment operations for Green and Social Projects. The total amount deployed from the net proceeds for the eligible Green and Social Projects need not occur simultaneously.	
4.3.3	As long as the ASEAN Sustainable 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.	BAYFRONT has defined how proceeds are to be tracked and reported to match the allocation to eligible green and social projects.
4.3.4	The Issuer must also disclose to investors in the documentation for the issuance of the ASEAN Sustainable Bonds the intended types of temporary placement for the balance of unallocated proceeds.	BAYFRONT 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 Sustainable Bonds proceeds.	BAYFRONT has confirmed in order to provide transparent information about the reporting of the funds from green, social or sustainability notes issued under its Sustainable Finance Framework, BAYFRONT intends to engage a Second Party Opinion Provider/ Verifier/ External Auditor to provide the assessment on the alignment of the allocation of funds with the Sustainable Finance Framework’s criteria until the full allocation of the proceeds.
S4.3.6	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 Sustainable Bonds.	The verification report will be made available for investors on BAYFRONT’s corporate website.

**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 Sustainable Bonds proceeds have been allocated, as well as a brief description of the projects and the amounts allocated and their expected impact.	BAYFRONT has confirmed annual reporting on the green, social or sustainability notes 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.	BAYFRONT reserves the right to manage confidentiality obligations with regards to sustainable bond reporting.
4.4.3	It is recommended that Issuers use qualitative performance indicators, and where feasible, quantitative performance measures and disclosure of the key underlying methodology and/or assumptions used in the quantitative determination.	BAYFRONT intends to provide qualitative and where possible quantitative impact reporting.
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.	BAYFRONT has confirmed in order to provide transparent information about the reporting of the funds from green, social or sustainability notes issued under its Sustainable Finance Framework, BAYFRONT intends to engage a Second Party Opinion Provider/ Verifier/ External Auditor to provide the assessment on the alignment of the allocation of funds with the Sustainable Finance Framework’s criteria until the full allocation of the proceeds.
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.	The verification report will be made available for investors on BAYFRONT’s corporate website.

**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 BAYFRONT’s Sustainable Bond Issuance.
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 ASEAN GSSBS.
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 ASEAN GSSBS.
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 ASEAN GSSBS.