



OCBC Sustainability Bond Framework

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Introduction

The 2030 Agenda for Sustainable Development calls on all countries and stakeholders to pursue a holistic strategy that promotes economic development, social inclusion and environmental sustainability.

The 17 Sustainable Development Goals (SDGs) and 169 targets seek to stimulate action in areas of critical importance for humanity and the planet.



OCBC recognises that our financial success is intrinsically linked to the overall health of the core markets we operate in.

We are committed to advancing environmental and social progress and conducting our business in a responsible manner. By doing so, we can create long-term value for our shareholders and support sustainable development in our markets and the communities.

OCBC Bank has developed a Sustainability Bond Framework (“Framework”) under which it intends to issue three types of bonds:

- I. Green Bonds – funds allocated to green projects;
- II. Social Bonds – funds allocated to social projects and;
- III. Sustainability Bonds – funds allocated to a combination of green and social projects.

The classification of the use of proceeds bond as a Green Bond, Social Bond or Sustainability Bond will be determined by OCBC, based on the primary objectives for the underlying assets and projects.

The Framework follows the four core components under the ICMA Green Bond Principles (GBP), the Social Bond Principles (SBP), and the Sustainability Bond Guidelines (SBG):

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

The Framework is also consistent with the ASEAN Green Bond Standards.



Use of Proceeds

The proceeds from each OCBC Green, Social, or Sustainability Bond will be used to finance or refinance qualifying assets and projects that promote the 2030 Agenda for Sustainable Development, and contribute towards the relevant SDGs targets.

Specifically, the proceeds will be used to finance or refinance new or existing qualifying assets and projects which meet the criteria outlined below (Eligibility Criteria). Where relevant, the Proceeds may also be used to finance businesses that derive 90% or more of their revenues from qualifying assets and projects which meet the Eligibility Criteria.

Eligibility Criteria

I. Green Bonds

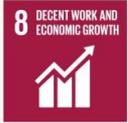
Eligible Categories	Select Examples	Relevant SDG Targets
Renewable energy	<p>Production & Transmission</p> <ul style="list-style-type: none"> Examples include wind, solar, tidal, run-of-river hydro, biomass energy and others <p>Appliances & Products</p> <ul style="list-style-type: none"> Examples include wind turbines, solar panels, battery storage, and others 	<p>SDG 7. Affordable and Clean Energy</p> 
Energy efficiency	<p>New & refurbished buildings</p> <ul style="list-style-type: none"> Examples include improved chillers, replacement of boilers, implement energy management system, and others <p>Bulk energy</p> <ul style="list-style-type: none"> Examples include district central heating and/or cooling systems, smart grids, energy recovery technology, and others <p>Appliances & Products</p> <ul style="list-style-type: none"> Examples include LED lights, battery cells, battery storage, smart grid meters and others 	<p>SDG 7. Affordable and Clean Energy</p> 

Eligible Categories	Select Examples	Relevant SDG Targets
<p>Pollution prevention and control</p>	<p>Air emissions</p> <ul style="list-style-type: none"> Examples include flue gas desulfurization (FGD), selective catalytic reduction (SCR), fabric filters (bag houses) and others <p>Waste recycling</p> <ul style="list-style-type: none"> Examples include electronics, plastics, metals and others <p>Waste-to-energy</p> <ul style="list-style-type: none"> Examples include methane capturing, incineration of municipal solids waste and others 	<p>SDG 9. Industry Innovation and Infrastructure</p> <p>SDG 12. Responsible Consumption and Production</p> 
<p>Clean transportation</p>	<p>Public</p> <ul style="list-style-type: none"> Examples include rail tram, electric and/or hybrid buses, ferries, metro and others <p>Private</p> <ul style="list-style-type: none"> Examples include clean vehicles that are electric or hybrid that are classified as A1 or A2 band under Government of Singapore’s Vehicular Emission Scheme (VES) or equivalent in other countries <p>Infrastructure</p> <ul style="list-style-type: none"> Examples include expansion of train or metro networks, projects in relation to capacity improvement, station upgrade) and others 	<p>SDG 11. Sustainable Cities and Communities</p> 
<p>Sustainable water and wastewater management</p>	<p>Technologies</p> <ul style="list-style-type: none"> Examples include NEWater¹, membrane (reverse osmosis) treatment, ultraviolet treatment, and others <p>Infrastructure</p> <ul style="list-style-type: none"> Examples include water pipes and collection facilities, treatment plant facilities and others <p>Mitigation</p> <ul style="list-style-type: none"> Examples include floodwalls, river defences, embankments, underground drainage and reservoir system and others <p>Wastewater</p> <ul style="list-style-type: none"> Examples include primary, secondary and tertiary treatment 	<p>SDG 6. Clean Water and Sanitation</p> <p>SDG 12. Responsible Consumption and Production</p> <p>SDG 13. Climate Action</p> 

¹ NEWater is reclaimed water produced by Singapore’s Public Utilities Board.

Eligible Categories	Select Examples	Relevant SDG Targets
<p>Climate change adaptation</p>	<p>Information support system</p> <ul style="list-style-type: none"> • Examples include Synthetic Aperture Radar (SAR) and others <p>Climate observation and early warning system</p> <ul style="list-style-type: none"> • Examples include hydrometeorology and others 	<p>SDG 13. Climate Action</p> 
<p>Green buildings</p>	<p>Buildings which meet regional, national or internationally recognised standards or certifications</p> <ul style="list-style-type: none"> • Singapore Building and Construction Authority (BCA) Green Mark: Gold Plus and above • Malaysia Green Building Index (GBI): Gold and above • Hong Kong BEAM Plus: Gold and above • China Three Star Green Building Evaluation Standard: Three Star rating and above • LEED (Leadership in Energy and Environmental Design): Gold and above, and in compliance with appropriate regulations • National Australian Built Environment Rating System (NABERS): 5 Star or above • BREEAM (Building Research Establishment Environmental Assessment Method) by U.K. Building Research Establishment (BRE): Very good and above • Any other green building labels that is an equivalent standard as the above 	<p>SDG 11. Sustainable Cities and Communities</p> 

II. Social Bonds

Eligible Categories	Select Examples	Relevant SDG Targets
<p>Access to essential services</p>	<p>Examples include, but are not limited to:</p> <ul style="list-style-type: none"> • Study loan (tuition fee, education and vocational training) • Singapore Ministry of Health public hospitals and specialty centres related loans or equivalent in other countries 	<p>SDG 3. Good Health and Well-Being</p> <p>SDG 8. Decent Work and Economic Growth</p> <p>SDG 9. Industry Innovation and Infrastructure</p> 
<p>Affordable housing</p>	<p>Examples include, but are not limited to:</p> <ul style="list-style-type: none"> • Public housing related home loans through the Singapore Housing & Development Board (HDB), which includes corporate loans to the HDB, consumer loans to HDB buyers², and development loans and projects financing loans to contractors for the construction of HDB flats • Public housing equivalent in other countries 	<p>SDG 11. Sustainable Cities and Communities</p> 
<p>Employment generation</p>	<p>Examples include, but are not limited to:</p> <ul style="list-style-type: none"> • Loans to Small and Medium Enterprises (SME), as defined by the Singapore Ministry of Trade and Industry³ or equivalent in other countries 	<p>SDG 8. Decent Work and Economic Growth</p> 

² As a guidance, HDB home buyers (both first and non-first-time) must meet the income ceiling for purchase of new HDB flats set out by HDB. Refer to the HDB website for eligibility conditions: <https://www.hdb.gov.sg>.

³ Enterprises with an annual sales turnover of under S\$100 million, or that employ less than 200 workers.

III. Sustainability Bonds

Eligible categories are a combination of green and social assets and projects.

Exclusion List

OCBC has developed a list of exclusionary criteria on the use of the Proceeds. In this regard, we commit to not knowingly using the Proceeds for the financing of assets and projects included below:

- | | |
|---|--|
| A. Nuclear Power Generation | F. Tobacco Products |
| B. Slash and Burn Practices in Agriculture & Forestry | G. Adult Entertainment |
| C. Military Weapons | H. Predatory Lending |
| D. Gambling Establishments | I. Fossil Fuel Power Generation Projects |
| E. Alcoholic Beverages | J. Large Scale Hydro Projects (>25 MW) |

Project Evaluation and Selection Process

Our sustainability objectives are built upon our four pillars:

- 1) Responsible Business Practices;
- 2) Responsibility to Community;
- 3) Employer of Choice and;
- 4) Climate Change

Based on these four pillars, we anchored our focus on 5 SDGs where we believe the Bank is empowered to contribute and create meaningful impacts.



**RESPONSIBLE
BUSINESS PRACTICES**



**RESPONSIBILITY
TO COMMUNITY**



**EMPLOYER OF
CHOICE**



CLIMATE CHANGE

The 5 SDGs are:



- Goal 3** : **Good Health and Well-Being**
- Goal 7** : **Affordable and Clean Energy**
- Goal 8** : **Decent Work and Economic Growth**
- Goal 9** : **Industry Innovation and Infrastructure**
- Goal 13** : **Climate Action**

Screening and Selection

As part of credit evaluation, business units will screen and select potential assets and projects for OCBC Green, Social, or Sustainability Bonds. The screening and selection will be conducted using Framework's eligibility criteria and exclusion list.

Validation

The OCBC Sustainability Council⁴ is responsible for the approval of assets and projects in accordance to the Framework.

⁴ The OCBC Sustainability Council comprises of selected senior members from existing Management Committee (MC) Members.

ESG Risks from Eligible Assets and Projects

Our Responsible Financing Framework sets out our overall approach to integrate environmental, social and governance ("ESG") considerations into our credit and risk evaluation process. We will take a risk-based approach towards managing ESG risk where transactions that are of material ESG risks may be subject to enhanced due diligence and approval requirement.

Management of Proceeds

OCBC intends to accumulate a single common pool of diversified eligible green, social and sustainability assets and projects over time. Assets drawn from this single pool will represent all projects funded by Green, Social, or Sustainability Bonds issued under this Framework.

We will track the Use of Proceeds and the Pool via internal information systems. A register is established to record the allocation of the proceeds for each Green, Social, or Sustainability Bond and the Pool.

For any unallocated proceeds due to pending allocation or reallocation, OCBC reserves the rights to invest the balance of the net proceeds, at its own discretion in cash, cash equivalent or high-quality marketable instruments.

OCBC will make its best effort to substitute any redeemed loans and/or if any such loans or any other form of financing cease to be eligible, as soon as reasonably practicable once an appropriate substitution option has been identified.

Reporting

Where there are outstanding Green, Social, or Sustainability Bonds issued under the Framework, we will provide an annual progress report on the following:

- A. The description of eligible assets and projects financed or refinanced by the net proceeds and relevant quantitative or qualitative key impact performance indicators;
- B. The allocation of the net proceeds to eligible assets and projects detailing the aggregate amount dedicated to each of the eligible categories; and
- C. The balance of unallocated cash and/or cash equivalent and/or other liquid marketable instruments held.

Key performance indicators may include, but are not limited to:

Eligible Green Category	Key Performance Indicators
Renewable Energy	<ul style="list-style-type: none"> • Energy generated (kWh) • GHG emissions reduced/avoided (tCO₂e)
Energy Efficiency	<ul style="list-style-type: none"> • Energy saved per year (kWh/year) • GHG emissions reduced/avoided (tCO₂e)
Pollution Prevention and Control	<ul style="list-style-type: none"> • Air quality improvements • Amount of wastewater treated (m³) • Amount of waste diverted from landfill (tonnes)
Clean Transportation	<ul style="list-style-type: none"> • Passengers served by transit • Information on transit projects (i.e. km of rail, number of buses) • Number of qualifying vehicles purchased
Sustainable Water and Wastewater Management	<ul style="list-style-type: none"> • Volume of water treated/purified (m³) • Descriptions of flood control works installed
Climate change adaptation	<ul style="list-style-type: none"> • List of programs / equipment funded
Green Buildings	<ul style="list-style-type: none"> • List of third-party environmental certifications received

Eligible Social Category	Key Performance Indicators
Access to essential services	<ul style="list-style-type: none"> • Number of people served
Affordable housing	<ul style="list-style-type: none"> • Number of homes built • Amount of loans disbursed to HDB buyers
Employment generation	<ul style="list-style-type: none"> • Number of SMEs funded

This annual progress report will be reviewed and approved by the OCBC Sustainability Council.

External review

OCBC will obtain a second party opinion on the Framework. For each Green, Social, or Sustainability Bond issuance under the Framework, we will engage an external assurance provider at pre-issuance stage and subsequently to independently verify the management of Proceeds in conformity with the Framework.

Disclosure

The Framework, annual Green, Social, or Sustainability progress report and the external review documents will be made available to investors and disclosed publicly on OCBC Group website: <https://www.ocbc.com/group/group-home.html>