

**ASSESSMENT**

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**Contacts**

**MJ Park**  
Associate Lead Analyst-Sustainable Finance  
mj.park@moodys.com

**Alfred Hui**  
Sustainable Finance Analyst  
alfred.hui@moodys.com

**Hanna Koo**  
Sustainable Finance Associate  
hanna.koo@moodys.com

**Amaya London**  
AVP-Sustainable Finance  
amaya.london@moodys.com

**Adriana Cruz Felix**  
VP-Sustainable Finance  
adriana.cruzfelix@moodys.com

**Jeffrey Lee**  
VP-Sustainable Finance  
sukjoonjeffrey.lee@moodys.com

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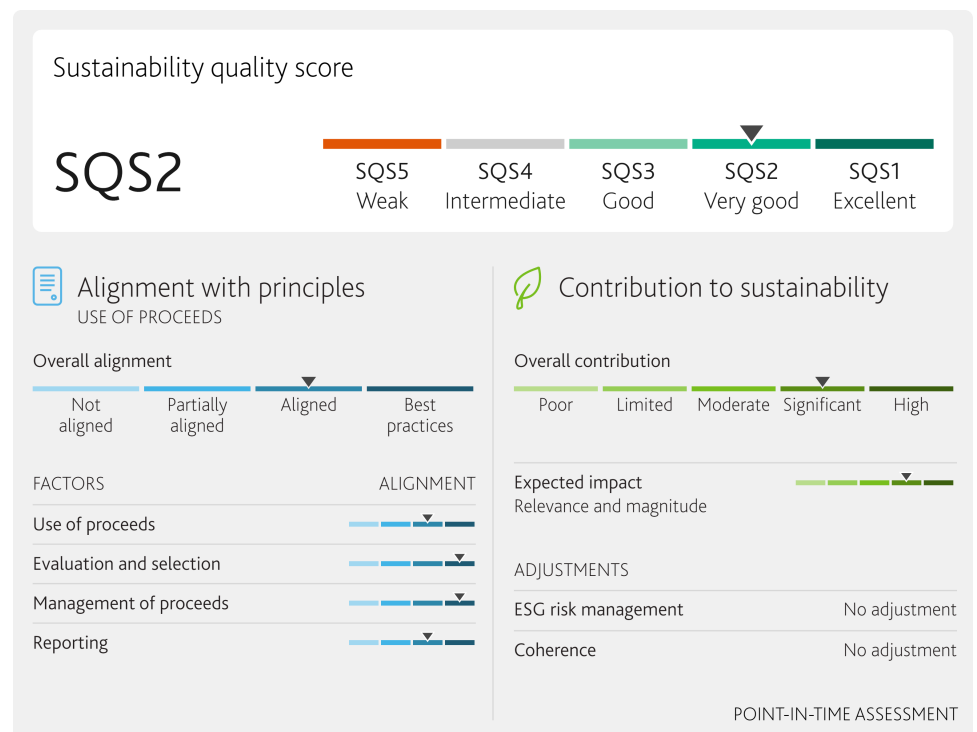
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# JSC Bank for Investment & Development of Vietnam (BIDV)

Second Party Opinion – Sustainability Bond Framework  
Assigned SQS2 Sustainability Quality Score

**Summary**

We have assigned an SQS2 Sustainability Quality Score (Very Good) to JSC Bank for Investment & Development of Vietnam's (BIDV) sustainability bond framework dated August 2024. BIDV has established its use-of-proceeds framework to finance 11 eligible green categories and 4 eligible social categories. BIDV has described the main characteristics of the sustainability bonds within a formalized framework that covers the four core components of the International Capital Market Association's (ICMA) Green Bond Principles (GBP) 2021 (including the June 2022 Appendix 1), Social Bond Principles (SBP) 2023 and Sustainability Bond Guidelines 2021. The framework also demonstrates a significant contribution to sustainability.



## Scope

We have provided a Second Party Opinion (SPO) on the sustainability credentials of BIDV's sustainability bond framework, including the framework's alignment with the ICMA's GBP 2021 (including the June 2022 Appendix 1), Social Bond Principles (SBP) 2023 and Sustainability Bond Guidelines 2021. Under its framework, the bank plans to issue use-of-proceeds sustainability bonds, with the aim of financing projects comprising eleven green categories and four social categories as outlined in Appendix 2 of this report.

Our assessment is based on the last updated version of BIDV's sustainability bond framework as of August 2024, and our opinion reflects our point-in-time assessment<sup>1</sup> of the details contained in this version of the framework, as well as other public and non-public information provided by the company.

We produced this SPO based on our [Framework to Provide Second Party Opinions on Sustainable Debt](#), published in October 2022.

## Issuer profile

JSC Bank for Investment & Development of Vietnam (BIDV) is one of Vietnam's state-owned banks, with a market share of around 14% in system loans and 14% in system deposits as of the end of 2023. As a diversified bank, it provides a range of banking and other financial products and services to retail, small and medium-sized enterprises (SMEs), and corporate clients, including government entities.

As of the end of 2023, BIDV's largest shareholder was the Vietnamese government, which owned 81% of the bank's total share capital through the State Bank of Vietnam (SBV), followed by the Korea-based KEB Hana Bank, which owned 15%.

BIDV has a dominant franchise and an extensive branch network in Vietnam, comprising 189 domestic branches and 895 domestic transaction offices as of the end of 2023.

## Strengths

- » The majority of eligible green and social projects address highly relevant sustainability challenges in Vietnam and the issuer.
- » Selection and evaluation process is clearly defined and structured, including appropriate monitoring process.
- » The allocation period is short, not more than 24 months, in line with market practice.
- » Commitment to obtain an independent audit of the tracking and allocation of funds at least until full allocation and in case of material changes.

## Challenges

- » Some categories lack technical thresholds or details on specific assets to be financed, such as the sustainable water management, waste treatment and pollution prevention, and natural environment protection categories, among others.
- » Financing of airport construction under the affordable basic infrastructure category can lead to significant negative environmental externalities and does not necessarily provide access to affordable transportation infrastructure and essential services for the most vulnerable populations.
- » No commitment to commission an independent impact assessment on environmental and social benefits by a qualified third-party reviewer until full allocation.

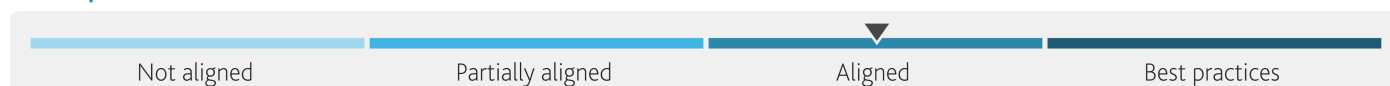
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## Alignment with principles

BIDV's sustainability bond framework is aligned with the four core components of the ICMA's GBP 2021 (including the June 2022 Appendix 1):

- Green Bond Principles (GBP)
- Social Bond Principles (SBP)
- Green Loan Principles (GLP)
- Social Loan Principles (SLP)
- Sustainability-Linked Bond Principles (SLBP)
- Sustainability Linked Loan Principles (SLLP)

## Use of proceeds



### Clarity of the eligible categories – ALIGNED

The bank has clearly communicated the nature of the expenditures. The eligibility criteria for nearly all the project categories are clearly defined, although the criteria for a number of green and social categories are broadly defined. The bank has identified the location of eligible projects to be only in Vietnam.

### Clarity of the environmental and social objectives – ALIGNED

The bank has clearly outlined relevant environmental and social (E&S) objectives for nearly all the eligible categories. It has referenced the United Nations' (UN) Sustainable Development Goals (SDGs) and the ICMA's objectives in articulating the objectives of the eligible categories. The objectives are coherent with these recognized international standards for nearly all projects, except for certain social categories.

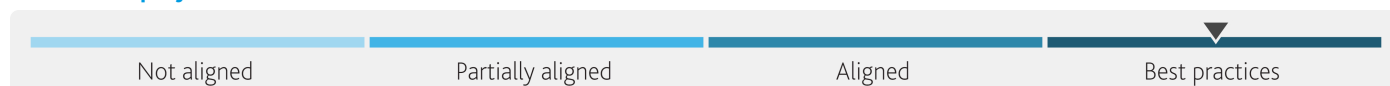
### Clarity of the expected benefits – ALIGNED

The bank has identified relevant expected E&S benefits for nearly all the eligible categories with reference to SDG targets, which are measurable and quantifiable. However, some social eligible projects, such as airports and telecommunications infrastructure under the affordable basic infrastructure category, may result in no or minimal positive social benefits. The bank has committed to transparently communicate the look-back period and the estimated share of refinancing in its framework.

### Best practices identified - use of proceeds

- » Benefits are measurable and quantified for most projects, either ex-ante with clear baselines or with a commitment to do so in future reporting
- » Commitment to transparently disclose the share of proceeds used for refinancing where feasible
- » Commitment to transparently communicate the associated lookback period(s) where feasible

## Process for project evaluation and selection



### Transparency and quality of process for defining eligible projects – BEST PRACTICES

The bank's decision-making process for the selection and evaluation of projects is structured and outlined in its framework, which will be publicly available. The selection of eligible green and social projects will include screening and evaluation by the credit approval department. For all eligible green and social projects, the credit appraisal division will review and evaluate their eligibility with reference to criteria set in BIDV's framework. The team will require project owners to furnish additional documents such as environmental and social risk assessments or environmental impact reports, required by relevant regulations of Vietnam. For any large or special projects, a Credit Proposal Team will be established with participation from the Project Finance Department, while the Risk Management Department will be responsible for performing risk assessment. Additionally, the credit approval department will be responsible for

ratifying eligible sustainable projects, assessing the Environmental Social and Governance (ESG) risks of the projects against the company's ESG risk management criteria, monitoring the asset pool to ensure the eligibility of the projects and taking necessary actions to replace the ineligible projects with new eligible ones. The bank confirmed that it will document the process of evaluation, selection and monitoring through internal documentation.

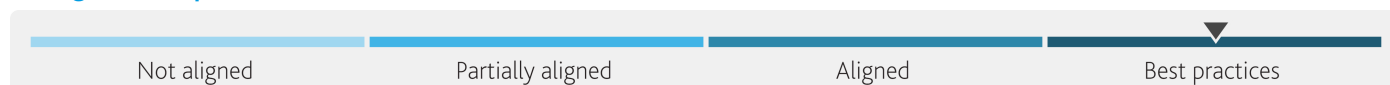
#### Environmental and social risk mitigation process – BEST PRACTICES

The bank will ensure that E&S risks are monitored, identified and managed appropriately in line with its internal policies and guidelines. BIDV has established a Sustainable Finance Project Management Unit, which oversees ESG risk management in the bank's credit activities. The risk management process includes appropriate mitigation measures as customers will be required to strictly comply with provisions of environmental protection laws, and BIDV regularly monitors and manages E&S risks in parallel with the disbursement process, ensuring that the negative E&S impacts of the projects to be financed by BIDV are minimized. BIDV thoroughly assesses environmental and social risks when appraising projects, requiring customers to strictly comply with the provisions of the law on environmental protection, labor, biodiversity, gender equality, housing and cultural heritage.

#### Best practices identified - process for project evaluation and selection

- » The roles and responsibilities for project evaluation and selection are defined and include relevant expertise
- » There is evidence of continuity in the selection and evaluation process through the life of the financial instrument(s), including compliance verification and procedures to undertake mitigating actions when needed
- » The process for project evaluation and selection is traceable
- » Material environmental and social risks for most project categories are identified
- » Presence of corrective measures to address environmental and social risks across projects
- » ESG controversies are monitored

#### Management of proceeds



#### Allocation and tracking of proceeds – BEST PRACTICES

BIDV has defined a clear process for the management and allocation of proceeds in its framework, which will be publicly available on the firm's website. Net proceeds will be deposited in a general account but will be earmarked for allocation to eligible projects, which will be tracked through a dedicated eligible green project register, which is managed by the company's treasury team. The bank has communicated to us that proceeds will be allocated within 24 months from issuance, and the details will be reflected in its allocation report.

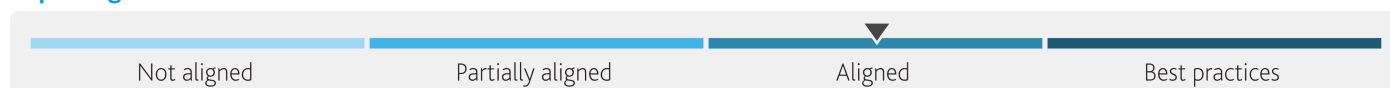
#### Management of unallocated proceeds – BEST PRACTICES

Unallocated proceeds will be invested in temporary instruments, including cash or cash equivalents, or will be deposited at correspondent banks. The bank has provided written confirmation that it will not invest unallocated proceeds in any GHG-intensive activities and will comply with the exclusion criteria specified in the framework. In the event that a project is postponed, canceled or otherwise becomes ineligible, the bank will replace that project with new eligible projects as soon as reasonably practicable.

### Best practices identified - management of proceeds

- » Broad disclosure of a clearly articulated and comprehensive management of proceeds policy to external stakeholders, bondholders or lenders at a minimum
- » Short allocation period, for example typically less than 24 months
- » Disclosure on temporary placement and presence of exclusion criteria toward environmentally or socially harmful activities
- » Commitment to reallocate proceeds to projects that are compliant with the framework

## Reporting



### Transparency of reporting – ALIGNED

BIDV will report annually on the use of proceeds under its framework, and this reporting will be made publicly available on the firm's website. The reporting will occur until full allocation of funds and in the event of any significant changes that would affect the portfolio of eligible projects. The reporting is exhaustive and will cover proceeds allocated at the category level, the breakdown of eligible projects by eligible category and geography, the balance amount of unallocated proceeds and the share of financing and refinancing.

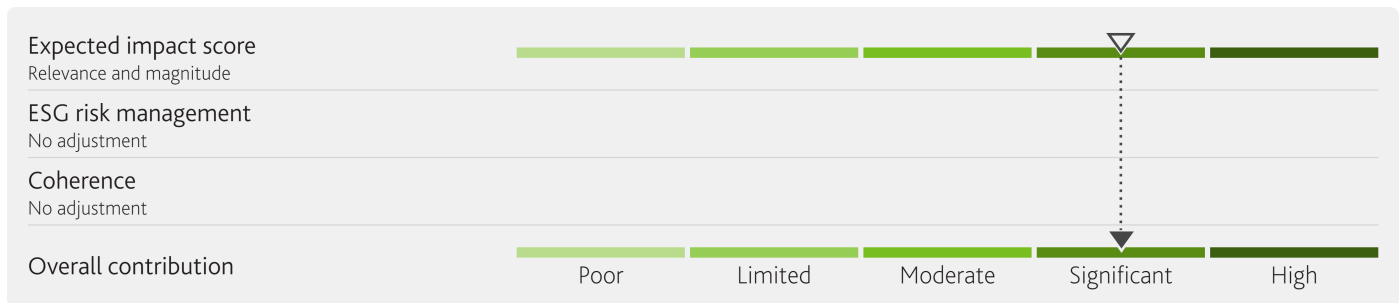
BIDV has identified relevant reporting indicators for nearly all the eligible categories. However, some of the impact indicators for some social categories, such as access to essential infrastructure, are not relevant to report on the social impact of the projects. The methodologies and assumptions used to report on the environmental and social impact of the eligible projects will be disclosed to investors. The bank has communicated to us that it will seek independent external verification of its proceeds allocation on an annual basis and upon each anniversary of the issuance date until full allocation. However, the bank has not committed to an independent impact assessment of E&S benefits and externalities associated with the financed projects until full allocation or upon any significant development.

### Best practices identified - reporting

- » Reporting covers material developments and issues related to the projects or assets
- » Reporting on allocation of proceeds and benefits done at least at eligible category level
- » Exhaustive allocation reporting – balance or % of unallocated funds, types of temporary investments (e.g. cash or cash equivalent) and share of financing vs re-financing
- » Disclosure of reporting methodology and calculation assumptions to bondholders or lenders at a minimum
- » Independent audit of the tracking and allocation of funds at least until full allocation and in case of material changes

### Contribution to sustainability

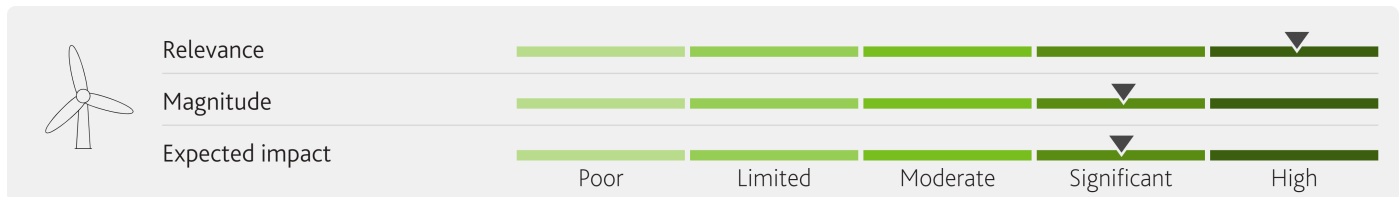
The framework demonstrates a significant overall contribution to sustainability.



### Expected impact

The expected impact of the eligible projects on environmental and social objectives is considered significant. Based on allocation plans provided by the bank, we expect most of the proceeds from forthcoming transactions to finance the renewable energy, sustainable transport, green construction, affordable basic infrastructure, affordable housing and economic integration categories. We have accordingly assigned higher weights to these six categories in our assessment. A detailed assessment by eligible category is provided below.

#### Renewable energy

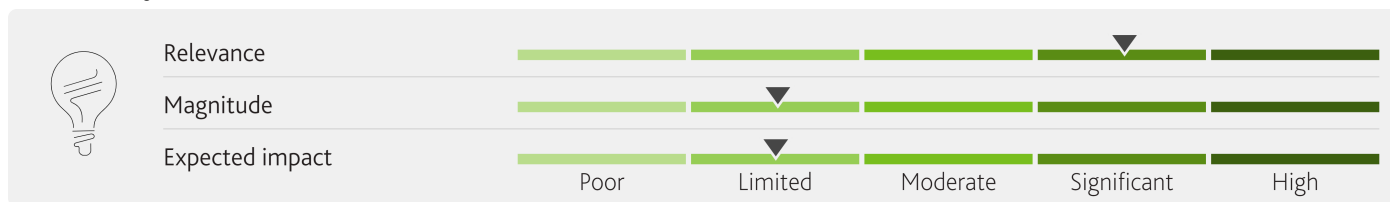


Under its framework, BIDV intends to finance the construction and operation of renewable energy generation facilities (including wind, solar, biomass, small hydropower, Waste-to-Energy [WtE] and others), as well as smart grid systems. Based on information provided by the bank, most of the proceeds within this category will be financing wind power projects, followed by solar power, and WtE projects for the upcoming bond issuance.

Financing the energy transition is highly relevant to the banking sector because of its critical role in channeling capital to support green and sustainable development amid the increasing scrutiny from stakeholders to decarbonize portfolios. It is particularly important for banks operating in the Asia-Pacific (APAC) region as it accounts for most of the global energy consumption, with 85% powered by fossil fuels in 2022<sup>2</sup>. It is also highly relevant in the context of Vietnam, where the electricity system relies significantly on fossil fuels (with coal accounting for 50% of total generation in 2020 and natural gas for 14%)<sup>3</sup>.

The magnitude of this category is significant. A majority of the proceeds will be allocated to financing eligible wind and solar projects which are considered use of best available technologies and are likely to have a high positive environmental impact as the projects follow clearly defined thresholds in line with the Climate Bonds Initiative (CBI) criteria. For wind projects, the bank has confirmed through internal documentation that it will finance only onshore wind energy generation facilities and transmission infrastructure that are wholly dedicated to supporting these facilities. For hydropower projects, the bank has confirmed projects will follow CBI's hydropower criteria, which details power density and GHG emissions intensity thresholds. The bank has also communicated to us that a very small portion of the proceeds is likely to finance WtE projects which will comply with both Vietnam's environmental criteria and CBI's criteria that details specific thresholds around plant efficiency, life cycle GHG emissions and bottom ash recovery. However, the magnitude is not high because the framework includes natural gas projects within the renewable energy category, though the bank has confirmed to us in a written response that it does not plan to allocate any proceeds from the upcoming and future transactions to any natural gas-related projects.

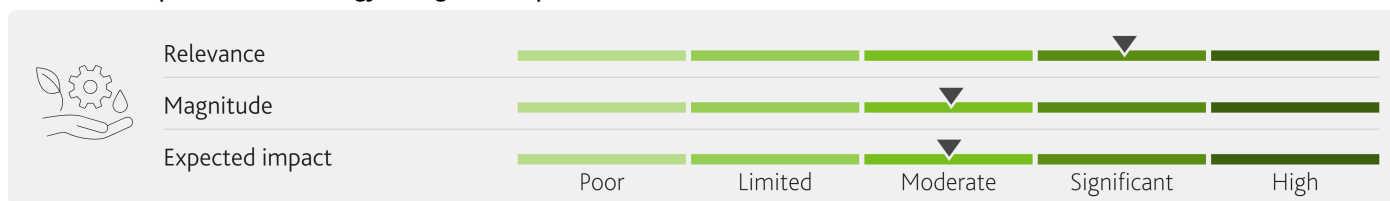
**Green industry**



The relevance of this category is significant because banks play an important role in channeling capital toward diverse industries and sectors for energy saving and conservation projects in industry production and emission reduction. CO2 emissions from the industrial sector accounted for 31% of Vietnam's total CO2 emissions in 2020, the second largest after the power sector. Therefore, decarbonizing the industrial sector by saving energy and reducing emissions is highly relevant in both the global and local context. However, the subcategory on the integrated solutions projects to help ensure labor safety and hygiene are not as relevant in terms of contributing to energy efficiency improvement or climate change mitigation.

The magnitude of this category is limited due to the inclusion of financing desulfurization in thermal power plants and other carbon-intensive industries, which can prolong the life-span of existing assets that can further induce lock-in emissions effects. Further, desulfurization projects have a weaker impact in terms of reducing GHG emissions for the objective of climate change mitigation in comparison to other activities that directly target the reduction of CO2 emissions. BIDV has publicly announced its decision to stop financing coal-fired power projects since 2018<sup>4</sup>, therefore we do not anticipate any financing to go toward coal-related projects under this category. Nonetheless, fossil fuels are not included in the exclusion criteria so this limits visibility into whether other fossil fuels will explicitly be excluded from financing.

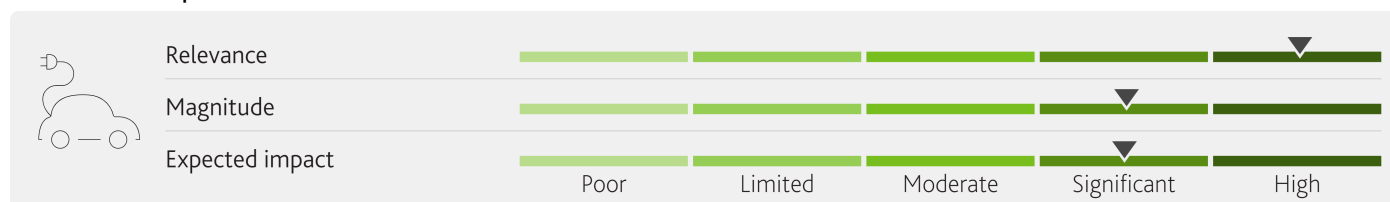
**Environmental protection and energy saving services provision**



The relevance of this category is significant. Similar to the green industry category, this category is relevant for the banking sector because of its role in channeling capital toward diverse sectors for energy savings and conservation projects in various industry production stages. Additionally, access to consulting services to scale up energy-efficiency technologies and environmental protection are limited in frontier markets such as Vietnam, highlighting the importance of increasing availability by financing such projects. However, given consultancy services are not the core business of the bank, we have assigned a significant score.

The magnitude of this category is moderate. While projects will have a positive short-term impact and will likely not lead to any negative externalities or lock-in effects, it mainly involves consultancy services in relation to energy efficiency and environmental risk investigation and assessment which are likely to have a positive impact in terms of increased environmental awareness; however, these are not the most direct means of increasing energy efficiency in actual physical infrastructure. Further, the subcategories remain broadly defined and lack details on technical thresholds, limiting visibility into the full extent of the category's contribution to its stated objectives. In particular, the category lacks clarity on whether projects will have energy-saving or energy-efficiency targets and thresholds, and how service projects will lead to concrete positive environmental impact.

## Sustainable transport

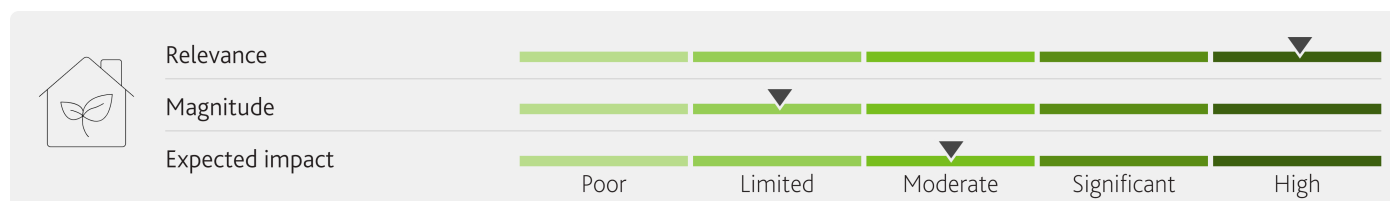


Under its framework, BIDV intends to finance the development of a sustainable transport system (including construction, installation, renovation of intelligent traffic signal control systems in urban areas) as well as projects associated with GHG emissions reduction from vehicles (including investment, production, use and trading of electric vehicles).

The relevance of this category is high. Global CO<sub>2</sub> emissions from the transport sector accounted for 37% of total CO<sub>2</sub> emissions from end-use sectors in 2021, having the highest reliance on fossil fuels of any sector. GHG emissions from the transport sector in APAC are projected to grow significantly in the next few decades, particularly in the region's developing countries. In Vietnam, the penetration rate for passenger electric vehicles (EVs) was about 2.9% in 2022<sup>5</sup>, hence, decarbonizing the transport sector in the country is highly relevant in the local context, which has also been emphasized in its transportation strategy 2022-30 and 2030-50.

The magnitude of this category is significant. The bank has communicated to us that all of the proceeds for the upcoming transaction within this category will be used to finance the production and operation of pure EVs and electric motorcycles (i.e., zero-tailpipe passenger vehicles) excluding hybrids, which is considered use of best available technology. Thus, we do not expect such projects to have long-term negative lock-in effects. The magnitude is not high because the category includes projects related to liquefied petroleum gas and compressed natural gas, which are fossil fuels and have negative lock-in effects. However, the bank has confirmed to us through a written response that it will not invest in any projects associated with using liquefied petroleum gas or compressed natural gas within its upcoming bond issuance.

## Green construction

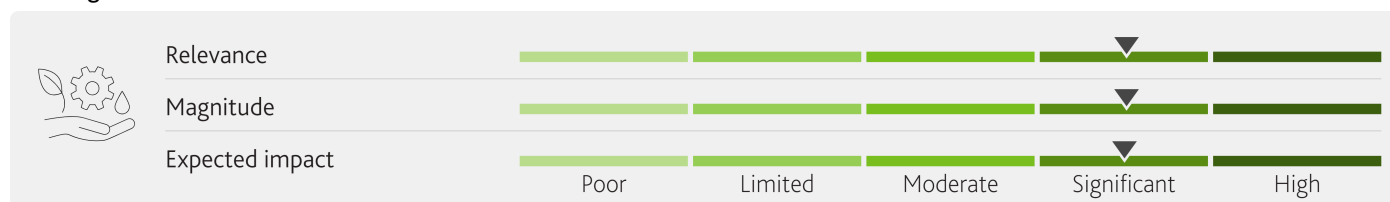


The relevance of this category is high because banks play an important role in channeling capital through loans to businesses in the real estate sector, which, according to the UN, accounts for 40% of global energy consumption and 30% of GHG emissions. The Ministry of Construction forecasts that housing demand in Vietnam will increase by 70 million square meters each year, equivalent to 17,500 buildings of 30 floors, by 2030. However, as of year-end 2021, Vietnam recorded just over 200 green building projects, which highlights the need for further investments in green building constructions.

The magnitude of this category is limited because it includes all levels of green building certification and lacks an energy efficiency improvement threshold, which is important to ensure the long-term sustainability impact of buildings. This limits visibility into the category's overall expected impact because buildings that are less efficient, and which have better alternatives, are also in scope. The category also lacks clarity around the distribution of proceeds among new construction, acquisition and retrofitting of existing buildings. Visibility into these details is particularly important in the context of building activities because newly constructed buildings carry negative externalities, such as greater absolute energy consumption, GHG emissions and E&S risks associated with the construction phase, leading to a less positive impact than that of refurbishment activities. The other sub-categories also remain broadly defined and lack details on technical thresholds, which contribute to the limited magnitude. Overall, the eligible projects are likely to have a short-term positive environmental impact through the efficient use of construction resources and environmentally-efficient building materials.



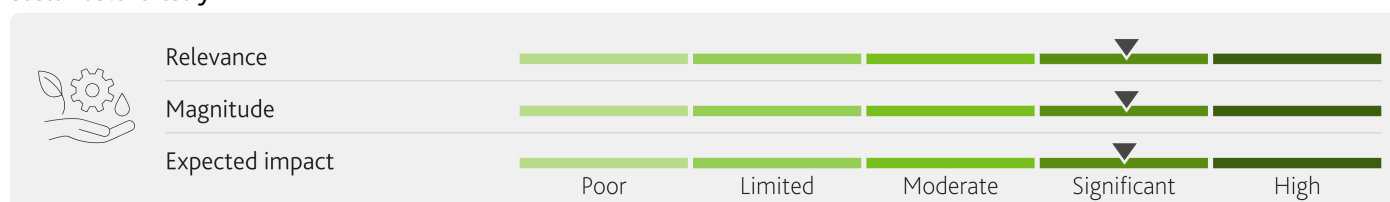
## Green agriculture



The relevance of this category is significant because promoting sustainable agriculture addresses challenges in a key sector for Vietnam, where the agricultural sector employs a large portion of the population, and the country is one of the world's largest exporters of rice, coffee and seafood. BIDV plays an important role by channeling capital through loans to businesses in the agriculture sector, financing technology related to agriculture or supporting projects that aim to promote sustainable agricultural practices. However, the relevance of this category is not high because BIDV's focus is on corporate lending – lending to agriculture-related businesses accounts for a small share of the bank's total lending activity.

The magnitude of this category is significant because the eligible projects will generate positive environmental impact without major negative lock-in effects. While the subcategories remain broadly defined and lack details on technical thresholds, the bank has confirmed through internal documentation that projects will comply with domestic or international certification standards such as Vietnam (VIETGAP), Good Agricultural Practices (GLOBALG.A.P.), or equivalent certificates recognized by international and national organizations with mutual recognition agreements with Vietnam. These standards cover the entire agricultural production process and aim to promote food safety, worker welfare, and sustainable and responsible farming practices (such as responsible use of water, soil, and other natural resources, and reduction of chemical use in fertilizers and pesticides), thereby minimizing detrimental environmental impacts of farming. However, the magnitude is not high because obtaining these certifications do not necessarily ensure that there will not be any negative impact stemming from commercial farming operations, which are typically associated with substantial E&S risks.

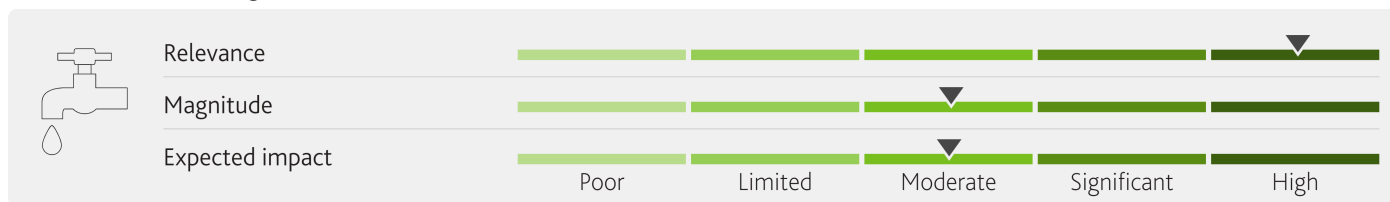
## Sustainable forestry



The relevance of this category is significant because promoting sustainable forestry and the conservation of natural landscapes are not the most urgent environmental challenges confronting BIDV's business activities compared with other green categories. However, BIDV plays an important role by channeling capital through loans to businesses in the forestry sector, financing infrastructure related to forestry or supporting projects that aim to promote sustainable forestry practices. Furthermore, the category still addresses relevant sustainability challenges in the context of Vietnam because the forestry sector is a vital part of the country's economy.

The magnitude of this category is significant because the eligible projects will generate positive environmental impact without major negative lock-in effects. While the subcategories remain broadly defined and lack details on technical thresholds, the bank has confirmed through internal documentation that projects will comply with the National FSC Forest Management Standard of Vietnam or equivalent certificates recognized by international and national organizations with mutual recognition agreements with Vietnam; the Vietnam Quality Standards Institute's (TCVN) environmental standard ISO/TS 14027 or equivalent internationally and nationally recognized labels; or alternatively, the international environmental management system standard ISO 14001. The National FSC Forest Management Standard of Vietnam was developed and adapted to the specific context of Vietnam by the Forest Stewardship Council (FSC) based on the FSC principles and criteria for forest management, which is in line with the CBI's Forestry, Land Conservation and Restoration criteria.

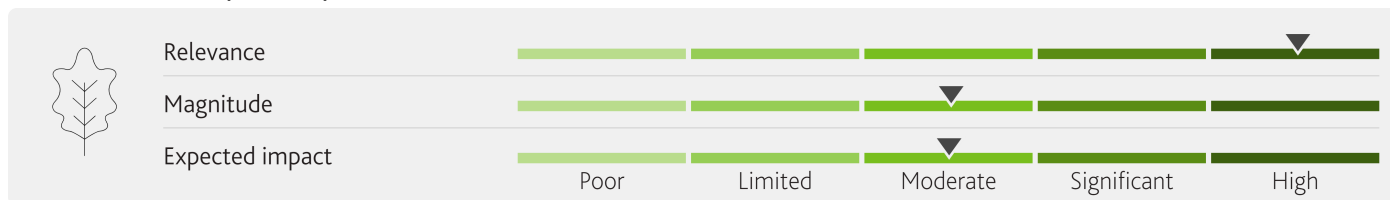
**Sustainable water management in urban and rural areas**



The relevance of this category is high because it addresses a highly important sustainability issue in Vietnam. The country currently faces critical problems related to water scarcity because of a combination of factors, including population growth, rapid urbanization, industrialization, over-exploitation of resources, pollution and climate change. In urban areas, the demand for water in households, industry and agriculture often exceeds the available supply. Such challenges are likely to be further exacerbated due to the country's rapid economic growth, urbanization and increasing impact from climate change.

The magnitude of this category is moderate. While the projects are likely to have a long-term positive impact on the stated environmental objective of sustainable water management, most of the subcategories lack details regarding the eligibility criteria and technical thresholds (such as minimum energy efficiency and water leakage levels), which limits visibility into the associated E&S risks and the full extent to which projects will contribute to the stated environmental objectives. The bank has communicated to us that it will require project owners to assess the expected GHG emissions of water supply system upgrade projects in order to target neutral or negative emissions. While this helps minimize the emission level of the water supply systems, it does not guarantee that projects will adhere to robust standards and technical thresholds, thereby ensuring that they do not lead to any significant negative externalities.

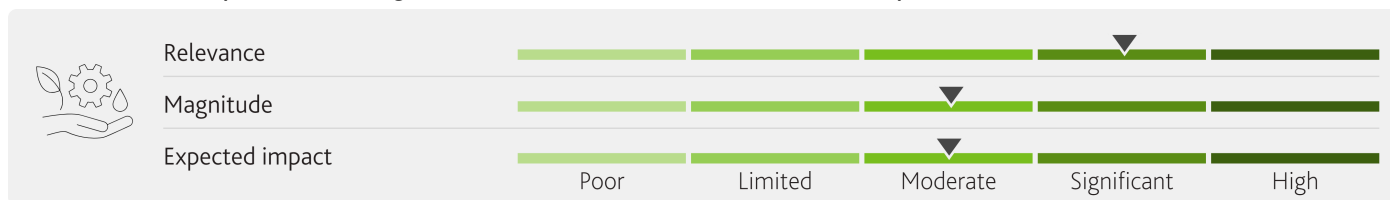
**Waste treatment and pollution prevention**



The relevance of this category is high because wastewater pollution is a significant sustainability issue in Vietnam. According to a report by the World Bank, less than 10% of urban wastewater in Vietnam is centrally treated<sup>6</sup> and the majority of urban households use inadequately maintained on-site sanitation, with the majority of wastewater being discharged directly into the environment without treatment. In its capacity as a development bank, BIDV plays an important role in financing and promoting investment in key infrastructure such as wastewater treatment facilities and air pollution prevention infrastructure.

The magnitude of this category is moderate because of the lack of details on the eligibility criteria and technical thresholds (for example, energy efficiency, water leakage levels, whether projects will follow a waste hierarchy, and so on), which limits visibility into the extent of the category's contribution to its stated objectives. Major construction activities associated with upgrading water and wastewater management facilities are likely to result in locked-in emissions in the short term in the absence of clear technical thresholds to demonstrate improvement in energy efficiency or water savings rate. There is also lack of clarity on whether or not the category will exclude projects related to landfills as these are typically associated with significant environmental risks and negative externalities, and which technology or specific activities are included for reducing and preventing air pollution (dust, gas).

**Natural environment protection, ecological environment restoration and natural disaster prevention**

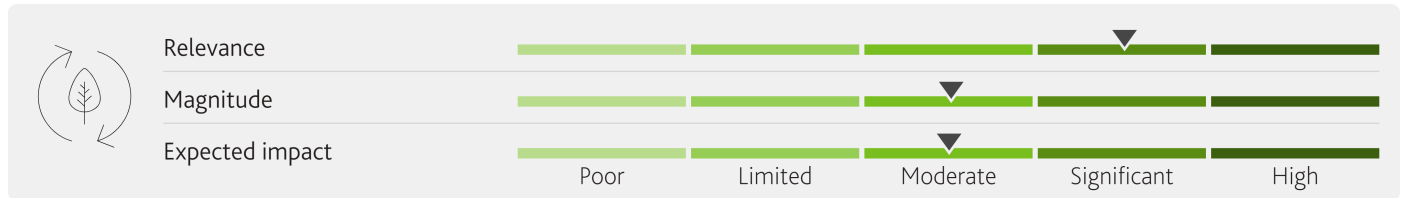


The relevance of this category is significant because natural environment protection and ecological restoration are pressing sustainability issues in Vietnam, which is one of the world's biodiversity hot spots, but rapid economic development and urbanization

have led to significant deforestation and habitat loss. In addition, countries in the APAC region, particularly Vietnam, are especially vulnerable to physical climate change risks and related natural disasters such as floods and droughts. However, the relevance of this category is not high because this is not the most urgent sustainability issue faced by the banking sector compared with other green categories.

The magnitude of this category is moderate because of the lack of details on the eligibility criteria and technical thresholds, which limits visibility into the extent of the category's contribution to its stated objectives. In particular, the category lacks clarity around whether or not projects will involve large-scale infrastructure construction that could lead to major negative externalities associated with such projects.

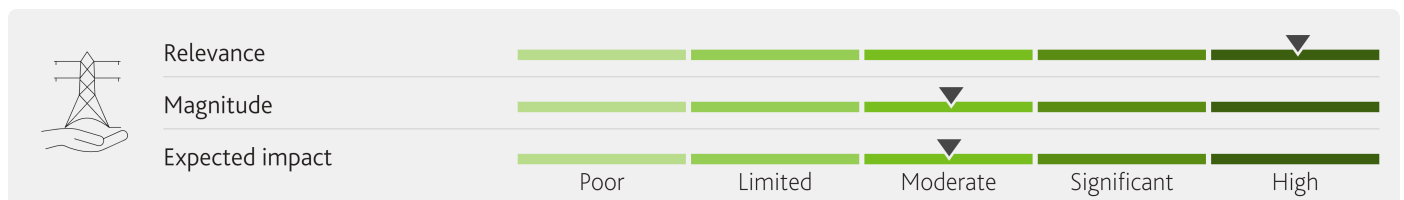
**Recycled and renewable resources**



The relevance of this category is significant because countries in APAC, including Vietnam, rely significantly on landfill sites for waste disposal, and have very low recycling rates with limited recycling infrastructure for a wide range of wastes such as municipal solid waste, plastic and e-waste<sup>2</sup>. Eligible projects under this category are relevant as they address a critical challenge in Vietnam by promoting higher recycling rates and contributing to a circular economy within the country. However, the relevance of this category is not high because this is not the most urgent sustainability issue faced by the banking sector compared with other green categories.

The magnitude of this category is moderate because recycling and reuse of materials are likely to have a positive long-term impact and contribute to objectives such as pollution prevention and promoting a circular economy. The bank has communicated to us that for material recycling projects (metals, plastics, glass, except for construction materials), secondary raw materials (e.g., steel, aluminum, glass, plastic) are eligible if they are no longer considered waste and are sold for the purpose of being used as secondary raw materials. For electronic and electrical equipment waste, only products labeled as environmentally friendly electronic products and those meeting the criteria for the lowest new energy usage in three categories will be eligible. However, the category remains broadly defined and lacks details regarding technical thresholds and specific activities to be financed, which limits visibility into the full extent of the category's contribution to its stated objectives. In particular, the category lacks specific details on whether the financed projects will follow an overall waste hierarchy to minimize resource loss, minimum qualifying thresholds for eligible projects (such as the recovery rate and the percentage of circular feedstock used), specific types of mineral resources and renewable resources that are considered to be eligible.

**Affordable basic infrastructure**



The category's overall relevance is high because access to basic infrastructure remains a key challenge in Vietnam, particularly in rural and remote areas where transportation infrastructure, clean water and sanitation facilities, and stable electricity supply significantly varies in quality and availability. There is generally less need to finance telecommunications infrastructure in Vietnam, given the country already has widespread mobile coverage and increasing internet penetration rates. The category is also highly relevant to BIDV because of its role as a state-owned bank that facilitates and channels private capital to infrastructure projects of national importance.

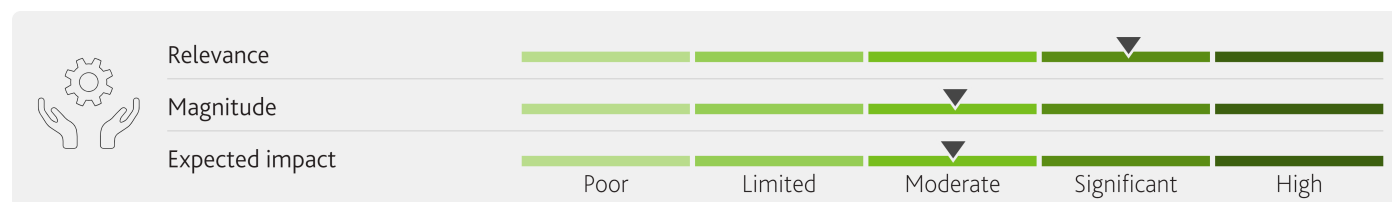
The overall magnitude of the category is moderate, primarily driven by the financing of build-operate-transfer (BOT) road and airport construction projects despite the anticipated high positive impact of clean water, sanitation, and clean energy projects. The clean water, sanitation and clean energy sub-category, which accounts for most of the funds from forthcoming issuances, is expected to

have a high positive impact on the vulnerable target population in remote and underdeveloped areas (e.g. mountainous or coastal areas). The water and energy projects include construction of water treatment, onshore wind and solar power facilities, where water and electricity prices will be provided at preferential or lower rates for rural areas according to the government's pricing tier. The bank has confirmed desalination plants are not under scope, mitigating concerns around associated negative externalities.

When considered individually, the transportation infrastructure projects are expected to have a limited contribution. The bank plans to finance projects of national significance, notably build-operate-transfer (BOT) road projects and the construction of Long Thanh Airport. Airports are associated with significant negative externalities, and in the absence of specific criteria, their positive impact is considerably limited, even when factoring in the claimed objective of facilitating economic development. Moreover, the accessibility of airports to the most vulnerable populations remains uncertain, as they are typically more accessible to wealthier demographics in Vietnam. Roads, although associated with significant negative externalities, can improve access and connectivity of remote rural areas, however, it is unclear whether such areas will be prioritized, and there are potential externalities associated with these projects if the roads are used by fossil fuel vehicles.

When considered individually, telecommunications projects — especially those involving the construction of base transceiver station (BTS) infrastructure — are expected to have limited contribution because they do not necessarily target or increase access for the most vulnerable population but will improve network coverage and service quality for the general population. Service prices may not be affordable by the most underserved groups as prices are set by the network operator's pricing policies.

#### Access to essential services



The relevance of this category is significant because Vietnam's access to quality healthcare and education remains a key challenge, particularly in rural areas where such facilities are largely remote and lack fundamental resources. Educational reform is viewed as a national priority because of limited access to quality lower secondary education in remote areas and the tendency of students from lower-income families to enter the workforce rather than continuing their education. Besides accessibility, the conditions of existing facilities and inadequate resources also pose significant challenges to the availability of quality services to vulnerable populations. Financial inclusion is also a pressing social challenge for Vietnam and is relevant to the banking sector because of the key role banks play in channeling capital to vulnerable populations by providing financially inclusive products and greater access to financial services.

The magnitude of this category is moderate. The bank has communicated to us that it has no plan to allocate proceeds to this category and will finance projects wherever possible in Vietnam. This means rural or remote areas are not specifically targeted or prioritized.

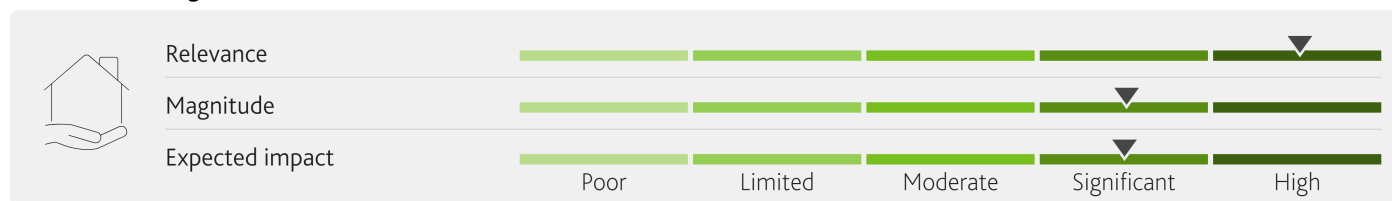
The development of both public and private healthcare infrastructure projects is expected to provide long-term benefits. However, the inclusion of for-profit facilities raises limitations as the out-of-pocket expenses may not ensure financial accessibility for all, including the most vulnerable. Such out-of-pocket expenses related to health spending are relatively high at 40% in Vietnam, while the government health spending is slightly higher at 42.7% as of 2021<sup>2</sup>.

For education, the bank plans to expand infrastructure facilities and programs, develop public and private universities, and provide educational equipment for pre-kindergarten to university-level students. This is likely to lead to long-term positive impacts in Vietnam, where the gross enrollment rate (GER) is one of the lowest among East Asian countries, at below 30%<sup>2</sup>. However, similar to healthcare, we have limited visibility into the potential out-of-pocket costs that will be incurred by vulnerable populations and the extent to which the projects will improve access to affordable education.

For financial inclusion, we have very limited visibility on the contribution to the long-term benefits associated with social objectives from the eligible projects. While the eligible projects will enhance the physical reach of financial services to the general population by expanding the geographic coverage of banking branches, automated teller machines (ATMs) and transaction offices in both rural

and urban areas, the bank does not intend to offer any financially inclusive products targeted for low-income populations under this category.

**Affordable housing**



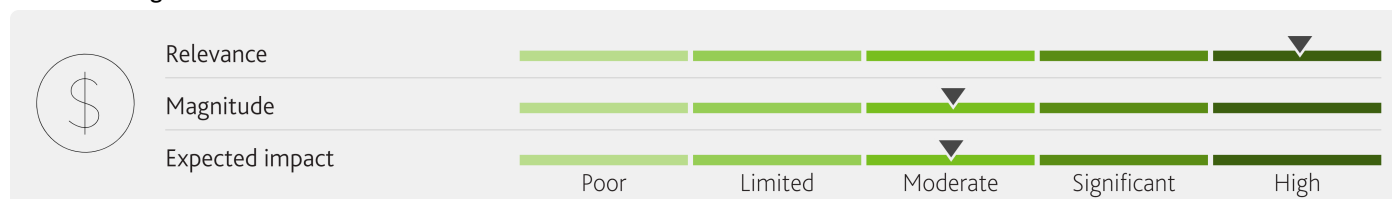
The relevance of this category is high. Housing demand and housing affordability have been an imminent social issue in major cities in Vietnam. Urban areas are facing rapid urbanization and population growth challenges because of rural to urban migration of workers in search of better employment opportunities. This has led housing demand in such cities and industrial zones to significantly outpace supply. This situation has in turn driven up property prices and led to housing affordability issues. In 2023, Prime Minister Pham Minh Chinh approved a plan to build at least one million social housing units for low-income people and workers in industrial zones from 2021 to 2030. However, the progress so far has been very slow due to lack of incentives for developers and lengthy land allocation procedures.

The magnitude of this category is significant as all projects are expected to have substantial positive long-term impact for the relevant target population, focusing primarily, if not exclusively, on the most vulnerable groups.

For social housing projects, we expect projects to reach vulnerable groups because low-income individuals and households slightly above the poverty line in urban and rural areas are eligible for social housing under the Housing Law. However, it is uncertain whether these eligible projects will primarily target the most vulnerable groups in the country, given the wide range of population eligible for social housing under the law. For instance, civil servants and public employees in national defense are also eligible for social housing. The monthly income ceiling for social housing projects is also relatively high compared with Vietnam's GDP per capita. We believe the target population can benefit from these projects with a lower interest rate of 150-200 basis points (bps) compared with the average Vietnamese dong (VND) medium- and long-term loan market rates.

For affordable and low-income housing projects, we believe the contribution of affordable housing and low-income projects to the stated social objective is weaker than social housing projects because of the lack of clear criteria for the target population. These projects are the housing projects that fall outside the scope of social housing in the Housing Law with BIDV's discretionary considerations (such as pricing and customer segments) to enable the projects to reach low-income individuals with simplified administrative procedures, as certificates from the government are required to qualify as social housing projects. Although the threshold on the target population is not clear as compared to social housing projects, the bank confirms that it will reference the cost of living and price fluctuations in different localities in deciding the income thresholds. These projects will also be built in residential areas with large working populations. The projects will also be offered at a discount compared with the prevailing market price.

**Economic integration**



The relevance of this category is high because SMEs contribute significantly to Vietnam's economy and workforce. They account for roughly 97% of all businesses in Vietnam, but continue to face challenges in accessing credit<sup>10</sup>, with about 62% of their financing needs unmet<sup>11</sup>. Financing SMEs is in line with Vietnam's national financial strategy to expand the coverage of financing to the general population. Financing SMEs or micro-enterprises owned by women is also relevant because it reflects the greater challenges that female-owned businesses in Vietnam face compared with male-owned counterparts in obtaining bank loans. SME financing is also relevant to BIDV because it is one of the key growth areas; it accounted for 22% of the bank's loan book as of year-end 2023.

The magnitude of this category is moderate since eligible projects may not be able to reach the most vulnerable population, because BIDV will also consider commercial factors and credit risk in its financing decision. As a result, some financially weak SMEs and micro-enterprises may not benefit from these projects. Also, we do not have details on the specific sectors BIDV will target in this project category, which also constrains the magnitude. However, BIDV will provide eligible customers with a preferential interest rate of around 100-120 bps lower than the standard interest rates offered to corporate customers. The moderate magnitude also takes into consideration the fact that the target population of the subcategory related to employment generation for minority groups is broadly defined without clear thresholds, which limits visibility into the category's contribution to the stated social objective. These enterprises are not limited to SMEs, and it is uncertain how BIDV will ensure employment opportunities are created for the minority groups, given hiring decisions are made at the individual enterprise level.

### ESG risk management

We have not applied a negative adjustment for ESG risk management to the expected impact score. BIDV has established a Sustainable Finance Project Management Unit, which oversees ESG risk management within the bank's credit activities. The bank also has specific environmental risk policies covering various sectors, which seek to ensure that the relevant E&S risks are mitigated in relation to the financial services it provides to support economic development. In addition, projects must undergo BIDV's credit analysis and approval process, which requires project owners to furnish additional documents required under Vietnam's regulations when operating in industries sensitive to E&S risks, including, but not limited to, E&S risk assessments, environmental impact reports, environmental permits, discharge permits, financial records and documents demonstrating plans for the use of capital.

### Coherence

We have not applied a negative adjustment for coherence to the expected impact score. Eligible projects to be financed under the framework align with BIDV's overall sustainability objectives and are in line with the bank's commitment to implement initiatives that supports the government's Sustainable Development Agenda, which strives to ensure social progress and justice along with environmental and ecological protection. The investments also support Vietnam's green growth strategy and net zero goal by 2050, which includes plans to promote low-carbon development, mobilize resources, innovate technologies to shift the growth model, restructure the economy and contribute to global climate change mitigation efforts.

## Appendix 1 - Mapping eligible categories to the United Nations' Sustainable Development Goals

The eleven eligible green and four eligible social categories included in BIDV's framework are likely to contribute to twelve of the United Nations' Sustainable Development Goals (SDGs), namely:

UN SDG 17 Goals	Eligible Category	SDG Targets
GOAL 2: Zero Hunger	Green Agriculture	2.3: Double agricultural productivity and incomes of small-scale farmers through equal access to resources and opportunities
GOAL 3: Good Health and Well-being	Access to essential services	3.C: Increase health financing and promote the recruitment, development and training of the health workforce in emerging markets
GOAL 4: Quality Education	Access to essential services	4.4: Increase the number of youth and adults with technical and vocational skills for employment and entrepreneurship
GOAL 5: Gender Equality	Economic Integration	5.A: Establish women's equal rights to economic resources, access to ownership and control over property and financial services
GOAL 6: Clean Water and Sanitation	Sustainable Water Management in Urban and Rural Areas	6.4: Increase water-use efficiency across all sectors and ensure sustainable supply of freshwater to reduce water scarcity
	Affordable basic infrastructure	6.B: Support and strengthen the participation of local communities in improving water and sanitation management
GOAL 7: Affordable and Clean Energy	Renewable Energy, Clean Energy	7.2: Increase substantially the share of renewable energy in the global energy mix
	Environmental protection and energy saving services provision	7.3: Double the global rate of improvement in energy efficiency
GOAL 8: Decent Work and Economic Growth	Economic Integration	8.3: Promote policies that support productivity, job creation, entrepreneurship, innovation, and encourage the growth of SMEs
	Environmental protection and energy saving services provision	8.4: Improve global resource efficiency and endeavour to decouple economic growth from environmental degradation
GOAL 9: Industry, Innovation and Infrastructure	Affordable basic infrastructure	9.1: Develop sustainable infrastructure to support economic development and human well-being, focusing on equitable access
	Environmental protection and energy saving services provision	9.2: Promote sustainable industrialization and raise industry's share of employment and GDP, and double its share in the least developed countries
	Green Industry	9.4: Upgrade infrastructure and retrofit industries to make them sustainable, with all countries taking action
GOAL 11: Sustainable Cities and Communities	Affordable Housing	11.1: Ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums
	Sustainable Transport	11.2: Provide access to safe, affordable, accessible and sustainable transport systems for all
	Green Construction	11.7: Provide universal access to safe and inclusive green and public spaces for all
	Natural Environment Protection, Ecological Environment Restoration and Natural Disasters Prevention	
	Sustainable Water Management in Urban and Rural Areas	11.A: Support economic, social and environmental links between urban and rural areas by strengthening development planning
	Waste Treatment and Pollution Prevention	11.B: Increase number of cities with plans towards inclusion, resource efficiency, and climate change and disaster resiliency
	Green Agriculture	12.2: Achieve the sustainable management and efficient use of natural resources
GOAL 12: Responsible Consumption and Production	Sustainable Forestry	12.4: Achieve environmental management of chemicals and all wastes, and reduce their release to air, water and soil
	Recycled and Renewable Resources	12.5: Substantially reduce waste generation through prevention, reduction, recycling and reuse

UN SDG 17 Goals	Eligible Category	SDG Targets
GOAL 13: Climate Action	Natural Environment Protection, Ecological Environment Restoration and Natural Disasters Prevention	13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries
GOAL 15: Life on Land	Green Agriculture	15.1: Ensure the conservation and sustainable use of terrestrial and inland freshwater ecosystems and their services
	Sustainable Forestry	15.2: Promote the implementation of sustainable management of all types of forests
	Natural Environment Protection, Ecological Environment Restoration and Natural Disasters Prevention	15.4: Ensure the conservation of mountain ecosystems, including their biodiversity

The United Nations' Sustainable Development Goals (SDGs) mapping in this SPO considers the eligible project categories and associated sustainability objectives/benefits documented in the bank's sustainability bond framework, as well as resources and guidelines from public institutions, such as the ICMA SDG Mapping Guidance and the UN SDG targets and indicators.



## Appendix 2 - Summary of eligible categories in BIDV's framework

Eligible Categories	Description	Sustainability Objectives	Impact Reporting Metrics
Renewable Energy, Clean Energy	<ul style="list-style-type: none"> <li>- Projects and plans for investment in the construction and operation of production facilities/ equipment and components of renewable energy such as:               <ul style="list-style-type: none"> <li>• Wind energy</li> <li>• Solar power</li> <li>• Biomass energy</li> <li>• Small hydroelectric projects with capacities are not greater than 30MW.</li> <li>• New energy and new clean energy (e.g. geothermal, waste-to-energy, natural gas)</li> </ul> </li> <li>- Construction and operation of smart grid systems</li> </ul>	<ul style="list-style-type: none"> <li>Climate change mitigation</li> </ul>	<ul style="list-style-type: none"> <li>- Kilowatt-hours (kWh) of power generated from renewable energy annually by type</li> <li>- Installed capacity of renewable energy project</li> <li>- Annual greenhouse gas (GHG) avoided in tonnes per CO2 equivalent (tCO2e) per year</li> <li>- Number of people provided with access to clean and affordable energy</li> </ul>
Green Industry	<ul style="list-style-type: none"> <li>- Energy savings and conservation projects in industry production</li> <li>- Emission reduction (e.g. desulfurisation in thermal power plants, steel plants, cement plants; flue-gas desulfurization of a boiler; Dust filter renovation project at power plants, steel plants, cement plants)</li> <li>- Heat and pressure recovery</li> <li>- Integrated solution for environmental improvement in industry production (e.g. renovation and construction of working areas and factories to ensure labor safety and hygiene)</li> </ul>	<ul style="list-style-type: none"> <li>Climate change mitigation</li> <li>Natural resource conservation</li> </ul>	<ul style="list-style-type: none"> <li>- Annual energy savings (kWh) from improved energy efficiency in industrial process</li> <li>- Number of facilities dedicated to manufacturing energy efficient appliances and equipment</li> </ul>
Environmental protection and energy saving services provision	<ul style="list-style-type: none"> <li>- Energy efficiency services, e.g.:               <ul style="list-style-type: none"> <li>• Consultancy services in piloting and scaling up of energy efficiency technologies</li> <li>• Architecture and technology design for energy efficiency</li> <li>• Consultancy services for assessing the effectiveness of energy efficiency projects</li> </ul> </li> <li>- Environmental protection services, e.g.:               <ul style="list-style-type: none"> <li>• Services for environmental risk investigation and assessment in environmental pollution areas</li> <li>• Operation and maintenance of equipment in assessing environmental safety</li> <li>• Services for forecasting and efficiency of pollution treatment</li> <li>• Training for environmental inspectors</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Climate change mitigation</li> <li>Natural resource conservation</li> <li>Pollution prevention and control</li> </ul>	<ul style="list-style-type: none"> <li>- Annual energy savings (kWh)</li> <li>- Tonnes of CO2 (or other GHG) avoided</li> </ul>
Sustainable Transport	<ul style="list-style-type: none"> <li>- Development of sustainable transport system, e.g.:               <ul style="list-style-type: none"> <li>• Projects to build and renovate traffic works that are resistant to climate change</li> <li>• Construction, installation, renovation of intelligent traffic signal control system in urban areas</li> <li>• Construction and installation of smart street light systems using solar panels</li> </ul> </li> <li>- Emission reduction from vehicles, e.g.:               <ul style="list-style-type: none"> <li>• Investment, production, use and trading of electric vehicles (electric cars, electric motorcycles, ...)</li> <li>• Investment, production and use of public transport means; types of transport using low-emission fuels (aviation, tram...)</li> <li>• Use clean fuels (liquefied petroleum gas, compressed natural gas, etc.) in operating vehicles</li> <li>• Invest in new and modern technologies to reduce emissions, filter emissions, etc. of means of transport</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Climate change mitigation</li> <li>Pollution prevention and control</li> </ul>	<ul style="list-style-type: none"> <li>- Estimated reduction in fuel consumption</li> <li>- Amount of GHG emissions saved, in tonnes of carbon dioxide equivalent per annum (tCO2e)</li> </ul>
Green Construction	<ul style="list-style-type: none"> <li>- Invest in new and/or expanding green construction projects, renovate existing structures into green buildings, whereby green categories of each project achieve one of the following types of certification:               <ul style="list-style-type: none"> <li>+ LEED of United States Green Building Council - USGBC</li> <li>+ LOTUS of Vietnam Green Building Council - VGBC</li> <li>+ Green Mark of Singapore Building and Construction Authority</li> </ul> </li> <li>- Construct and renovate civil works/industrial zones using energy, water and resources economically and efficiently</li> <li>- Producing and managing sustainable and environmentally friendly building materials</li> </ul>	<ul style="list-style-type: none"> <li>Climate change mitigation</li> <li>Pollution prevention and control</li> </ul>	<ul style="list-style-type: none"> <li>- Improvement in green building certification</li> <li>- Land remediated/ decontaminated/ regenerated in ha or m2</li> <li>- Construction waste that is reused or recycled, in tonnes per annum</li> </ul>
Green Agriculture	<ul style="list-style-type: none"> <li>- Projects and plans for modern agricultural production, e.g.:               <ul style="list-style-type: none"> <li>• Developing commercialized breeds/seeds</li> <li>• Building capacity to provide seeds for production (network of seedling incubation, distribution, transportation, production, etc.)</li> <li>• Procurement of mechanized equipment, construction of the entire processing facilities of drying, selection, processing, storage and seed testing</li> </ul> </li> <li>- Projects and plans for high tech agricultural production, clean agriculture, and organic agriculture</li> <li>- Low carbon agriculture, climate smart, climate resilient agriculture, e.g.:               <ul style="list-style-type: none"> <li>• Apply technologies and processes for economical and efficient use of seeds, feed, input materials and resources (land, water, etc.) in agricultural production</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Climate change adaptation</li> <li>Biodiversity</li> <li>Natural resource conservation</li> </ul>	<ul style="list-style-type: none"> <li>- Annual increase in productivity (tons/hectare)</li> <li>- Increase in adoption of good agricultural practices (e.g. zero tillage) (hectares or % of the area)</li> <li>- Reduction in the application of pesticides (kg of active ingredients per hectare/year)</li> </ul>

Eligible Categories	Description	Sustainability Objectives	Impact Reporting Metrics
Sustainable Forestry	<ul style="list-style-type: none"> <li>- Projects involving the development and conservation of forests, e.g.: <ul style="list-style-type: none"> <li>• Afforestation</li> <li>• Forest land rehabilitation</li> <li>• Converting low value forest land to higher value</li> <li>• Cobenefit mangrove forest management and conservation</li> </ul> </li> <li>- Development of forestry economy and forestry services (e.g. projects with cultivation and husbandry using forest resources and under forest ecological environment)</li> <li>- Investment and development of varieties of forestry plants</li> <li>- Economic development of forest eco-tourism</li> </ul>	<ul style="list-style-type: none"> <li>Climate change adaptation</li> <li>Biodiversity</li> <li>Natural resource conservation</li> </ul>	<ul style="list-style-type: none"> <li>- Area of forest under environmentally sustainable forestry certification (hectares or % of the area)</li> <li>- Number of forestry personnel trained in biodiversity conservation</li> </ul>
Sustainable Water Management in Urban and Rural Areas	<ul style="list-style-type: none"> <li>- Projects and plans for sustainable water management in urban areas, e.g.: <ul style="list-style-type: none"> <li>• Upgrading domestic water supply systems in order to reduce the rate of water loss</li> <li>• Construction and upgradation of the domestic water supply systems in the city to provide hygienic and efficient water supply for households</li> <li>• Reuse of treated domestic wastewater</li> <li>• Rainwater harvesting</li> </ul> </li> <li>- Projects and plans to build irrigation infrastructure for agricultural production</li> </ul>	<ul style="list-style-type: none"> <li>Natural resource conservation</li> <li>Pollution prevention and control</li> </ul>	<ul style="list-style-type: none"> <li>- Reduction in water use in %</li> <li>- Number of people with access to clean drinking water through infrastructure supporting sustainable and efficient water use</li> <li>- Area covered by sustainable water resources management practices</li> </ul>
Waste Treatment and Pollution Prevention	<ul style="list-style-type: none"> <li>- Wastewater treatment</li> <li>- Projects for waste treatment, e.g.: <ul style="list-style-type: none"> <li>• Construction and operation of domestic waste collection and treatment facilities</li> <li>• Industrial solid waste treatment project.</li> <li>• Hazardous solid waste treatment project</li> </ul> </li> <li>- Pollution prevention projects, e.g.: <ul style="list-style-type: none"> <li>• Construction project to treat and prevent pollution of streams</li> <li>• Technology investment project to improve water quality</li> <li>• Project to reduce and prevent air pollution (dust, gas)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Pollution prevention and control</li> </ul>	<ul style="list-style-type: none"> <li>- Tonnes of CO2 (or other GHG) avoided</li> <li>- Annual energy generation from non-recyclable waste in energy/emission-efficient waste to energy facilities in MWh/GWh (electricity) and GJ/TJ (other energy)</li> <li>- Annual absolute (gross) amount of waste that is separated and/or collected, and treated (including composted) or disposed of (in tonnes per annum and in % of total waste)</li> </ul>
Natural Environment Protection, Ecological Environment Restoration and Natural Disasters Prevention	<ul style="list-style-type: none"> <li>- Projects and plans to build natural environment protection zones (forests, seas, wildlife, freshwater, deserts, savannas)</li> <li>- Ecological restoration, e.g.: <ul style="list-style-type: none"> <li>• Wetland ecological restoration.</li> <li>• Mangrove restoration</li> </ul> </li> <li>- Natural disaster prevention, e.g.: <ul style="list-style-type: none"> <li>• Storm and flood prevention works.</li> <li>• Irrigation ecological works against floods.</li> <li>• Drought prevention and water resources protection</li> <li>• Dike reinforcement project.</li> <li>• Project of integrated treatment to prevent soil erosion.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Biodiversity</li> <li>Natural resource conservation</li> </ul>	<ul style="list-style-type: none"> <li>- Maintenance/safeguarding/increase of natural landscape area (including forest) in km<sup>2</sup> and in % for increase</li> <li>- Maintenance/safeguarding/increase of natural landscape area in urban areas in km<sup>2</sup> and in % for increase</li> </ul>
Recycled and Renewable Resources	<ul style="list-style-type: none"> <li>Recycling and reuse of: <ul style="list-style-type: none"> <li>• Mineral resources</li> <li>• Solid waste</li> <li>• Waste in construction and road construction</li> <li>• Dismantling and fabrication materials</li> <li>• By-products and wastes in agriculture and forestry</li> <li>• Renewable resources</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Pollution prevention and control</li> </ul>	<ul style="list-style-type: none"> <li>- Waste that is prevented, minimised, reused or recycled before and after the project in % of total waste and/or in absolute amount in tonnes per annum</li> <li>- The increased proportion of circular materials produced as a % of the total material production of the project</li> </ul>

Eligible Categories	Description	Sustainability Objectives	Impact Reporting Metrics
Affordable basic infrastructure (including access to transport, energy, basic telecommunications, etc.)	<ul style="list-style-type: none"> <li>- Development of roads or other transportation infrastructure to improve connectivity for communities underserved populations</li> <li>- Develop, expand or improve access to clean drinking water, sanitation and clean energy for the underserved communities</li> <li>- Infrastructure that improves the connectivity for the underserved communities (e.g., internet, telecommunications services)</li> </ul>	Affordable basic infrastructure Access to essential services	<ul style="list-style-type: none"> <li>- Percentage of the population accessing to public transportation</li> <li>- Number of new households accessing to household electricity</li> <li>- Percentage of the population with mobile phones</li> </ul>
Access to essential services (including education, community healthcare)	<p>Healthcare</p> <ul style="list-style-type: none"> <li>- Development of any facilities for community health service providers</li> <li>- Development, expansion or acquisition of any buildings or facilities at any for-profit hospital, clinic, or healthcare facility that guarantee access to must-serve/vulnerable populations</li> <li>- Development of facilities that provide services primarily for women</li> </ul> <p>Education</p> <ul style="list-style-type: none"> <li>- Development of public pre-Kindergarten, elementary and secondary education facilities and programs</li> <li>- Development of community colleges, vocational schools or public and private not-for-profit universities</li> <li>- Other educational and vocational training programs for young people, the unemployed or other socially and/or economically marginalised populations</li> </ul> <p>Financial services</p> <ul style="list-style-type: none"> <li>- Development of infrastructure to improve access to banking, insurance, and financial services</li> </ul>	Access to Essential Services Employment Generation	<ul style="list-style-type: none"> <li>- Number of educational equipment for an effective learning environment</li> <li>- Number of trained teachers</li> <li>- Bed density in hospitals</li> <li>- Number of children vaccinated</li> <li>- Number of people accessing financial services, including microfinance</li> <li>- Number of women-owned or women-led businesses (including producers, suppliers, distributors and retailers) accessing financial services</li> </ul>
Affordable Housing	<ul style="list-style-type: none"> <li>- Development of social housing in accordance with the Law on Housing 2014 and the Law on Housing 2023 (taking effect as from 01/01/2025)</li> <li>- Providing affordable and low-income housing</li> <li>- Target beneficiaries: individuals specified in the housing support policies under the Law on Housing 2014 and the Law on Housing 2023 (taking effect as from 01/01/2025)</li> </ul>	Affordable Basic infrastructure Affordable Housing	<ul style="list-style-type: none"> <li>- Number of the population accessing to adequate, safe and sustainable housing</li> <li>- Rental costs compared to the national housing rent index</li> </ul>
Economic integration	<ul style="list-style-type: none"> <li>- Microfinance and lending to SMEs</li> <li>- Loans for SMEs or micro-enterprises owned by women</li> <li>- Businesses targeting employment of marginalised populations in areas of high unemployment, underserved, and/or deprived areas (e.g. new factories, offices or retail parks employing a significant proportion of employees from marginalised populations (e.g. people with disabilities, homeless, etc.)</li> </ul>	Employment Generation Socioeconomic Advancement and Empowerment	<ul style="list-style-type: none"> <li>- Number of loans to SMEs/micro-enterprises</li> <li>- Number of loans to women-owned SMEs</li> </ul>

## Endnotes

- 1 Point-in-time assessment is applicable only on date of assignment or update.
- 2 [Asia and Pacific](#), International Renewable Energy Agency, accessed on 20 September 2023
- 3 [Viet Nam](#), IEA 50, accessed on 20 September 2023
- 4 [Annual report](#), BIDV, 2022
- 5 [Vietnam's EV ownership will see 'strong growth' in 2023, says new report](#), CNBC, 6 August 2023
- 6 [Urban sanitation Issues in Viet Nam](#), ADB, 2015
- 7 [Waste Management in ASEAN Countries](#), UN environment, 2017
- 8 [Global Health Expenditure Database](#), World Health Organization, accessed on 14 August 2024
- 9 [Policy note on "Higher Education Financing in Vietnam: Strategic priorities and policy options"](#), World Bank Group, 28 June 2023
- 10 [PM urges banks to ease lending requirements for SMEs](#), Hanoi Times, 7 July 2023
- 11 [IFC assists Vietnamese SMEs in expanding access to finance](#), Government News, 21 March 2023

Moody's assigns SPOs in alignment with the main tenets of the ICMA Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews and the LSTA/LMA/APLMA Guidance for Green, Social and Sustainability-Linked Loans External Reviews, as applicable; Moody's practices may however diverge in some respects from the practices recommended in those documents. Moody's approach to assigning SPOs is described in its Assessment Framework, and is subject to the ethical and professional principles set forth in the Moody's Investors Service Code of Professional Conduct.

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