



SUSTAINABLE FINANCE FRAMEWORK

FEBRUARY 2025

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Introduction to Bayfront Infrastructure Management

About Bayfront

Bayfront Infrastructure Management Pte. Ltd. (“**Bayfront**”) was established in 2019 in connection with the **Infrastructure Take-Out Facility initiative**, which was designed and structured to help mobilise institutional capital into infrastructure debt in Asia. Bayfront is 70% owned by Clifford Capital Holdings (“**Clifford Capital**”) (rated AA+ / Aa1 / AAA by S&P / Moody’s / Fitch) and 30% owned by the Asian Infrastructure Investment Bank (“**AIIB**”). Clifford Capital’s ultimate shareholders are Temasek Holdings, Asian Development Bank, Standard Chartered Bank, Sumitomo Mitsui Banking Corporation, DBS Bank, Prudential Singapore and Manulife.



Figure 1 Bayfront's broader group

- Bayfront Infrastructure Management Pte. Ltd. is a Singapore-based platform with a mandate to address the infrastructure financing gap in Asia and the Middle East by mobilising institutional capital for project and infrastructure debt
- Established in 2019 in connection with the Infrastructure Take-Out Facility initiative sponsored by the Government of Singapore, with additional support in the form of a US\$2bn debt funding guarantee
- Part of Clifford Capital Group – a Temasek-backed infrastructure credit financing platform
- Successfully executed five public Infrastructure Asset Backed Securities (“**IABS**”) transactions so far – Bayfront Infrastructure Capital (“**BIC**”), BIC II, BIC III, BIC IV and BIC V, as well as a private placement

The IABS has been designed with a view to providing investors with exposure to a diversified portfolio of project and infrastructure debt across multiple geographies and sectors, and positioned to fulfil several strategic objectives, including:

- a) Addressing Asia-Pacific’s infrastructure financing gap by mobilising a new pool of institutional capital

- b) Unlocking additional capital for Asia-Pacific infrastructure financing through facilitating capital recycling by banks
- c) Creating a new asset class for institutional investors to access project and infrastructure debt in Asia-Pacific and the Middle East regions in a credit-enhanced structure
- d) Addressing existing market frictions that prevent large scale mobilisation of institutional capital for infrastructure financings, thereby facilitating institutional participation in the project finance asset class in a readily accessible manner

Bayfront’s business model

Bayfront acquires and warehouses infrastructure debt, as well as structures, executes and manages securitisations or other forms of distribution to institutional investors. The following are the three key pillars of the model:

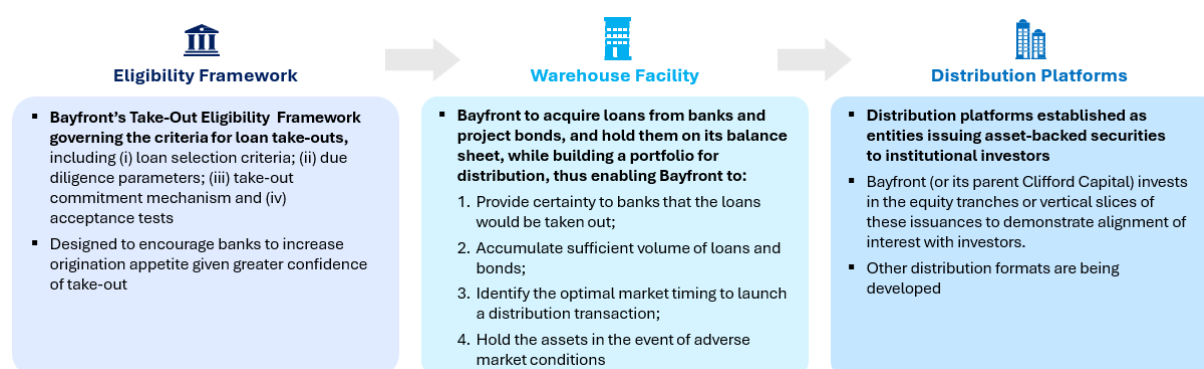


Figure 2 Bayfront’s business model

Bayfront’s sustainability focus

Bayfront is committed to contributing meaningfully to the United Nations Sustainable Development Goals (“SDGs”) through the mobilisation of institutional investment in sustainable infrastructure financing. By facilitating the recycling of capital by banks through loan take-outs, Bayfront aims to help banks and institutional investors channel additional capital into financing green and social projects.

Bayfront’s key strategic sustainability focus is twofold: (i) incorporation of Environmental, Social and Governance (“ESG”) factors into its portfolio selection criteria in compliance with Bayfront’s ESG Framework, Policies and Guidelines; and (ii) acquisition and distribution of green and social projects via our IABS programme to support sustainable development, in compliance with our Sustainable Finance Framework.

1. ESG Framework

Bayfront has developed an **ESG Framework** to effectively identify, assess and manage ESG risks associated with all of its investments. The ESG Framework is applicable globally for all of Bayfront’s investments as part of the due diligence and ongoing monitoring process. For

new acquisitions, rigorous ESG risk review is conducted before submission to the Clifford Capital Credit Committee for approval. Bayfront also has an **External Grievance Mechanism** available at its website¹.

Bayfront’s ESG Framework is made up of three key pillars to ensure comprehensive ESG assessment is undertaken across all its investments:

1. Environmental & Social (“E&S”) Framework. Bayfront’s E&S framework, which is aligned with international and multilateral standards, is utilised to assess and monitor all its loans and bonds investments. The key objectives of the E&S Framework are as follows:



The key components of Bayfront’s E&S Framework include:

- **E&S Policy:** Bayfront will evaluate the inherent E&S impacts of the underlying project financed by the loan or bond acquired and residual E&S risks, at the point of acquisition or prior to providing the commitment to the selling institution. This includes screening of the overall E&S performance of the project and its sponsors (including reputational risks), as part of an initial red flags screening.
- **E&S Categorisation:** Bayfront will categorise the projects considered into Category A, B or C based on an assessment of the project’s inherent E&S impacts, which would determine the level of assessment and review required.
- **E&S Risk Rating:** Bayfront will classify 11 different types of risk aspects² into High / Medium / Low Risk, which determines the extent of monitoring and oversight required post commitment or acquisition. Any loan or bond with a “High Risk” aspect would typically be excluded from consideration for take-out and purchase and requires exceptional approval from Bayfront’s Board of Directors.
- **Exclusion List:** Bayfront **will not** knowingly acquire loans and bonds that finance projects under its exclusion list (which includes activities related to child labour, tobacco, weapons, gambling, coal-fired power generation, coal mining, processing and transport).³

¹ <https://www.cliffordcapital.sg/sustainability>

² Under the E&S Risk Rating analysis, 11 distinct risk aspects are reviewed: (i) Regulatory Status; (ii) Assessment and Management of E&S Risks and Impacts; (iii) Involuntary Resettlement or Land Acquisition; (iv) Indigenous Peoples; (v) Biodiversity Impacts; (vi) Cultural Resource Impacts; (vii) Environmental, Health and Safety Management System; (viii) Labour and Employment Relations; (ix) Stakeholder Engagement and Disclosure; (x) Grievance Redress Mechanism; and (xi) Public Concerns and Formal Complaints

³ See Appendix

- **Sector Guides:** Additional requirements are applicable to transactions in the Oil & Gas, Metals & Mining and Hydropower sectors.
- 2. Governance Risk Assessment.** Bayfront also has in place a governance risk review process for assessing and evaluating the governance related risks of its investments. The governance risk assessment is divided into three phases:
- i) Early “red flags” screening for adverse governance related issues is conducted during the initial screening. In the event that any material “red flags” are identified, these are escalated to the Clifford Capital Credit Committee, before further due diligence is conducted on the potential loan or bond acquisition or commitment.
 - ii) During the due diligence phase, internal governance risk of the underlying borrower or sponsor is assessed and evaluated more extensively, based on available information. In the event that material governance risks are identified, these will be raised and discussed with the underlying borrower or sponsors, where practicable. However, given the nature of Bayfront’s investments where most of its loan or bond acquisitions or commitments are made in the secondary market, such direct discussion may not always be possible. If such material governance risks are found not to be sufficiently mitigated, Bayfront will not proceed further with due diligence and the loan or bond will not be acquired.
 - iii) The proposed mitigation measures (to address identified material governance risks) shall be approved by Clifford Capital Credit Committee and documented in the credit memo, along with a summary of all other findings from the governance risk assessment process.
- 3. Climate Risk Assessment.** Starting in January 2023, Bayfront has incorporated climate risk assessment into the due diligence and ongoing monitoring process for all its loan and bond investments.

Climate risk is evaluated for each loan or bond investment using three assessment tools:

- i) **Climate Risk Scorecard** that identifies, evaluates and scores the physical risks and transition risks of each asset. The key risk drivers of the climate risk scorecard comprise of:
 - a. Transition Risk
 - i. *Regulatory risk:* Investments are assessed for their exposure to policy and regulatory changes, such as carbon taxes, building energy efficiency standards and carbon footprint disclosures.
 - ii. *Technology risk:* Investments are assessed for their cost parity with renewable energy and advancements in emission abatement, and evaluated in light of the wider market response to enabling technologies.
 - iii. *Stakeholder risk:* Investments are assessed in the context of the changing trends of customers, consumers, investors, insurers,

lenders, suppliers, vendors and employees away from carbon-intensive sectors.

b. Physical Risk

- i. *Acute risk*: Investments are assessed for their exposure to increasingly severe and frequent extreme weather events, such as floods, hurricanes, droughts, wildfires, heat waves and cold waves.
 - ii. *Chronic risk*: Investments are assessed for their exposure to the increasing mean temperatures, increased variability of precipitation patterns and the rising sea levels.
- ii) **“Traffic light”** classification of assets into Green/ Amber / Red based on alignment with decarbonisation pathway
- iii) **Financed carbon emissions intensity assessment** (measured in grams of CO₂e per US\$ invested) for each asset to monitor the financed emissions intensity of Bayfront’s aggregated assets under management (“**AUMs**”), using the borrower’s disclosure (where available) or estimated using industry sub-sectors emission factors.

The aforementioned climate risk assessments are aligned with Bayfront’s climate ambition to achieve net zero financed emissions for its aggregate AUMs by 2050 and an interim target of reducing the emissions intensity of aggregate AUMs by at least 30% from YE2021 to YE2030.

2. Acquisition and distribution of green and social projects

Bayfront is increasing its focus on the inclusion of green and social projects in the portfolio through the acquisition of loans and bonds that provide clear environmental and social benefits and their eventual distribution to institutional investors via green or sustainability securities. This process is detailed and actioned upon through Bayfront’s Sustainable Finance Framework as described hereafter.

Bayfront’s Sustainable Finance Framework

Bayfront’s Sustainable Finance Framework (the “**Framework**”) demonstrates how Bayfront intends to issue green, social or sustainability notes, through securitised notes (IABS). These instruments finance the purchase of green and/or social loans and bonds that meet the eligibility criteria stated in this Framework. The issuance of green, social or sustainability notes aims to deliver positive environmental and/or social outcomes, which support Bayfront’s sustainability strategy and vision.

The Sustainable Finance Framework is developed in alignment with the below sustainable finance principles and guidelines:

- [International Capital Market Association Green Bond Principles 2021 \(with June 2022 Appendix 1\)](#)
- [International Capital Market Association Social Bond Principles 2023](#)
- [International Capital Market Association Sustainability Bond Guidelines 2021](#)
- [ASEAN Capital Markets Forum ASEAN Green Bond Standards 2018](#)
- [ASEAN Capital Markets Forum ASEAN Social Bond Standards 2018](#)
- [ASEAN Capital Markets Forum ASEAN Sustainability Bond Standards 2018](#)

Bayfront’s Sustainable Finance Framework is structured according to the following key pillars:



USE OF PROCEEDS



PROJECT EVALUATION
AND SELECTION



MANAGEMENT OF
PROCEEDS



REPORTING



EXTERNAL REVIEW

The Sustainable Finance Framework may be subsequently revised and updated as Bayfront’s sustainable financing focus evolve and/or as the sustainable finance market progresses. The updates, if not minor in nature, will be subject to the prior approval of a Second Party Opinion provider. Any future updated version of this Framework that may exist will either keep or improve the current levels of transparency and reporting disclosures.

Use of Proceeds

“**Green Eligible Assets**” and “**Social Eligible Assets**” constitute the “**Eligible Assets**”, which are loans and bonds that comply with categories and eligibility requirements listed in Table 1 and 2 below. Eligible Assets could also include general corporate purpose loans to “pure play companies”, which are defined as companies that derive over 90% of their revenues from the eligibility requirements defined below. Green Eligible Assets and Social Eligible Assets form the “**Eligible Green Asset Portfolio**” and “**Eligible Social Asset Portfolio**” respectively, which together constitute the “**Eligible Asset Portfolio**”.


The net proceeds of green, social and/or sustainability notes issued by Bayfront will be used to finance and/or refinance the Eligible Asset Portfolio (e.g. sustainability notes are notes

where the proceeds will be applied to finance or re-finance a combination of both Green Eligible Assets and Social Eligible Assets).

The eligible use of proceeds also contributes to the SDGs as listed below (this list is not exhaustive given the interconnectedness of the SDGs).


The eligibility of all outstanding Green Eligible Assets or Social Eligible Assets will be assessed by Bayfront at least annually based on the eligibility criteria stated in this Framework. Any Green Eligible Assets or Social Eligible Assets that no longer satisfy their respective eligibility criteria will be declassified as such and excluded from the Eligible Green Portfolio or Eligible Social Portfolio (as the case may be).

Table 1 Eligible Green Assets



Green Eligible Category	Description of Green Eligible Assets	Contribution to the SDGs
Renewable energy	<p>Loans and bonds to renewable energy projects such as:</p> <ul style="list-style-type: none"> ▪ Solar photovoltaics or concentrated solar power ▪ Wind power ▪ Geothermal⁴ ▪ Hydropower⁵ ▪ Green hydrogen (production of hydrogen by electrolysis that is fully powered by the above-mentioned renewable energy sources or with a lifecycle GHG emissions intensity at or below 3kgCO₂e/kgH₂) ▪ Green ammonia with hydrogen as its feedstock (meeting the Green hydrogen criteria) or ammonia which is recovered from wastewater. CO₂ from ammonia production should not be used for urea production ▪ Bioenergy production and power generation with lifecycle GHG emissions intensity lower than 	


⁴ Indicative CO₂ emissions: direct carbon emissions of the power plant < 100g CO₂e/kWh

⁵ Indicative CO₂ emissions: meeting one of the following criteria: (i) Small-scale (< 25 MW) or run-of-river (with low storage capacity), (ii) Life-cycle carbon emissions < 100g CO₂e/kWh, (iii) Power density is greater than 5W/m² as referenced by the [OECD](#)






Green Eligible Category	Description of Green Eligible Assets	Contribution to the SDGs
	<p>100gCO₂e/kWh, generated from waste sources that do not compete with food production and do not deplete existing terrestrial carbon pools (e.g. qualifying agricultural residues or forestry residues)⁶</p> <ul style="list-style-type: none"> ▪ Transmission and distribution infrastructure dedicated to a direct connection or an expansion of connection between power plants or newly connected generation capacity, supporting at least 90 per cent renewable electricity ▪ Electricity storage systems, which may be stored in the form of mechanical energy, thermal energy, pumped hydropower or electrochemical method ▪ Offshore support vessels dedicated only to the installation and maintenance of offshore wind facilities such as wind turbines 	
<p>Clean transportation</p>	<p>Loans and bonds to clean transportation projects such as:</p> <ul style="list-style-type: none"> ▪ Light rail (passenger or freight), tram, metro, electric/hybrid bus rapid transit and other public transportation systems ▪ Zero direct emissions, electric, hybrid or hydrogen trains or passenger vehicles (including buses) ▪ Charging networks or stations for electric vehicles ▪ Cycleways and other forms of bicycle infrastructure ▪ Pedestrian thoroughfares and other transportation infrastructure that encourages modal shifts that reduce harmful emissions 	

⁶ Such biofuel projects must have biodiversity safeguards built in and should not involve the burning of peat

Green Eligible Category	Description of Green Eligible Assets	Contribution to the SDGs
<p>Pollution prevention and control</p>	<p>Loans and bonds to pollution prevention and control projects such as:</p> <ul style="list-style-type: none"> ▪ Waste to energy (with sorting of recyclable materials prior to incineration and bottom ash recovery with at least 75% recovery of metal from ash) ▪ Collection and transport of non-hazardous waste for preparation for reuse or recycling operations, where the non-hazardous waste is segregated. Includes waste collection containers, transfer stations, transportation vehicles and other related infrastructure. Vehicles used in transportation to have zero direct CO₂ emissions ▪ Anaerobic digestion or co-digestion of bio-waste. The biowaste that is composted is source segregated and collected separately. Processes should be put in place to minimize methane leakage. The produced digestate should be used as a fertiliser and soil improver ▪ Waste recycling facilities <p>Loans and bonds to low carbon steel projects with the following characteristics:</p> <ul style="list-style-type: none"> ▪ Hydrogen-based Direct Reduced Iron (“DRI”) facilities meeting criteria of Green hydrogen above ▪ Electric Arc Furnace (“EAF”) with at least 70% of total annual inputs sourced from combined scrap and Hydrogen-based DRI above 	 

Green Eligible Category	Description of Green Eligible Assets	Contribution to the SDGs
Sustainable water and wastewater management	<p>Loans and bonds to sustainable water and wastewater management projects such as:</p> <ul style="list-style-type: none"> ▪ Desalination plants powered by energy with an average carbon intensity at or below 100gCO₂e/kWh over the residual asset life and based on reverse osmosis technology ⁷ ▪ Water abstraction and treatment systems where the net average energy consumption for abstraction and treatment equals to or is lower than 0.5kWh/m³ of water produced for supply ▪ Water distribution networks where the distribution loss is less than 10% for the segment of the network ▪ Water treatment plants that improve water quality and improves the sustainable management of water resources ▪ Wastewater treatment plants aimed at reducing pollution, including sewer networks, sewage and sludge treatment facilities ▪ Projects that increase water-use efficiency such as digital water metering, smart control centres, leakage prevention ▪ Drought-resistant crops and water-efficient irrigation systems 	

⁷ Eligible loans under this sub-category will be classified as an Eligible Green Asset and will not be assessed as an Eligible Social Asset under the Social Eligible category “Affordable Basic Infrastructure” indicated below.

Green Eligible Category	Description of Green Eligible Assets	Contribution to the SDGs
Energy efficiency	<p>Loans and bonds to projects with the following characteristics:</p> <ul style="list-style-type: none"> ▪ Data centres with design or average annual operating Power Usage Effectiveness (“PUE”) ≤1.4 ▪ Smart metering 	 
Environmentally sustainable management of living natural resources and land use	<p>Loans and bonds to environmentally sustainable forestry, including afforestation, reforestation and rehabilitation of degraded forests, that are:</p> <ul style="list-style-type: none"> ▪ Certified under eligible third-party schemes such as Forest Stewardship Council (“FSC”) and Programme for the Endorsement of Forest Certification (“PEFC”), or ▪ Approved by the local authorities, such as through registration under national emissions trading schemes (“ETS”), and meet minimum national environmental standards or regulations for forestry 	
Green buildings	<p>Loans and bonds to green buildings with regional, national or internationally recognised standards or certifications for environmental performance, such as:</p> <ul style="list-style-type: none"> ▪ Leadership in Energy and Environmental Design (“LEED”) – Gold and above ▪ Excellence in Design for Greater Efficiencies (“EDGE”) – Only able to be used in developing countries⁸ ▪ Living Building Challenge Certified 	 

⁸ Developing countries refer to those listed under “Emerging Market and Developing Economies” as defined by International Monetary Fund’s World Economic Outlook Database – <https://www.imf.org/en/Publications/WEO/weo-database/2023/April/groups-and-aggregates>







Green Eligible Category	Description of Green Eligible Assets	Contribution to the SDGs
Climate change adaptation	<p>Loans and bonds to projects that make infrastructure more resilient to impacts of climate change, such as:</p> <ul style="list-style-type: none"> Climate observation and early warning systems for natural disasters Development of flood control systems 	

Table 2 Eligible Social Assets

Social Eligible Category	Description of Social Eligible Assets	Contribution to the SDGs
Affordable basic infrastructure	<p>Loans and bonds to infrastructure projects such as:</p> <ul style="list-style-type: none"> Water desalination plants, including desalination and/or water treatment components of independent water and power plants, based in high water stress regions (e.g. low rainfall levels) or providing water to underserved populations Electric power transmission and distribution assets aimed at providing power to areas to access electricity for the first time or significantly increase the electrification rate Roads, rails, ports that increase access for populations based in rural/remote areas in countries eligible to receive official development assistance (“ODA”) per OECD⁹ Telecommunication projects including internet coverage, 5G mobile network infrastructure and mobile phone usage to increase connectivity in rural/remote areas or countries eligible to receive ODA per OECD 	 

⁹ <https://www.oecd.org/en/topics/sub-issues/oda-eligibility-and-conditions/dac-list-of-oda-recipients.html>

Social Eligible Category	Description of Social Eligible Assets	Contribution to the SDGs
	<ul style="list-style-type: none"> Hygiene infrastructure, providing clean water and sanitation facilities to populations lacking access to such facilities 	
Access to essential services	<p>Loans and bonds to infrastructure projects such as:</p> <ul style="list-style-type: none"> Schools, vocational and education centres (including student accommodation for such institutions) that expand access to affordable education and/or target minority inclusion in education (and expand access to affordable student accommodation) Hospitals, clinics, healthcare centres and elderly care homes that expand the provision of public, non-profit and/or subsidised health services Infrastructure and equipment for the provision of emergency medical response and disease control services 	 
Food security and sustainable food systems	<p>Loans and bonds to infrastructure projects such as:</p> <ul style="list-style-type: none"> Access to adequate food and meeting nutrition needs, including investment in infrastructure and facilities (e.g., warehouse) to provide adequate storage, improve food conservation or connectivity in the food chain to reduce food losses Increasing agricultural productivity and resilient agricultural practices that support smallholder farmers 	

For clarification purposes, the net proceeds raised by green, social and/or sustainability notes will not be used to finance any loans to coal related projects (whether coal-fired power generation, coal mining, processing or transport). Other applicable exclusionary criteria are outlined in the Appendix.

Project Evaluation and Selection

The Clifford Capital Credit Committee ("**Credit Committee**") shall evaluate and select Eligible Assets. The Credit Committee comprises the following members as of the date of this Framework:

- Group Chief Executive Officer
- Bayfront Chief Executive Officer / Group Head of Markets and Investor Services
- Clifford Capital Pte. Ltd. Chief Executive Officer / Group Head of Client Coverage Group
- Chief Risk Officer

To ensure proceeds are allocated in accordance with the Sustainable Finance Framework, the Credit Committee will assess the green and/or social eligibility of the loans pooled for each green, social and/or sustainability note issuance based on the categories stated above and track investments in Eligible Assets. The underlying data and information relating to each loan is provided by the selling bank, which is then further ascertained by Bayfront.

Prior to any acquisition or commitment, all loans are thoroughly screened against Bayfront's ESG Framework (see prior section under "Bayfront's sustainability focus").

The above selection process results in a total Eligible Asset Portfolio that will exceed the final transaction size of Bayfront's green, social and/or sustainability notes (as the case may be). The proceeds of a transaction will be used to finance/refinance the Eligible Asset Portfolio (or a portion of it) that meet the eligibility criteria set out in this Framework.

Management of Proceeds

a) Tracking of proceeds

The green, social and sustainability note proceeds will be managed by Bayfront utilising a portfolio approach. Bayfront intends to allocate Eligible Assets to the Eligible Asset Portfolio accordingly, selected in accordance with the use of proceeds criteria and evaluation and selection process presented above.

The net proceeds from green, social and/or sustainability notes issued under this Framework will be deposited in the general accounts. Bayfront will aim to achieve and maintain, on a best efforts basis, a level of allocation for the Eligible Asset Portfolio that matches or exceeds the balance of net proceeds from its outstanding green, social and/or sustainability notes. Eligible Assets will be added, or removed, from Bayfront's Eligible Asset Portfolio to the extent required.

To prevent double counting, Bayfront will ensure that any Eligible Assets (especially those with more than one affiliation with the Use of Proceeds category) will not be listed more than once in the Eligible Asset Portfolio.

b) Allocation of proceeds

Bayfront will demonstrate that the net proceeds of the green, social and/or sustainability notes issued by Bayfront have been allocated to Eligible Assets within twelve months of the issuance date. This will be validated by way of quarterly internal reporting.

c) Use of unallocated proceeds

Pending the allocation of the net proceeds of green, social and/or sustainability notes to the Eligible Asset Portfolio, all or a portion of the net proceeds may be used for the payment of outstanding indebtedness or other capital management activities that do not fall within the exclusionary criteria outlined in the Appendix and exclude temporary investment in fossil fuel projects and greenhouse gas (“GHG”) intensive activities.

Reporting

Bayfront will report on the allocation of net proceeds and associated impact, and as necessary in the event of material changes at least annually until full allocation. This report will be made available on [Clifford Capital's website](#). Bayfront intends to align, on a best-efforts basis, the impact reporting with the portfolio approach described in “Handbook – Harmonized Framework for Impact Reporting (June 2024)”¹⁰.

Allocation reporting

The allocation report may provide:

- The total amount of proceeds allocated to Eligible Assets
- The number of Eligible Assets
- The balance of unallocated proceeds
- The amount or the percentage of new financing and refinancing

Impact reporting

The impact reporting may provide, where feasible, metrics regarding the green or social loans’ environmental and social impacts, as described below:

Table 3 Examples of green impact reporting indicators

Green Eligible Category	Examples of green impact reporting indicators
Renewable energy	<ul style="list-style-type: none">▪ Installed Capacity of renewable energy (MW)▪ Annual renewable energy generation (MWh/GWh for electricity and GJ/TJ for other energy)

¹⁰ Handbook - Harmonized Framework for Impact Reporting: <https://www.icmagroup.org/sustainable-finance/impact-reporting/green-projects/>
Handbook – Harmonized Framework for Impact Reporting for Social Bonds: <https://www.icmagroup.org/sustainable-finance/impact-reporting/social-projects/>

Green Eligible Category	Examples of green impact reporting indicators
	<ul style="list-style-type: none"> ▪ Estimated annual GHG emissions avoided (in tCO₂ or tCO_{2e}) ▪ Additional capacity of renewable energy plant(s) to be served by transmission systems (MW)
Clean transportation	<ul style="list-style-type: none"> ▪ Annual GHG emissions reduced/avoided in tCO_{2e} p.a. ▪ Total in kilometers of new or improved train lines ▪ Passengers and/or passenger kilometres served by public transport ▪ Amount of infrastructure built (e.g. length of rail, walking and cycling path networks in km, number of charging infrastructure for EVs)
Pollution prevention and control	<ul style="list-style-type: none"> ▪ Amount of waste diverted from landfill (tonnes) ▪ Amount of waste recycled (tonnes) ▪ Annual energy recovered from waste and sludge incineration in MWh/GWh (electricity) and GJ/TJ (other energy) ▪ Annual recovery of Bottom Ash in tonnes
Sustainable water and wastewater management	<ul style="list-style-type: none"> ▪ Annual reduction in water use in % ▪ Annual absolute amount of water and wastewater treated, reused or avoided before and after the project (in m³ and/or %) ▪ Reduction in system distribution losses in % ▪ Specific energy consumption in kWh/m³ of water produced for supply ▪ Specific energy consumption in kWh/m³ of wastewater treated
Energy efficiency	<ul style="list-style-type: none"> ▪ Annual Power Usage Effectiveness (PUE) ▪ Annual Water Usage Effectiveness (WUE) ▪ Annual energy savings in MWh/GWh (electricity) and GJ/TJ (other energy savings)
Environmentally sustainable management of living natural resources and land use	<ul style="list-style-type: none"> ▪ Increase of area under sustainable forest management or afforested (ha) ▪ Annual GHG emissions avoided and/or sequestered (tCO_{2e} p.a) ▪ Annual verified emissions units generated
Green buildings	<ul style="list-style-type: none"> ▪ Type of scheme, certification level (including certified GFA)

Green Eligible Category	Examples of green impact reporting indicators
	<ul style="list-style-type: none"> ▪ Energy efficiency gains in MWh or % versus baseline/building code ▪ Annual GHG emissions reduced/avoided in tCO₂e p.a.
Climate change adaptation	<ul style="list-style-type: none"> ▪ Area protected from flooding by coastal protection measures in km² ▪ Length of coastal flood defences developed or upgraded ▪ Length of drainage infrastructure developed or upgraded ▪ Number of people and/or enterprises (e.g. companies or farms) benefitting from measures to mitigate the consequences of floods and droughts ▪ Additional water availability and/or increased water catchment in m³/year

Table 4 Examples of social impact reporting indicators

Social Eligible Category	Examples of social impact reporting indicators
Affordable basic infrastructure	<ul style="list-style-type: none"> ▪ Number of people with access to clean water ▪ Number of roads, rails, ports, built to increase access to rural/remote populations ▪ Increase in electrification rates ▪ % of underserved population connected to mobile coverage/internet as a result of infrastructure financed
Access to essential services	<ul style="list-style-type: none"> ▪ Number of people with access to healthcare or education (including student accommodation) ▪ Number of health care (including elderly care) or education facilities financed
Food security and sustainable food systems	<ul style="list-style-type: none"> ▪ Number of people provided with access to affordable, safe, nutritious, and sufficient food ▪ Hectares of land cultivated for which use has improved, i.e. replanted ▪ Number of people benefitting from agricultural projects and using improved farming technology

Bayfront may rely on external consultant and their data sources for impact reporting.

External review

Second Party Opinion (pre-issuance)

The Sustainable Finance Framework has been reviewed by DNV GL who has issued a Second Party Opinion. The Sustainable Finance Framework and Second Party Opinion will be published on [Clifford Capital's website](#).

Verification (pre-issuance)

Bayfront may seek a limited assurance report from an external auditor for the green, social or sustainability notes including description and breakdown of Eligible Assets financed through the notes and their alignment with the Framework.

Verification (post-issuance)

Bayfront may request on an annual basis, starting one year after issuance and full allocation, a limited assurance report of the allocation of the green, social and/or sustainability notes proceeds to Eligible Assets, provided by an external auditor.

Appendix – Bayfront’s E&S Exclusion List

Bayfront will not knowingly acquire loans that finance projects involving any of the following:

- I. Forced labour¹¹ or harmful or exploitative forms of child labour¹²;
- II. The production of, or trade in, any product or activity deemed illegal under national laws or regulations of the country in which the Project is located, or international conventions and agreements, or subject to international phase out or bans, such as:
 - Production of, or trade in, products containing polychlorinated biphenyl (“PCBs”)¹³
 - Production of, or trade in, pharmaceuticals, pesticides/herbicides and other hazardous substances subject to international phase outs or bans (Rotterdam Convention, Stockholm Convention)¹⁴
 - Production of, or trade in, ozone depleting substances subject to international phase out (Montreal Protocol)¹⁵
- III. Trade in wildlife or production of, or trade in, wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)¹⁶
- IV. Trans-boundary movements of waste prohibited under international law (Basel Convention)¹⁷
- V. Production of, or trade in, weapons and munitions, including paramilitary materials

¹¹ Forced labor means any work or service not voluntarily performed that is exacted from an individual under threat of force or penalty (including any kind of forced or compulsory labor, such as indentured labor, bonded labor or similar labor-contracting arrangements, or labor by trafficked persons).

¹² For purposes of this List, harmful or exploitative forms of child labor means the employment of children under the age of 18 for work which by its nature or the circumstances in which it is carried out is likely to jeopardize their health, safety or morals. However, if the laws or regulations of the country in which the Project is located provide, in conformity with the International Labour Organization’s Minimum Age Convention, 1973, that children at least 16 years of age may be employed for such work on condition that their health, safety and morals are fully protected and that they have received adequate specific instruction or vocational training in the relevant branch of activity, then child labor means employment of children for work that does not comply with these laws and regulations.

¹³ PCBs: Polychlorinated biphenyls are a group of highly toxic chemicals. PCBs are likely to be found in oil-filled electrical transformers, capacitors and switchgear dating from 1950 to 1985.

¹⁴ United Nations Consolidated List of Products whose Consumption and/or Sale have been Banned, Withdrawn, Severely Restricted or not Approved by Governments; Convention on the Prior Informed Consent Procedures for Certain Hazardous Chemicals and Pesticides in International Trade (Rotterdam Convention); Stockholm Convention on Persistent Organic Pollutants; World Health Organization Recommended Classification of Pesticides by Hazard. A list of pharmaceutical products subject to phase outs or bans is available at <http://www.who.int>. A list of pesticides, herbicides and other hazardous substances subject to phase outs or bans is available at <http://www.pic.int>

¹⁵ Ozone Depleting Substances (ODSs): Chemical compounds which react with and deplete stratospheric ozone, resulting in the widely publicized “ozone holes.” The Montreal Protocol on Substances that Deplete the Ozone Layer lists ODSs and their target reduction and phase out dates. A list of the chemical compounds regulated by the Montreal Protocol, which includes aerosols, refrigerants, foam blowing agents, solvents and fire protection agents, together with details of signatory countries and phase out target dates, is available from the United Nations Environment Programme, <http://www.unep.org/ozone/montreal.shtml>.

¹⁶ The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). A list of CITES listed species is available from the CITES secretariat, <http://www.cites.org>.

¹⁷ Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, see <http://www.basel.int>.

- VI. Production of, or trade in, alcoholic beverages, excluding beer and wine¹⁸
- VII. Production of, or trade in, tobacco¹⁹
- VIII. Gambling, casinos and equivalent enterprises²⁰
- IX. Production of, trade in, or use of unbonded asbestos fibers²¹
- X. Activities prohibited by legislation of the country in which the Project is located or by international conventions relating to the protection of biodiversity resources or cultural resources, such as, Bonn Convention, Ramsar Convention, World Heritage Convention and Convention on Biological Diversity²²
- XI. Commercial logging operations or purchase of logging equipment for use in primary tropical moist forests or old-growth forests
- XII. Production or trade in wood or other forestry products other than from sustainably managed forests
- XIII. Marine and coastal fishing practices, such as large-scale pelagic drift net fishing and fine mesh net fishing, harmful to vulnerable and protected species in large numbers and damaging to marine biodiversity and habitats
- XIV. Shipment of oil or other hazardous substances in tankers that do not comply with IMO requirements (IMO, MARPOL, SOLAS and Paris MOU)²³
- XV. Coal fired power generation, including the construction, expansion and refurbishment of the power generation facilities
- XVI. Coal mining, processing and transport

¹⁸ This does not apply to Clients who are not substantially involved in these activities. Not substantially involved means that the activity concerned is ancillary to the entity's primary operations.

¹⁹ This does not apply to Clients who are not substantially involved in these activities. Not substantially involved means that the activity concerned is ancillary to the entity's primary operations.

²⁰ This does not apply to Clients who are not substantially involved in these activities. Not substantially involved means that the activity concerned is ancillary to the entity's primary operations.

²¹ This does not apply to the purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20 percent.

²² Convention on the Conservation of Migratory Species of Wild Animals (Bonn Convention) - <http://www.cms.int/>; Convention on Wetlands of International Importance, especially as Waterfowl Habitat (Ramsar Convention) - <http://www.ramsar.org/>; Convention Concerning the Protection of the World Cultural and Natural Heritage <http://whc.unesco.org/en/conventiontext/>; Convention on Biological Diversity - <https://www.cbd.int/>.

²³ Non-compliance with International Maritime Organisation (IMO) requirements: tankers that do not have all required International Convention for the Prevention of Pollution from Ships (MARPOL) or International Convention for the Safety of Life at Sea (SOLAS) certificates (including, without limitation, International Safety Management Code compliance), tankers banned by the Paris Memorandum of Understanding on Port State Control (Paris MOU), and tankers due for phase out under MARPOL regulation 13G. No single hull tanker over 25 years old should be used.
<http://www.imo.org/About/Conventions/ListOfConventions/Pages/International-Convention-for-the-Prevention-of-Pollution-from-Ships-%28MARPOL%29.aspx>.