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## Independent Limited Assurance Report to SMRT Capital Pte Ltd (“SMRT”)

### Assurance conclusion

Based on our limited assurance procedures, as described in this statement as of 20 November 2020, nothing has come to our attention that causes us to believe that SMRT Group Sustainability Bond Framework and relevant pre-issuance processes do not meet the requirements of the Green Bond Principles (June 2018), Social Bond Principles (June 2020) and Sustainability Bond Guidelines (June 2018), in all material aspects.

### Scope

Ernst & Young LLP Singapore (“we” or “EY LLP Singapore”) have performed a limited assurance engagement in relation to the pre-issuance of SMRT’s Sustainability Bond (“the Bond, or “Sustainability 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 20 November 2020.

### 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>SMRT Group Sustainability Bond Framework, and relevant pre-issuance processes described, that sets out:</p> <ul style="list-style-type: none"> <li>▶ Policies and procedures relating to the proposed use of proceeds, process for project evaluation and selection, and the management of proceeds from SMRT Group Sustainability Bond Framework</li> <li>▶ Procedures for reporting on the use of proceeds and eligible investments associated with the Sustainability Bond</li> </ul>	<ul style="list-style-type: none"> <li>▶ Green Bond Principles (June 2018) (“GBP”), Social Bond Principles (June 2020) (“SBP”) and Sustainability Bond Guidelines (June 2018) (“SBG”) requirements on:               <ul style="list-style-type: none"> <li>▶ Use of Proceeds</li> <li>▶ Process for Project Evaluation and Selection</li> <li>▶ Management of Proceeds</li> <li>▶ Reporting</li> </ul> </li> <li>▶ Respective criteria found at these links:               <ul style="list-style-type: none"> <li>▶ GBP: <a href="https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/Green-Bonds-Principles-June-2018-270520.pdf">https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/Green-Bonds-Principles-June-2018-270520.pdf</a></li> <li>▶ SBP: <a href="https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2020/Social-Bond-PrinciplesJune-2020-090620.pdf">https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2020/Social-Bond-PrinciplesJune-2020-090620.pdf</a></li> <li>▶ SBG: <a href="https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/Sustainability-Bonds-Guidelines-June-2018-270520.pdf">https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/Sustainability-Bonds-Guidelines-June-2018-270520.pdf</a></li> </ul> </li> </ul>



### Management's Responsibilities

The management of SMRT ("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 Sustainability 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 SMRT'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 opinion.

### Our Approach

Our limited assurance engagement was limited to the Subject Matter set out above and did not include statutory financial statements of SMRT. 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 GBP, SBP and SBG. Our assurance procedures performed included, but were not limited to:

- ▶ Reviewing SMRT Group Sustainability Bond Framework to understand the policies, procedures and criteria
- ▶ Confirming eligibility of nominated project categories for inclusion in SMRT Group Sustainability Bond Framework against the GBP, SBP and SBG
- ▶ Reviewing policies and procedures established by SMRT for project evaluation and selection, management of proceeds, information disclosure and reporting for SMRT's proposed Sustainability Bond issuance
- ▶ Interviewing selected management and team members from SMRT to understand the key issues in relation to the SMRT Group Sustainability Bond Framework and SMRT's policies and procedures
- ▶ Confirming internal systems and processes were functioning as indicated and obtaining supporting evidence
- ▶ Obtaining and reviewing evidence to support key assumptions and other data
- ▶ Seeking management representations from SMRT 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, GBP, SBP and SBG is subjective and will be interpreted differently by different stakeholder groups.

Our assurance was limited to the SMRT Group Sustainability Bond Framework and did not include statutory financial statements. Our assurance is limited to policies and procedures in place as of 20 November 2020, ahead of the issuance of the Sustainability Bond.

### Use of Report

Our responsibility in performing our assurance activities is to SMRT 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 SMRT's Sustainability Bond issuance is entirely at its own risk, except for where reliance has been agreed by us and SMRT, 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 GBP, SBP and SBG core components, to enable the reader to gain an understanding on how SMRT Group Sustainability Bond Framework and relevant pre-issuance processes meet the Criteria. These observations are not intended to detract from our conclusion provided above.

#### Use of Proceeds:

- ▶ Proceeds from the proposed Sustainability Bond will be used for financing and refinancing purposes
- ▶ The use of proceeds of the proposed Sustainability Bond aligns with the GBP and SBP's indicative list of project categories. Specifically, SMRT Group Sustainability Bond Framework's eligible project categories are "low carbon transportation", "pollution prevention and control", "energy efficiency", "renewable energy", "water efficiency", and "affordable basic transport infrastructure"

#### Process for Project Evaluation and Selection:

- ▶ SMRT has developed a SMRT Group Sustainability Bond Framework that outlines the environmental and social objectives of the proposed Sustainability Bond, eligibility criteria for determining green and social projects and the process for project selection and evaluation
- ▶ The process for project evaluation and selection involves the Sustainability Bond Committee ("SBC"), which also oversees the implementation of SMRT Group Sustainability Bond Framework and proposed Sustainability Bond

#### Management of Proceeds:

- ▶ SMRT has implemented processes to manage funds received from the proposed Sustainability Bond and to monitor the ongoing use of proceeds. These processes include:
  - ▶ An ear-marking process to designate the proceeds received to eligible projects
  - ▶ Monitoring allocation of proceeds through a Sustainability Bond Register ("Register")
  - ▶ A process for deploying any unallocated proceeds in accordance to SMRT's approved Cash Investment Policy

#### Reporting:

- ▶ SMRT will prepare a Progress Report on the Sustainability Bond on an annual basis that will include allocation and impact reporting. The Progress Report will include information relating to the following:
  - ▶ Amount of allocated proceeds by eligible categories
  - ▶ Brief description of eligible projects
  - ▶ Amount of allocated proceeds for financing and refinancing
  - ▶ Remaining balance of unallocated proceeds at the end of the reporting period, if any.
  - ▶ Environmental and social impact of eligible projects, where relevant and applicable
- ▶ The Progress Report, as well as SMRT Group Sustainability Bond Framework, will be published on SMRT's website ([www.smrt.com.sg](http://www.smrt.com.sg))

**External Review:**

- ▶ SMRT has committed to seeking independent post-issuance assurance on an annual basis. This annual review will commence a year from issuance date of its first Sustainability Bond.
- ▶ The Independent Assurance reports will be published on SMRT's website ([www.smrt.com.sg](http://www.smrt.com.sg))

**Ernst & Young LLP**

A handwritten signature in blue ink, appearing to read 'Simon Yeo', is written over a faint, light blue grid background.

**Signed for Ernst & Young LLP by  
Simon Yeo  
Partner, Climate Change and Sustainability Services  
Singapore  
20 November 2020**