



## Sustainable Finance Framework



6 January 2021

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# 1. OVERVIEW

## 1.1 Introduction

Surbana Jurong Group (“**Surbana Jurong**” or the “**Group**”) is a global urban, infrastructure and managed services consulting firm, with over 70 years of track record in successful project delivery. Headquartered in Singapore, Surbana Jurong and our member companies AETOS, B+H, KTP, Prostruct, RBG, SAA, Sino-Sun and SMEC has a talent pool of 16,500 based in more than 120 offices in over 40 countries. They include architects, designers, planners, engineers and other specialists driven by progressive thinking and creative ideas to help shape a better future.

Technical experts deliver sustainable solutions that cover the entire project life cycle from planning and design, through to delivery and management, as well as decommissioning and closure. Surbana Jurong provides a full suite of multidisciplinary consultancy services across a diverse range of sectors that includes aviation, healthcare, hospitality, transport, water and environment as well as energy and resources.

Surbana Jurong has built more than a million homes in Singapore, created master plans in more than 30 countries and developed over 100 industrial parks globally. “Building Cities, Shaping Lives” expresses how every project or undertaking is, for the Group, an opportunity to fulfil aspirations and enrich lives. By designing and delivering quality housing, work spaces, roads, rail, hydropower, dams, underground and coastal protections and other critical infrastructure needed by our clients, Surbana Jurong is redefining cities and transforming them into sustainable and liveable spaces where communities and businesses, present and future, can thrive.

Sustainability is at the core of Surbana Jurong’s mission of “delivering urbanisation, infrastructure and engineering solutions to support sustainable social and economic growth for our clients”. The Group has established a dedicated Sustainability & Resilience Office that is focused on integrating sustainability as a key service offering. Furthermore, Surbana Jurong is a signatory to the World Green Building Council’s Net Zero Carbon Building Commitment and is launching sustainability reporting that highlights the alignment between the Group’s core values and the UN Sustainable Development Goals (“**SDGs**”).

## 1.2 Purpose

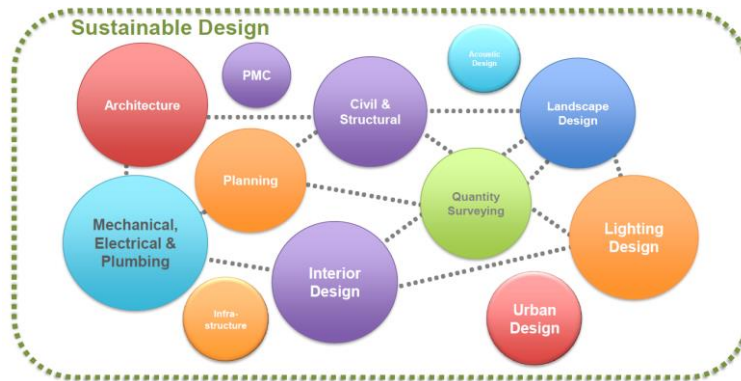
The purpose of this Sustainable Finance Framework (the “**Framework**”) is to outline criteria and provide guidelines for Surbana Jurong to enter into, identify eligible assets, manage proceeds and report on Sustainable Finance Transactions (“**SFTs**”) including:

- Debt financing instruments whose proceeds are applied towards green or sustainable projects or assets (“**Use of Proceeds Instruments**”), including but not limited to Green Loans, Sustainability Loans, Green Bonds and Sustainability Bonds; and
- Debt financing instruments whose proceeds may be applied towards general corporate purposes and whose funding cost is linked to Surbana Jurong’s sustainability targets (“**Sustainability Linked Instruments**”), including but limited to Sustainability Linked Loans and Sustainability Linked Bonds.

This Framework is designed to provide overarching criteria and guidelines for how Surbana Jurong’s sustainability and ESG efforts align with the Group’s financing strategy. The Framework is prepared to be in line with the relevant international principles and guidelines (outlined in section 2. Framework) so as to demonstrate best market practices and robust management of the requirements under the Transactions.

### 1.3 Surbana Jurong’s Approach to Sustainability


Surbana Jurong’s sustainability model is based upon an integrated sustainable design model, as outlined below:






The approach involves using environmental sustainable design tools (such as solar and shadow analysis and energy benchmarking) with detailed design optimisation that combines an understanding of the interaction of buildings with the elements with a climate responsive design and innovative technology (including smart lighting, IOT based smart sensors and efficient air diffusion and distribution) that ultimately results in lower energy and natural resources required. As a result, many Surbana Jurong designed buildings have achieved “Platinum” certifications under the BCA Green Mark Certification Standards.

Surbana Jurong is a member of the Singapore Green Building Council, which is Singapore’s representative on the World Green Building Council and which is actively focused on supporting the development of more sustainable cities for a better living. The Group is a signatory to the World Green Building Council’s Net Zero Carbon Buildings Commitment, which is a commitment to only owning and occupying assets within direct control of the organisation that operate at net zero carbon by 2030. This commitment requires annual sustainability reporting on the measurement and assessment of asset and portfolio carbon emissions for the Surbana Jurong Campus Headquarters where Surbana Jurong Private Limited and the Surbana Jurong Singapore entities will be based in, as well as developing and implementing a decarbonisation roadmap to 2030 with third party verification of progress.

#### Surbana Jurong’s alignment with the United Nations Sustainable Development Goals (“SDGs”):

SDG	Surbana Jurong Alignment
<p>3: Good Health and Wellbeing</p> 	<ul style="list-style-type: none"> <li>• Designed over 1.2 million m<sup>2</sup> of healthcare space across North America, Asia and the Middle East</li> <li>• Supporting communities in Singapore during the COVID-19 pandemic by setting up community care facilities including 8,000 beds</li> <li>• Designed and delivered Singapore’s largest healthcare facility, comprising 1,800 beds</li> <li>• Helping supply drinking water to 60k-70k households in Indonesia and 1,400 villages in India</li> </ul>

<p>7: Affordable and Clean Energy</p> 	<ul style="list-style-type: none"> <li>• Developed stable platform for seabed hydro power in the North Sea</li> <li>• Involved in Australia’s biggest renewable energy project and one of the world’s biggest pumped storage plants, providing energy storage to power equivalent of ~500k homes</li> <li>• Involved in a hydroelectric project in Malaysia that generates 326 GWh annually</li> </ul>
<p>9: Industry, Innovation and Infrastructure</p> 	<ul style="list-style-type: none"> <li>• Delivering leading-edge sustainable projects including net-zero carbon facilities</li> <li>• Adopting innovative laser surveying techniques to map out flood prone areas</li> <li>• Consultant for the development of Singapore’s Jurong Innovation District</li> <li>• Designed Singapore’s first new-build net-zero energy building at NUS University, which provides users with healthy spaces where staff and students can interact and innovate</li> <li>• Signatory to the World Green Building Council’s Net Zero Carbon Commitment</li> </ul>
<p>11: Sustainable Cities and Communities</p> 	<ul style="list-style-type: none"> <li>• Developed master plans for more than 30 countries and over 100 industrial parks globally</li> <li>• Established partnerships to secure significant urban development commitments</li> <li>• Involved in the planning of four new airports and the expansion of six airports globally</li> <li>• Involved in design and construction of expressways and cycling routes connecting Singapore</li> <li>• Helped the design and construction of train lines and close to 80 train stations in Singapore</li> </ul>

## 2. FRAMEWORK

The Framework is prepared to be in line with the relevant international principles and guidelines listed below (collectively the “**Principles**”), as updated from time to time, to ensure that SFTs from Surbana Jurong meet the market best practices and demonstrate robust management of its Sustainable Finance transactions:

- Green Bond Principles (“**GBP**”) 2018, Sustainability Bond Guidelines (“**SBG**”) 2018 and Sustainability Linked Bond Principles (“**SLBP**”) 2020 by the International Capital Market Association;
- Green Loan Principles (“**GLP**”) 2020 and Sustainability Linked Loan Principles (“**SLLP**”) 2020 by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association.

For the avoidance of doubt, the SFTs may be in any currency, tenor, or with other terms and conditions, including covenants, to reflect Surbana Jurong’s financing strategy.

Any future version of this Framework will either keep or improve the current levels of transparency and reporting disclosures, including the corresponding review by an external consultant.

Under this Framework, SFTs will be predominantly issued from Surbana Jurong Private Limited, but such Framework allows for issuances by any other entity which is part of the Group.

## 2.1 Framework for Sustainability Linked Instruments

The first part of the Framework will be used for Sustainability Linked Instruments that can be used for general corporate purposes. These include, but are not limited to, Sustainability Linked Loans and Sustainability Linked Bonds.

Following the Sustainability Linked Loan Principles (“**SLLP**”) 2020 and the Sustainability Linked Bond Principles (“**SLBP**”) 2020, the Framework adopts the four key pillars as follows:

- I. Selection of Key Performance Indicators (“**KPIs**”)
- II. Target Setting and Calibration of Sustainability Performance Targets (“**SPTs**”)
- III. Reporting
- IV. Review and Verification

### **I. Selection of Key Performance Indicators**

Surbana Jurong may use the below agreed sustainability metrics for its KPIs:

- GHG emissions intensity, measured as the total scope 1 and 2 CO<sub>2</sub> emissions, net any renewable energy certificates, per Full Time Equivalent member of staff (“**FTE**”) for an agreed portfolio of Surbana Jurong offices
- The number of consultancy mandates relating to the design of eligible green buildings
- Energy consumption level of an agreed portfolio of Surbana Jurong offices, measured in kWh per m<sup>2</sup>

### **II. Target Setting and Calibration of Sustainability Performance Targets**

When entering into a new Sustainability Linked Instrument transaction, Surbana Jurong and arranging banks may agree upon the below items at inception:

- Sustainability KPIs
- Respective baselines
- Performance targets to be reported annually
- Timeline for measuring and reporting
- Commercial terms and potential incentives once the targets are achieved

Surbana Jurong aims to ensure the SPTs are set to be meaningful and ambitious whilst being aligned with its sustainability strategy.

### **III. Reporting**

At the inception of each Sustainability Linked Instrument transaction, Surbana Jurong and the arranging banks will agree on reporting time, frequency, and format of reporting on its sustainability progress.

Surbana Jurong will provide relevant information to its lenders or/and investors as stipulated in the loan or bond documentation either upon request, or is deemed to have provided the information if such information is available in its website.

### **IV. Review and Verification**

Surbana Jurong aims to ensure accurate representation of performance towards selected SPTs and intends to conduct external reviews as necessary.



## 2.2 Framework for Use of Proceeds Instruments

The second part of the Framework will be used for debt instruments that finance green or sustainable projects or assets, including but not limited to, Green Bonds, Sustainability Bonds, Green Loans, and Sustainability Loans.

Following the Principles, the Framework adopts the four key pillars as follows:

- I. Use of Proceeds
- II. Process for Project Evaluation and Selection
- III. Management of Proceeds
- IV. Reporting

### I. Use of Proceeds

The net proceeds raised from the issuance of Use of Proceeds Instruments under this Framework will be used exclusively to finance or re-finance, in part or in full, new and existing eligible green or sustainable projects or assets (“**Eligible Assets**”). Eligible Assets shall be selected and evaluated based on the Eligibility Criteria and Exclusion Criteria as outlined below, and in alignment with Surbana Jurong’s sustainability goals and ESG policies. The process is outlined in Section II. Process for Project Evaluation and Selection.

#### Eligibility Criteria

A pool of Eligible Assets may include the acquisition of green and/or sustainable investments, assets or projects; green and/or sustainable capital expenditures, operating expenditures related to improvement and maintenance of Eligible Assets, research and development, and material acquisition costs.

#### Exclusion Criteria

Any project, asset, expenditure or investment (including unallocated proceeds) which are considered irrelevant to the environmental objectives of Use of Proceeds issuance will be excluded.

Eligible Assets for Surbana Jurong may include a combination of:

- The Surbana Jurong HQ Campus<sup>1</sup>, given it is secured by long term lease
- Any green buildings, or property assets that have an environmental benefit
- Any sustainable water or waste assets
- Any acquisitions or investments that directly and wholly promote sustainable design, provision of basic infrastructure, affordable housing and/or access to essential services.

<sup>1</sup> *Surbana Jurong’s global headquarters based in Singapore. The campus pushes the boundaries of sustainable design in both construction and operation. It is designed to meet Singapore’s Building and Construction Authority’s (BCA) Green Mark Platinum Certification for Super Low Energy Building.*

Where feasible, Surbana Jurong will disclose in its annual reporting, the year of operation of the acquired assets. Surbana Jurong intends to prioritise, where possible, newer over older assets, and assets or projects that have been completed 36 months ago or longer will be excluded from any issuance.

### II. Process for Project Evaluation and Selection

The Eligible Assets financed and/or refinanced through Use of Proceeds Instruments are evaluated and selected based on compliance with the Eligibility Criteria and Exclusion Criteria as outlined above in the use of proceeds section.

The selection of the Eligible Assets is conducted by Surbana Jurong's Group Finance department, in conjunction with Surbana Jurong Sustainability and Resiliency Office ("SRO") (collectively, the "Committee"). The Committee facilitates the process for project evaluation and selection and looks to ensure (on a best efforts basis) that the selected Eligible Assets comply with official national and international environmental and social standards, local laws and regulations. The Committee makes the final selection decision and Surbana Jurong's Group Finance department will allocate the proceeds of the transactions to the Eligible Assets in accordance with the use of proceeds section described above.

On an annual basis, and until full allocation, the Committee will review the Eligible Assets, in order to evaluate their compliance with the eligibility criteria outlined in the use of proceeds section in this Framework.

On an annual basis, and until full allocation, Surbana Jurong's Group Finance department and Surbana Jurong's Group Treasury department will review the allocation of the proceeds to the Eligible Assets, will determine if any changes are necessary and will ensure that allocations are aligned with this Framework and will disclose any material changes in the Framework.

### **III. Management of Proceeds**

#### **Allocation of Proceeds**

Surbana Jurong intends to allocate the net proceeds from the Use of Proceeds Instruments to Eligible Assets, selected in accordance with the Use of Proceeds Eligibility Criteria and Evaluation and Selection process presented in sections I. and II. above. The net proceeds from Surbana Jurong's Use of Proceeds Instruments will be allocated in the main operating bank accounts held by Surbana Jurong and an amount equal to the net proceeds will be earmarked for allocation towards Eligible Assets as selected by the Committee. The process will be in accordance with Surbana Jurong's Sustainable Finance Framework as set out in the Process for Project Evaluation and Selection section.

Surbana Jurong's Group Finance department may allocate the proceeds to the corporate entities in charge of the projects via intercompany loans and/or equity capital, with the purpose of financing the disbursements in connection with the Eligible Assets carried out by Surbana Jurong's subsidiaries.

Any pending allocation proceeds will temporarily be held, typically for no longer than 12 months from the issuance of the Use of Proceeds Instruments (unless otherwise agreed), in Surbana Jurong's main operating bank accounts, and managed accordingly by Surbana Jurong's Group Finance department.

#### **Ongoing Monitoring**

The proceeds from the issuance of a Use of Proceeds Instrument will be managed and monitored by Surbana Jurong in a portfolio approach, in accordance with Surbana Jurong's established governance arrangements with respect to its treasury activities.

Managing and monitoring will also include at least annually prior to full year reporting:

- Reviewing and confirming the current Eligible Assets against the Eligibility Criteria;
- Determining eligibility of any potential new assets as Eligible Assets;
- Confirming overall compliance with the Framework and the Principles; and
- Reporting as referred to in section 2.3 below.

If an investment/asset/project is confirmed as no longer meeting the Eligibility Criteria, Surbana Jurong will de-categorise the asset as an Eligible Asset and will reduce the allocated investment volume by the value of the de-categorised asset, if applicable.

If a new investment/asset/project is confirmed as meeting the Eligibility Criteria, Surbana Jurong will categorise the asset as an Eligible Asset and increase the allocated investment volume by the value of the categorised asset, if applicable.

#### **IV. Reporting**

Surbana Jurong intends to transparently report on its sustainability efforts and the allocation of proceeds from Use of Proceeds Issuances.

Surbana Jurong intends to make and keep readily available reporting on the allocation of net proceeds to Eligible Assets and, wherever feasible, reporting on the impact of the Eligible Assets, at least at the category level. The Committee holds the responsibility of monitoring and/or data collection and will provide aggregated reporting for all its Use of Proceeds Instruments outstanding, with support from technical experts of relevant business departments.

Within approximately one year from the date of any issuance and thereafter on an annual basis until full allocation, Surbana Jurong will ensure that information on proceeds allocation is available on the company's website, for public issuances, or is otherwise readily available to its lenders or investors upon request..

Surbana Jurong will share the below information:

##### **a) Allocation Reporting**

Surbana Jurong commits to include the following information in ongoing allocation reporting:

- The total amount of proceeds allocated to Eligible Assets
- The proportion of net proceeds used for financing vs. refinancing
- The balance of unallocated amount, if any
- The geographical distribution of the Eligible Assets (at country level)

##### **b) Impact Reporting**

Where relevant and feasible, Surbana Jurong will look to provide environmental indicators that are appropriate for the Eligible Assets

### **2.3 Consistency with the relevant Principles**

Surbana Jurong has prepared this Framework with regard to the Sustainability Linked Bond Principles (2020) issued by the International Capital Markets Association and the Green Bond Principles (2019) issued by the International Capital Markets Association.

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