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Independent Limited Assurance Report to Sembcorp Financial Services Pte. Ltd. ("Sembcorp")

Assurance conclusion

Based on our limited assurance procedures, as described in this statement as of 29 April 2021, nothing has come to our attention that causes us to believe that Sembcorp's Green Bond pre-issuance process does not meet the requirements of the Climate Bond Standards V3.0, in all material respects.

Scope

Ernst & Young LLP Singapore ("we" or "EY LLP Singapore") has performed a limited assurance engagement in relation to the pre-issuance of Sembcorp's Green Bond ("the Bond, or "Green Bond"), in order to provide a conclusion as to whether anything has come to our attention that causes us to believe that the subject matter detailed below ("Subject Matter") does not meet, in all material respects, the criteria as presented below, as at 29 April 2021.

Subject Matter and Criteria

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

Subject Matter	Criteria
<p>Sembcorp's Green Bond pre-issuance process, as described in Sembcorp's Green Financing Framework ("the Framework") and the relevant Green Bond documentation, 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"> ▶ Climate Bond Standard V3.0 and Climate Bond Standard Sector Eligibility Criteria for Solar Energy and Wind Energy requirements on: <ul style="list-style-type: none"> ▶ Use of Proceeds ▶ Process for Project Evaluation and Selection ▶ Management of Proceeds ▶ Reporting ▶ Respective criteria found at these links: <ul style="list-style-type: none"> ▶ Climate Bond Standard V3.0: https://www.climatebonds.net/files/files/climate-bonds-standard-v3-20191210.pdf ▶ Climate Bond Standard Sector Eligibility Criteria for Solar Energy and Wind Energy: https://www.climatebonds.net/files/files/standards/Solar/Sector%20Criteria%20-%20Solar%20v2_1.pdf https://www.climatebonds.net/files/files/Sector%20Criteria%20-%20Wind%20v1_2_28September2020.pdf

Management's Responsibilities

The management of Sembcorp ("Management") is responsible for the collection, preparation, and presentation of the Subject Matter in accordance with the criteria and for maintaining adequate records and internal controls that are designed to support the Green Bond issuance process.

Assurance Practitioner's Responsibilities

Our responsibility is to express a limited assurance opinion as to whether the Subject Matter is presented in accordance with the Criteria, in all material respects. Our assurance engagement has been planned and performed in accordance with the International Standard on Assurance Engagements 3000 (revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ("ISAE 3000").

Level of Assurance

The 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. A limited assurance engagement consists of making enquiries and applying analytical and other limited assurance procedures. Our procedures were designed to provide a limited level of assurance and as such do not provide all the evidence that would be required to provide a reasonable level of assurance.

The procedures performed depend on the assurance practitioner's judgement, including the risk of material misstatement of the specific activity data, whether due to fraud or error. While we considered the effectiveness of Sembcorp's internal controls when determining the nature and extent of our procedures, our procedures were not designed to provide assurance on internal controls. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Our Approach

We designed our procedures in order to form a conclusion as to whether we are aware of any material amendments that need to be made to the Subject Matter to be in accordance with the Climate Bond Standard V3.0 and Climate Bond Standard Sector Eligibility Criteria for Solar Energy and Wind Energy. Our assurance procedures performed included, but were not limited to:

- ▶ Reviewing and assessing policies, procedures and eligibility criteria established by Sembcorp in its Green Financing Framework to assess whether they were aligned to the requirements of the Climate Bond Standard V3.0
- ▶ Interviewing selected management and team members from Sembcorp to understand the key issues in relation to Sembcorp's Green Financing Framework and Sembcorp's policies and procedures
- ▶ Confirming eligibility of nominated project categories for inclusion in Sembcorp's Green Bond against Sembcorp's Green Financing Framework
- ▶ Requesting documentation supporting assertions made in the Subject Matter
- ▶ Obtaining and reviewing evidence to support key assumptions and other data
- ▶ Seeking management representations on key assertions.

Limitations

There are inherent limitations in performing assurance – for example, assurance engagements are based on selective testing of the information being examined – and it is possible that fraud, error, or non-compliance may occur and not be detected. There are additional inherent risks associated with assurance over non-financial information including reporting against standards that require information to be assured against source data compiled using definitions and estimation methods that are developed by the reporting entity. Finally, adherence to ISAE 3000 is subjective and will be interpreted differently by different stakeholder groups.

Our assurance was limited to Sembcorp's Green Bond pre-issuance process, as described in Sembcorp's Green Financing Framework and did not include statutory financial statements. Our assurance is limited to policies and procedures in place as of 29 April 2021, ahead of the issuance of the Green Bond.

Use of Report

Our responsibility in performing our assurance activities is to the Management of Sembcorp only and in accordance with the terms of reference for this engagement as agreed with them. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance by such third-party may place on Sembcorp's Green Bond issuance is entirely at its own risk, except for where reliance has been agreed by us and Sembcorp, as the client, by way of a reliance letter. No statement is made as to whether the criteria are appropriate for any third-party purpose.

Our Independence and Assurance Team

We have complied with the independence and other ethical requirements of the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities and Institute of Singapore Chartered Accountants Codes of Professional Conduct and Ethics. Our team has the required competencies and experience for this assurance engagement.

Observations on particular aspects of our engagement

We provide selected observations aligning to the Climate Bond Standard V3.0 and Climate Bond Standard Sector Eligibility Criteria for Solar Energy and Wind Energy core components, to enable the reader to gain an understanding on how Sembcorp's Green Bond pre-issuance process, as described in Sembcorp's Green Financing Framework meet the Criteria. These observations are not intended to detract from our conclusion provided above.

Use of Proceeds:

- ▶ Proceeds from the proposed Green Bond will be used for financing and refinancing purposes
- ▶ The use of proceeds of the proposed Green Bond aligns with the Climate Bond Standard Sector Eligibility Criteria for Solar Energy and Wind Energy
- ▶ The value of the eligible assets is based on estimated project cost, which is greater than or equal to the value of the net proceeds of Sembcorp's proposed Green Bond.

Process for Project Evaluation and Selection:

- ▶ Sembcorp has developed a Green Financing Framework that outlines the climate-related objectives of the proposed Green Bond, eligibility criteria for determining eligible projects and assets and the process for project selection and evaluation
- ▶ The process for project evaluation and selection involves the Green Financing Committee which comprises the Group Chief Financial Officer (Chair), Head of Group Sustainability and Head of Group Treasury. The responsibility of the Green Financing Committee is to ensure compliance with the Green Financing Framework and approve updates to the Framework (where necessary).

Management of Proceeds:

- ▶ Sembcorp has implemented processes to manage funds received from the proposed Green Bond and to monitor the ongoing use of proceeds. These processes include:
 - ▶ An ear-marking process through existing treasury management system to designate the proceeds received
 - ▶ A process to deploy unallocated proceeds into cash or cash equivalent instruments
 - ▶ A process to monitor allocation of proceeds and value of eligible assets through a Green Project Register.

Reporting:

- ▶ Sembcorp will report on allocation, eligibility and impact on an annual basis. The annual report will include, but is not limited to, the information relating to the following:
 - ▶ List and details of Nominated Projects to which Net Proceeds have been allocated
 - ▶ Total amount of proceeds allocated to Nominated Projects
 - ▶ Share of Net Proceeds used for financing and refinancing of Nominated Projects
 - ▶ Unallocated amount, if any, and allocations to intended types of temporary investment instruments
 - ▶ Confirmation that Nominated Projects are in conformance with the Framework and Eligibility Criteria
 - ▶ Details of environmental characteristics of the Nominated Projects as per the Eligibility Criteria
 - ▶ Qualitative and/or quantitative performance indicators for expected or actual outcomes from Nominated Projects (where possible and relevant)



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- ▶ The report, as well as Sembcorp's Green Financing Framework, will be published on Sembcorp's website (<https://www.sembcorp.com/en/>).

External Review:

- ▶ Sembcorp has engaged Ernst & Young LLP, a Climate Bond Initiative (CBI) approved verifier, to provide an Assurance Report for the Bond's conformance with pre-issuance requirements of the Climate Bond Standard
- ▶ Sembcorp has committed to continue engaging a CBI approved verifier, to provide Assurance Report for the Bond's conformance with post-issuance requirements of the Climate Bond Standard
- ▶ The Independent Assurance reports will be published on Sembcorp's website (<https://www.sembcorp.com/en/>).

Ernst & Young LLP

Signed for Ernst & Young LLP by
Simon Yeo
Partner, Climate Change and Sustainability Services
Singapore
29 April 2021