

HOUSING & DEVELOPMENT BOARD

SECOND PARTY OPINION : GREEN FINANCE FRAMEWORK (DATED 6 JUNE 2025)



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Disclaimer

Our assessment relies on the premise that the data and information provided by the client to us as part of our review procedures are provided in good faith. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not be detected. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied as per scope of work. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Statement.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17029:2019 - Conformity Assessment – General principles and requirements for validation and verification bodies, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct during the assessment and maintain independence where required by relevant ethical requirements.

DNV'S INDEPENDENT ASSESSMENT

Scope and Objectives

The Housing & Development Board ("HDB" or the "Customer") is a statutory board of the Ministry of National Development ("MND"), established on 1 February 1960. Its mission is to provide quality and affordable public housing for Singaporeans, create vibrant and sustainable towns, and promote the building of active and cohesive communities. As Singapore's largest housing developer, HDB plays a key role in supporting the nation's sustainability efforts. Over the years, it has intensified its efforts in sustainable development to address challenges such as climate change, while creating a cleaner and more comfortable living environment for its residents.

HDB has developed a Green Finance Framework ("Framework") with the aim to raise Green Finance Transactions ("GFTs") to finance or refinance Eligible Green Projects under the project category of Green Buildings as part of its sustainable strategies and commitment to environmental well-being, as described in the Framework. The Framework is in alignment with the stated standards and principles (collectively the "Standards, Schemes & Principles"):

- Green Bond Principles ("GBP") issued by the International Capital Markets Association ("ICMA") in June 2021 and updated with Appendix 1 in June 2022
- ASEAN Green Bond Standards ("ASEAN GBS") issued by the ASEAN Capital Markets Forum ("ACMF") in October 2018
- Green Loan Principles ("GLP") issued by the Loan Market Association ("LMA") / Asia-Pacific Loan Market Association ("APLMA") / Loan Syndications and Trading Association ("LSTA") in March 2025
- Singapore-Asia Taxonomy ("SAT") launched by MAS in December 2023

DNV Business Assurance Singapore Pte Ltd ("DNV") has been commissioned by the HDB to review its Framework and provide a Second Party Opinion on the Framework, based on the Standards, Schemes & Principles.

Our methodology to achieve this is described under 'Work Undertaken' below. We were not commissioned to provide independent assurance or other audit activities.

Responsibilities of the Management of HDB and DNV

The management of HDB 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 HDB management and other interested stakeholders in the Framework as to whether Framework is aligned with the Standards, Schemes & Principles. In our work we have relied on the information and the facts presented to us by HDB. 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 HDB's management 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 HDB-specific Eligibility Assessment Protocol (henceforth referred to as "Protocol"). Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion.

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

1. Use of Proceeds

The Use of Proceeds criteria are guided by the requirement that an issuer of a bond / a borrower of a loan must use the funds raised to finance or refinance or to repay equity of 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 a bond / a borrower of a loan should outline the process it follows when determining eligibility of an investment using Green Bond/Loan proceeds and outline any impact objectives it will consider.

3. Management of Proceeds

The Management of Proceeds criteria are guided by the requirements that a bond/loan should be tracked within the organization, that separate portfolios should be created when necessary and that 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.

No assurance is provided regarding the financial performance of 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.

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 HDB 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 bond, as described above and in Schedule 3 and 4 to this Assessment;
- Assessment of documentary evidence provided by HDB on the Framework and supplemented by high-level desktop research. These checks refer to the current assessment best practices and standards methodology;
- Review of published materials by HDB and HDB's website;
- Discussions with HDB's management, 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.

Findings and DNV's Opinion

DNV's findings on the alignment with the Standards, Schemes & Principles are listed below:

1. Use of Proceeds

HDB intends to use the net proceeds of the GFTs to finance and/or refinance eligible green projects as defined in its Framework.

The Framework defines the following project categories:

- Green Buildings

DNV's analysis of the eligible project categories to be financed or refinanced under this Framework, and an assessment of alignment with the Standards, Schemes & Principles and specifically the SAT, is set out in Schedule 1. DNV's assessment on the contribution of the eligible project categories to the UN Sustainable Development Goals ("UN SDGs") is set out in Schedule 2.

DNV undertook an analysis of the associated project types to determine the eligibility as Green and in line with the Standards, Schemes & Principles. DNV concludes that the eligible categories outlined in the Framework are consistent with the categories outlined in the Standards, Schemes & Principles.

2. Process for Project Evaluation and Selection

HDB has in place an evaluation and selection process. The Design Development Group will identify Eligible Green Projects and seek endorsement from the Deputy Chief Executive Officer (Building) for their inclusion in the Green Project Register. Annually, the Finance Group will submit the register—listing projects eligible for GFT financing—to the Chief Executive Officer for approval and ensure that the allocation of the GFT proceeds is in line with the Framework.

DNV concludes that HDB's Framework appropriately describes the process for Project Evaluation and Selection and is aligned with the criteria set out in the Standards, Schemes & Principles.

3. Management of Proceeds

HDB describes the process for management of net proceeds under the Framework as follows:

Net proceeds from the GFTs will be allocated exclusively to Eligible Green Projects on a portfolio basis. The Finance Group will manage and monitor the Green Project Register to track the proceeds.

HDB will track the proceeds from green bonds/loans and adjust the balance to align with the allocations to Eligible Green Projects. Allocation to these projects on a portfolio basis will occur within two years of issuance, subject to market conditions or unforeseen events (e.g., construction delays).

Pending allocation, proceeds will be managed within HDB's cash management process, which may include holding short-term balances with the Accountant-General's Department (AGD) under the Government's Centralised Liquidity Management Framework for Statutory Boards. Any unallocated proceeds will be disclosed in HDB's post-issuance reports.

DNV has reviewed the evidence presented and concludes that the Framework appropriately describes the process for Management of Proceeds is aligned with the criteria set out in the Standards, Schemes & Principles.

4. Reporting

For Green Bond, HDB will publish an annual Green Finance Report for Green Bonds, or upon material developments, until full allocation, with the report being audited and available on the HDB website.

For Green Loan, HDB will provide an annual report to lenders for Green Loans, or upon material developments, until full allocation, with reporting considered complete if available in the annual report or on the HDB website.

Both reports will include an Allocation Report detailing allocated/unallocated amounts, financing/refinancing share, and a list of Eligible Green Projects, as well as an Impact Report covering the environmental impact of the Eligible Green Projects financed by GFT proceeds, key methodologies, and performance indicators outlined in the Framework, where relevant and feasible.

Based on the limited assurance procedures conducted, nothing has come to our attention that causes us to believe that the GFTs to be issued are not, in all material respects, in accordance with the Pre-Issuance requirements of the associated eligible green project categories, and the Standards, Schemes & Principles. On the basis of this information, DNV is of the opinion that the Framework meets the criteria established in the protocol and are aligned with the GBP, GLP, ASEAN GBS and SAT.

For DNV Business Assurance Singapore Pte Ltd

Singapore / 6 June 2025



Jerus D'Silva
Quality Reviewer



Vigilia Ang
Lead Verifier

Schedule 1. Description of Categories to be financed or refinanced through the HDB’s Green Financing Transactions

Schedule 1 presents the analysis of eligible project categories to be financed or refinanced through HDB’s GFTs, along with an assessment of their alignment with the Standards, Schemes, Principles, and specifically the SAT.

Eligible Green Project Categories	Eligible Criteria and Description	DNV Findings
Green Buildings	<p>New public housing developments will be BCA Green Mark Certified and provided with:</p> <ul style="list-style-type: none"> • Smart lighting for indoor and outdoor common areas • Re-generative lifts for all residential blocks • Solar-ready roofs 	<p>DNV considers the criteria listed to be aligned with the Green classification of the following activities established in the SAT:</p> <ul style="list-style-type: none"> • 3.1. Construction of new buildings <p>The framework states that it will adhere to the latest certification standard as of the establishment of this version of the Green Finance Framework which is the BCA Green Mark 2021. Under the standard, new buildings are required to achieve energy efficiency improvement threshold of $\geq 50\%$ over 2005 baseline to attain Gold^{Plus}.</p> <p>HDB also outlined that the bond proceeds relating to outstanding bonds would be used to finance projects which meets the standards applicable at the time that the bond were issued.</p> <p>DNV considers the proposed activity to be aligned with the criteria for eligible green projects under the Standards, Schemes & Principles.</p>

Do No Significant Harm (DNSH) Assessment

DNV notes that the SAT currently does not mandate DNSH assessments for activities classified and assessed under the SAT, in the early implementation phase of the taxonomy. As a result, DNV did not provide an opinion on DNSH for the listed/proposed activities.

HDB has stated that “New public housing developments will be BCA Green Mark Certified”. DNV notes that “All Green Mark buildings shall comply with the minimum regulatory requirements stipulated by government agencies. These requirements form the base for a holistic green building and ensure that all sustainability angles are achieved. These include energy and water conservation, climate resilience, greenery provision and tree conservation, waste management and mobility.”¹

¹ https://www1.bca.gov.sg/docs/default-source/docs-corp-buildsg/sustainability/20240101_certification_standard_r2.pdf?sfvrsn=4571c497_0



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Schedule 2. Contributions to UN SDGs

Eligible Project Categories	UN SDGs	DNV Findings
Green Buildings	SDG 7: Affordable and clean energy SDG	DNV is of the opinion that the eligible project category outlined in the Framework contributes to the achievement of the UN SDGs.

Schedule 3. Eligibility Assessment Protocol (GBP, GLP)

1. Use of Proceeds

Ref.	Criteria	Requirements	DNV Findings
1a	Type of Bond /Loan	<p>The Bond/Loan must fall in one of the following categories, as defined by the Standards, Schemes & 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 Framework specifies that the net proceeds from the GFTs will be solely allocated to finance or refinance Eligible Green Projects, specifically within the Green Buildings project category.</p> <div style="border: 1px solid black; padding: 5px; margin: 5px 0;"> <p>From the Framework</p> <p>The net proceeds from the GFTs will be used exclusively to finance or re-finance Eligible Green Projects under the Project Category of Green Buildings.</p> </div> <p>The reviewed evidence confirms that the GFTs meet the criteria under the Standards, Schemes & Principles. DNV confirms this process to be well aligned with the Standards, Schemes & Principles.</p>
1b	Green Project Categories	<p>The cornerstones of Green Bonds and Loans are the utilization of the proceeds of the bonds or the loans which should be appropriately described in the legal documentation for the security.</p>	<p>Eligible project category presented by HDB is as follows:</p> <ul style="list-style-type: none"> • Green Buildings <p>The above-mentioned project category meets the Eligible Green Project categories in the Standards, Schemes & Principles. DNV confirms this to be well aligned with the Standards, Schemes & Principles.</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>The Framework states the expected environmental benefits from the eligible green projects. This includes:</p> <ul style="list-style-type: none"> • Reduction in energy use • Reduction of carbon emissions <p>Additionally, the projects are expected to contribute to The Singapore Green Plan 2030 (“The Green Plan”) – Energy Reset pillar. The Singapore Green Plan 2030 is a whole-of-nation movement to advance Singapore’s national agenda on sustainable development. The Green Plan outlines specific targets for the next decade, reinforcing Singapore’s commitment to the UN’s 2030 Sustainable Development Agenda and the Paris Agreement, while also setting the</p>

			<p>stage for achieving the nation’s long-term goal of net zero emissions by 2050.</p> <p>As buildings contribute to over 20% of Singapore’s emissions, green buildings are a key focus of the Green Plan. Under the Energy Reset pillar, Singapore aims to adopt cleaner energy sources across all sectors to support this goal.</p> <p>DNV confirms that the proposed use of proceeds will reasonably be expected to deliver meaningful environmental benefits.</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>HDB has provided details on the intended refinancing vs. financing share from the issuance of the GFTs under its Framework.</p> <p>Specifically, the Framework states the following:</p> <div data-bbox="1182 600 2022 919" style="border: 1px solid black; padding: 5px;"> <p>From the Framework</p> <p>This includes the development of new residential and non-residential HDB projects which are planned to achieve the prevailing BCA Green Mark certification², and which commences:</p> <ul style="list-style-type: none"> i. during the 24 months prior to the relevant issue date of a green bond / loan; or ii. after the issue date of a green bond / loan <p>HDB will allocate at least 50% of the net proceeds to current and future expenditures.</p> </div> <p>The proposed management of net proceeds from the GFTs is confirmed by DNV to reasonably be expected to meet the criteria under the Standards, Schemes & Principles.</p>

^{2a}The latest certification standard as of this version of the Green Finance Framework is the BCA Green Mark 2021 (GM: 2021), which new buildings are required to achieve energy efficiency improvement threshold of ≥50% over 2005 baseline to attain Gold^{Plus}. More information about the BCA Green Mark 2021 can be found at <https://www1.bca.gov.sg/buildsg/sustainability/green-mark-certification-scheme/green-mark-2021>.

^{2b} The bond proceeds relating to outstanding bonds would be used to finance projects which meet the standards applicable at the time that the bonds were issued.

2. Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	DNV Findings
2a	Investment-Decision Process	<p>The Issuer of a Green Bond and Loan should outline the decision-making process it follows to determine the eligibility of projects using Green Bond and Loan proceeds. This includes, without limitation:</p> <ul style="list-style-type: none"> • The environmental 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>HDB has in place a process for which it will follow appropriate project selection and evaluation. The evaluation and selection process plays a key role in ensuring that the proceeds from the GFTs are used to finance or refinance Eligible Green Projects that meet the criteria specified under the Use of Proceeds section in the Framework.</p> <p>The Design Development Group will be responsible for identifying Eligible Green Projects and obtaining endorsement from the Deputy Chief Executive Officer (Building) for their inclusion in the Green Project Register.</p> <p>Annually, the Finance Group will present the Green Project Register—comprising projects that are eligible to be financed with GFT proceeds—to the Chief Executive Officer for review and approval. The Finance Group will also maintain oversight of the register, ensuring that the allocation of GFT proceeds remains aligned with the Framework.</p> <p>As all new public housing developments will be BCA Green Mark Certified, this ensures compliance with the minimum regulatory requirements set by government agencies under the Green Mark Standards.</p> <p>DNV confirms this process for project selection and evaluation to be well aligned with the Standards, Schemes & Principles.</p>
2b	Issuer/ Borrower’s Environmental 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 sustainability. • Provide information, if relevant, on the alignment of projects with official or market-based taxonomies, related eligibility criteria 	<p>HDB has in place a sustainability roadmap. The Designing for Life roadmap puts residents’ holistic well-being at the heart of HDB’s efforts, addressing key trends shaping the future of HDB living—such as climate change, an ageing population, and shifting social aspirations. Anchored on three pillars—Live Well, Live Green, and Live Connected—the roadmap reflects HDB’s comprehensive vision to create a better living environment, incorporating smart and sustainable features while nurturing stronger community bonds among residents.</p>

		<ul style="list-style-type: none"> • 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>Under the environmental pillar, HDB implemented the HDB Environmental Policy and pledge to:</p> <ul style="list-style-type: none"> • Comply with all applicable environmental laws, regulations, and other relevant requirements • Contribute to environmental sustainability by: <ul style="list-style-type: none"> ○ Promoting conservation of energy and efficient use of resources, amongst others ○ Considering environmental requirements in land use and procurement of goods and services ○ Practising 3R (reduce, re-use and recycle) • Continually improve HDB’s environmental performance by setting and reviewing HDB’s objectives and targets • Communicate with and educate all persons working for or on behalf of HDB, business partners, customers, and the public to achieve our environmental goals <p>Under the Social pillar, HDB focuses on maintaining the integrity of buildings and estates, promoting the well-being of residents and staff, and supporting vulnerable members of the community.</p> <p>Under the Governance pillar, HDB is committed to responsible and ethical governance to foster a positive, sustainable impact. By embedding these principles into HDB’s processes, HDB ensure transparency, accountability, and compliance with governance regulations.</p> <p>DNV confirms that HDB’s environmental, social, and governance (ESG) strategies and grouping of projects with eligibility criteria, are well aligned with the Standards, Schemes & Principles.</p>
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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 Projects. (Loan) The proceeds of Green Loans should be credited to a dedicated account or otherwise tracked by the borrower in an appropriate manner, so as to maintain transparency and promote the integrity of the product. Where a green loan takes the form of one or more tranches of a loan facility, each green tranche(s) must be clearly designated, with proceeds of the green tranche(s) credited to a separate account or tracked by the borrower in an appropriate manner. 	<p>The Framework explains the tracking procedure for the net proceeds of the GFTs.</p> <div style="border: 1px solid black; padding: 5px;"> <p>From the Framework</p> <p>The net proceeds from the GFTs, or an amount equal to the net proceeds, will be allocated exclusively to the Eligible Green Projects on a portfolio basis. As long as there are outstanding GFTs, the Finance Group will manage the Green Project Register through its internal system and periodically monitor the balance of the tracked proceeds.</p> <p>HDB will track the proceeds of the green bonds / loans and periodically adjust the balance of the tracked proceeds to match allocations to the Eligible Green Projects on a portfolio basis.</p> </div> <p>DNV confirms that the Framework outlines processes to track proceeds and allocations to the nominated projects, that are well aligned with the Standards, Schemes & Principles.</p>
3b	Tracking Procedure	So long as the Green Bonds or Loans 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>The Framework explains the relevant tracking procedure:</p> <div style="border: 1px solid black; padding: 5px;"> <p>From the Framework</p> <p>HDB will ensure the allocation of proceeds to Eligible Green Projects on a portfolio basis no later than 2 years from the date of issuance, subject to market conditions and unforeseen circumstances (e.g. construction delays).</p> </div> <p>DNV confirms that the Framework outlines processes to track proceeds and allocations to the nominated projects, that are aligned with the Standards, Schemes & Principles.</p>
3c	Temporary Holdings	Pending such investments or disbursements to eligible Green Projects, the Issuer should make known to investors the intended types of	The Framework explains the intended types of temporary investment instruments for the balance of unallocated proceeds.

		<p>temporary investment instruments for the balance of unallocated proceeds.</p>	<p>From the Framework</p> <p>Where the allocation of the proceeds is pending, such amounts will be managed as part of HDB’s cash management process which includes short-term balances which may be held by the Accountant-General’s Department (AGD) under the Government’s Centralised Liquidity Management Framework for Statutory Boards. Any unallocated proceeds will be disclosed as part of HDB’s post-issuance reporting.</p> <p>DNV confirms that the Framework outlines instruments to which unallocated proceeds will be invested, that are well aligned with the Standards, Schemes & Principles.</p>
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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 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 a large number of underlying projects limit the amount of detail that can be made available, the GBP recommend that information is presented in generic terms or on an aggregated portfolio basis (e.g. percentage allocated to certain project categories). 	<p>HDB will make available the relevant reporting for the GFTs.</p> <p>For Green Bonds, HDB will publish an annual Green Finance Report by financial year, or upon material developments, until full allocation of each green bond. The report will be independently audited and available on the HDB website.</p> <p>For Green Loans, HDB will provide an annual report to lenders, or upon material developments, until full allocation of proceeds. Reporting is considered fulfilled if the information is available in the annual report or on the HDB website.</p> <p>The reports will include allocation report and impact report.</p> <p>For allocation report, the following details will be included:</p> <ul style="list-style-type: none"> • Allocated and unallocated amount • Share of financing or re-financing of projects • List of Eligible Green Projects <p>For the impact report, HDB may include information on the environmental impact of Eligible Green Projects financed by GFT proceeds, along with the key methodologies and/or assumptions used to determine quantitative performance, where relevant and feasible.</p>

			<p>Examples of impact indicators that may be used are stated in the Framework.</p> <p>DNV confirms that the proposed reporting is consistent with the criteria set out in the Standards, Schemes & Principles.</p>
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Schedule 4. 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 the HDB Green Financing Framework has 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	Requirements	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.	The issuer is HDB, a statutory board under the Ministry of National Development ("MND") of Singapore, an ASEAN Member State.
3.2	ASEAN Green Bonds issuances must be originated from any of the ASEAN member countries.	The bonds are to be originated from Singapore, an ASEAN Member State.

4.0: Guidance for the Four Components of the GBP

4.1 Use of Proceeds

Criteria	Requirements	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.	HDB has set out the criteria for its Use of Proceeds in its Green Financing Framework. Refer to Schedule 3 for further details.
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) HDB has set out the Eligible Green Project categories in the Use of Proceeds section of the Framework. (ii) HDB has detailed the criteria for 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 Clause 1c in Schedule 3, 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.	As per Clause 1d in Schedule 3, HDB have clarified the type of investment that may be refinanced in the Framework.
4.1.5	Green Bond Categories	Eligible project categories presented by HDB are as follows: <ul style="list-style-type: none"> • Green Buildings
4.1.6	For clarification purposes, fossil fuel power generation projects are excluded from the ASEAN GBS.	Fossil fuel, fossil fuel electric power generation projects, and energy efficiency improvement projects for fossil fuel-based electric power generation are excluded from the list of Eligible Green Project categories.

4.2 Process for Project Evaluation and Selection

Criteria	Requirements	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.	HDB has communicated through their Framework: (i) the environmental objectives of the Green Financing Framework; (ii) the process for project evaluation and selection is fully and clearly described in the Framework; and (iii) Eligibility criteria have been set out in sections of “Use of Proceeds” and “Process for Project Selection and Evaluation” of the Green Financing Framework.
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.	As per Clause 2a in Schedule 3, the process for project evaluation and selection is fully and clearly described in the Framework prior to bond 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.	As per Clause 2b in Schedule 3, the information presented in the Green Financing Framework are in the context of the HDB's sustainable development strategy and policies.
4.2.4	It is recommended that the Issuer's process for project evaluation and selection be supported by an external review	HDB will engage an independent provider to provide annual external verification on the proceed allocation, which will include the process for project evaluation and selection.
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).	HDB will make publicly available on its website: (i) HDB Green Financing Framework, which includes the process for project selection and evaluation; (ii) Use of Proceeds; and (iii) This external review report

4.3 Management of Proceeds

Criteria	Requirements	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.	HDB has in its Framework, disclosed the process for managing the net proceeds from 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.	HDB has presented 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.	HDB 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.	HDB has disclosed that any unallocated proceeds will be managed as part of HDB's cash management process which includes short-term balances which may be held by the Accountant-General's Department (AGD) under the Government's Centralised Liquidity Management Framework for Statutory Boards.
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 understands that the HDB will commit to externally verifying its allocation reporting, ensuring an independent third party will provide the verification for internal tracking of the proceeds. This is to be assessed Post-Issuance at the Annual Verification stage.
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.	Refer to Clause 4.3.5.

4.4 Reporting

Criteria	Requirements	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.	HDB has confirmed that it will provide annual reporting, in the form of both allocation and impact reporting, where relevant and feasible, until full allocation of the proceeds has been made, and subsequently on needs basis.
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.	HDB 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, quantitative performance measures and disclosure of the key underlying methodology and/or assumptions used in the quantitative determination	HDB intends to provide qualitative, and where possible, quantitative impact reporting for the projects that are financed through the GFTs.

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.	HDB intends to engage an independent provider to provide annual external verification on the alignment of the allocation reporting with the Framework, until full allocation and in case of material changes.
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 annual report, covering both allocation and impact reporting, and the post-issuance verification report will be available publicly on HDB website.

5.0 External Review

Criteria	Requirements	Demonstrated Compliance
5.1	Issuers are recommended to appoint external review providers for their ASEAN Sustainable Bonds issuances	DNV has been appointed to provide a pre-issuance Second Party Opinion on HDB’s Green Financing Framework (dated 6 June 2025).
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 assurance service is for full alignment with the four components as stated in the ASEAN GBS.
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 and recognized under the ICMA for providing assurance services in line with international standards.
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 Assurance Service 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 Assurance has been conducted as an independent external review and verification against the criteria set out in the ASEAN GBS.
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 Assurance has been conducted as an independent external review and verification against the criteria set out in the ASEAN GBS.



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 group. All rights reserved.