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Independent Limited Assurance Report – Limited Assurance Services in relation to Sembcorp Industries Ltd. Green Financing Framework 2024 (the “Framework” or “GFF 2024”) for Sembcorp Financial Services Pte. Ltd.

Scope

We have been engaged by Sembcorp to perform a ‘limited assurance engagement’ as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on the pre-issuance process for Sembcorp’s Green Finance Transactions (the “Subject Matter”), as described in Sembcorp’s Green Financing Framework 2024 (the “Framework” or “GFF 2024”) as of 1 October 2024.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Framework, and accordingly, we do not express a conclusion on this information.

Subject Matter and Criteria

The Subject Matter and Criteria for this limited assurance engagement are set out in the table below:

Subject Matter	Criteria
<p>Pre-issuance process for Sembcorp’s Green Finance Transactions, as described in the Framework that sets out:</p> <ul style="list-style-type: none"> ▶ Use of proceeds ▶ Process for project evaluation and selection ▶ Management of proceeds ▶ Reporting 	<ul style="list-style-type: none"> ▶ Green Bond Principles (2021) ▶ Green Loan Principles (2023) <p>Eligibility criteria for the projects in the Framework with reference to:</p> <ul style="list-style-type: none"> ▶ Singapore-Asia Taxonomy (2023) for the following sectors: <ul style="list-style-type: none"> ▶ Onshore wind energy generation ▶ Onshore solar energy generation ▶ Hydropower ▶ Energy storage ▶ Hydrogen or its derivatives production facilities ▶ Storage of hydrogen or its derivatives ▶ Electricity generation assets from hydrogen or its derivatives ▶ Green buildings

Sembcorp's Responsibilities

Sembcorp's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY's Responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ("ISAE 3000 (Revised)"), and the terms of reference for this engagement as agreed in the signed Engagement Letter ("EL") dated 5 October 2023, as well as the addendum to the EL dated 30 May 2024. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our Independence and Quality Management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is

substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- ▶ Reviewing policies, procedures and assessing eligibility criteria established by Sembcorp in the Framework dated 1 October 2024 to assess alignment to the Green Bond Principles (2021), the Green Loan Principles (2023), and the eligibility criteria in the Singapore-Asia Taxonomy (2023).
- ▶ Virtual meetings with Sembcorp's management and relevant stakeholders (Group Centre of Excellence, Group Corporate Finance & Treasury and Group Sustainability) to understand roles and responsibilities, Sembcorp's policies and procedures, and key considerations in relation to the Framework.
- ▶ Requesting and reviewing documentation supporting information made on the Subject Matter.
- ▶ Obtaining and reviewing evidence to support key assumptions and other data.

We also performed such other procedures as we considered necessary in the circumstances.

Emphasis of matter

Observations on particular aspects of our engagement

We provide selected observations aligning to the Green Bond Principles (2021), Green Loan Principles (2023), and the eligibility criteria in the Singapore-Asia Taxonomy (2023) to enable the reader to gain an understanding on how Sembcorp's Green Finance Transactions pre-issuance process, as described in the Framework meet the Criteria. These observations are not intended to detract from our conclusion provided above.

Use of Proceeds:

- ▶ Per the Framework:
 - Sembcorp intends to use the Net Proceeds from Green Finance Transactions solely to finance or refinance, either wholly or partially, new or existing projects that fall in the Eligible Green Projects Category and meet the Eligibility Criteria.
 - All Eligible Green projects are expected to provide clear environmental benefits, which Sembcorp intends to quantify to the extent possible.
 - The Eligibility Criteria is observed to be consistent with the Singapore-Asia Taxonomy.
 - Sembcorp does not intend to use Net Proceeds for greenhouse gas intensive projects.
 - The use of proceeds of the proposed GFTs is aligned with the Green Bond Principles (2021) and Green Loan Principles (2023).
- ▶ The Green Financing Papers (“GFP”) include details on the total Net Proceeds raised, their intended use for financing or refinancing, and the allocation of Net Proceeds to each Eligible Project.

Process for Project Evaluation and Selection:

- ▶ Sembcorp has developed a Green Financing Framework, which includes the climate-related objectives of the proposed GFTs, eligibility criteria for determining eligible projects and assets, and the process for project selection and evaluation.
- ▶ Sembcorp has implemented procedures for the Group Sustainability and Group Centre of Excellence departments to review and validate projects’ environmental sustainability objectives, alignment with Sembcorp’s strategy, and adherence to the exclusion criteria, Eligible Green Projects Category and Eligibility Criteria.
- ▶ The process involves the Green Financing Committee, consisting of the Group Chief Financial Officer (Chair), Head of Group Sustainability, Head of Group Centre of Excellence and Head of Group Corporate Finance & Treasury, reviewing and approving the Eligible Green Projects.

Management of Proceeds:

- ▶ Sembcorp has implemented processes to manage and monitor the use of Net Proceeds. These include:
 - A Green Register, maintained by Group Corporate Finance & Treasury, to track the allocation and use of Net Proceeds.
 - Sembcorp intends to track the use of Net Proceeds using the Treasury Management System or market specific accounting system.
 - Sembcorp intends to temporarily invest any unallocated Net Proceeds in cash or cash equivalent e.g. fixed deposits instruments.

Reporting:

- ▶ Sembcorp plans to report on allocation, eligibility and impact annually, including the following information:
 - Net Proceeds raised or issued



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- Net Proceeds allocated
- Share of Net Proceeds used for refinancing
- List of Nominated Projects to which Net Proceeds have been allocated to and details of Nominated Projects
- Confirmation that Nominated Projects are aligned with the Eligible Green Projects and Eligibility Criteria in Table 1 of the Framework
- ▶ Where possible, qualitative or quantitative performance indicators along with methods and underlying assumptions used to derive the performance indicators for the Nominated Projects.
- ▶ Sembcorp intends to publish the Green Finance Report with annual updates, as well as the Framework, on Sembcorp's website.

External Review:

- ▶ Sembcorp has engaged Ernst & Young LLP to provide Limited Assurance for the Framework's conformance with the Criteria.
- ▶ Sembcorp intends to publish the Independent Limited Assurance Report on Sembcorp's website.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter as of 1 October 2024, in order for it to be in accordance with the Criteria.

Restricted use

This report is intended solely for the information and use of Sembcorp and its Management and is not intended to be and should not be used by anyone other than those specified parties.

Ernst & Young LLP

**Signed for Ernst & Young LLP by
Praveen Tekchandani
Partner, Climate Change and Sustainability Services
Singapore
1 October 2024**