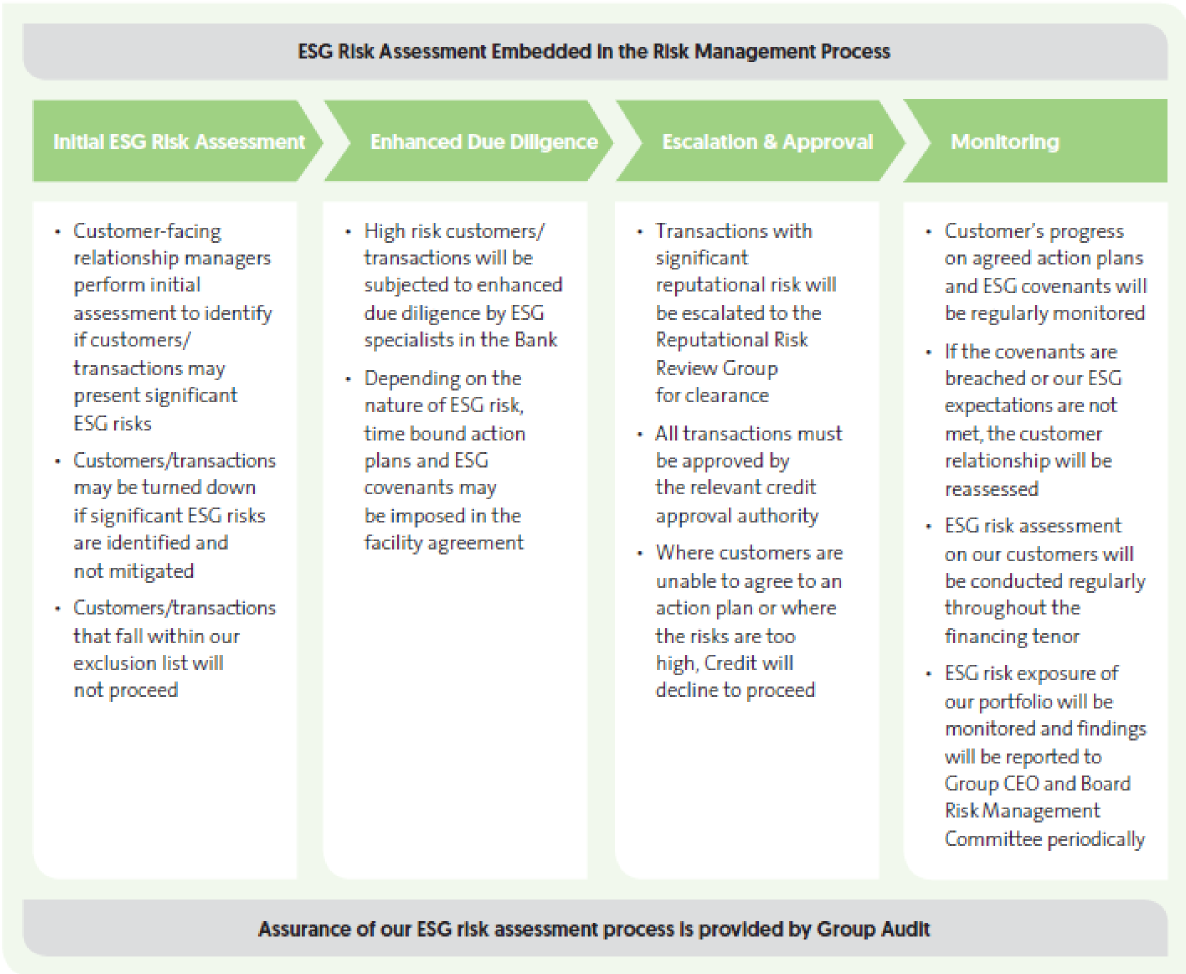
OCBC Bank

ESG Risk Assessment Process



Consistent with our overall risk management approach, we manage ESG risks by adopting the Three Lines of Defence model.

OCBC Three Lines of Defence:

1. Relationship managers conduct Initial ESG risk assessments on their customers.
2. Credit approving officers independently review and approve the ESG risk assessments, creating a structure of governance and control.
3. Group Audit provides assurance that this process is effective and complies with regulations and our internal standards.

Initial ESG Risk Assessment

Under our credit evaluation process, we conduct ESG risk assessment on borrowers at least once a year throughout the financing tenor. As part of the assessment, we evaluate our customers' capacity, commitment and track record in managing and mitigating the ESG risks they face in the conduct of their business operations.

These environmental risks may include climate risks, biodiversity (terrestrial and marine) loss, deforestation, flooding, water scarcity and pollution. In general, we expect our clients to meet local laws and regulations, at a minimum, as well as applicable international industry standards.

We also take into consideration social issues such as child/forced labour, occupational health and safety as well as any resettlement of affected communities in our assessment. The requirements we have of our borrowers in these areas reference standards and conventions from organisations such as the International Finance Corporation (IFC), United Nations (UN) and International Labour Organisation (ILO).

Based on the Initial ESG Risk Assessment we assign an ESG risk rating to our borrowers that reflects the extent to which they meet our ESG requirements.

Enhanced Due Diligence

High-risk clients or transactions or those where significant environmental and social risks are identified, will be referred to a dedicated team of ESG specialists for enhanced due diligence. This includes transactions that fall under the scope of the Equator Principles.

As part of the enhanced due diligence, the ESG specialists will conduct further due diligence which includes but is not limited to reviewing independent third-party reports, conducting site visits, and engage with clients to better understand how they manage their E&S risks. Following the enhanced due diligence, time-bound action plans may be imposed on borrowers who are rated as carrying high or medium ESG risk. In addition, covenants with ESG requirements may also be imposed in our credit facilities which borrowers are required to comply.

Escalation and Approval

Transactions with high ESG or reputational risk are escalated to the Reputational Risk Review Group for review and clearance.

All transactions must be approved by the relevant credit approving authority. In cases where clients are unable or unwilling to agree to an action plan to address identified risks, or the risks are deemed too high, we may decline to support the transaction or continue the client relationship.

Monitoring

We will regularly (at least once annually) monitor the ESG performance of the clients. If the covenants are breached or our ESG expectations are not met, we will reassess the client relationships, including turning down transactions.

We review our portfolio's ESG exposure periodically and report the findings to our Group CEO and Board Risk Management Committee.