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Second Party Opinion

Saigon-Hanoi Bank Sustainable Finance Framework

Oct. 5, 2026

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Location: Vietnam

Sector: Diversified Banks

Alignment Summary

Aligned = ✓ Conceptually aligned = ○ Not aligned = ✕

- ✓ Social Bond Principles, ICMA, 2025
- ✓ Social Loan Principles, LMA/LSTA/APLMA, 2025
- ✓ Green Bond Principles, ICMA, 2025
- ✓ Green Loan Principles, LMA/LSTA/APLMA, 2025
- ✓ Sustainability Bond Guidelines ICMA, 2021
- ✓ Guidelines for Blue Finance, IFC, 2025

Strengths

Eligible green and social projects directly address some of the most critical challenges facing Vietnam. Environmental issues include rising carbon emissions, water stress, and marine plastic pollution. Access to education, healthcare, credit, and housing are essential enablers of socio-economic empowerment of the underserved population in the country.

Areas to watch

Broad eligibility criteria and multiple certifications and standards can result in projects with uneven impacts. The absence of quantifiable thresholds for certain categories limits transparency on potential benefits. Relying on multiple certifications, for examples green buildings and agriculture, also pose challenges related to enforcement, traceability, and gaps in certification criteria.

Saigon-Hanoi Bank does not disclose its direct emissions and is yet to measure its financed emissions. A detailed inventory of emissions would bring transparency to its decarbonization efforts.

Issuer Description

Saigon-Hanoi Commercial Joint Stock Bank (Saigon-Hanoi Bank) is among Vietnam's six largest private commercial banks. It was established in 1993 and is headquartered at Hanoi. The bank's total assets reached Vietnamese dong (VND) 892.0 trillion (US\$33.9 billion) at end-2025, including VND614.9 trillion for customer loans.

Saigon-Hanoi Bank operates through a network of 584 transaction points, including 64 branches and 230 transaction offices in Vietnam, serving over five million individual and corporate clients. In 2025, it reported pre-tax profit of VND15.0 trillion (US\$571 million).

The bank's offerings include a variety of financial products and services, including retail and small and midsize enterprise (SME) customers, with SME financing representing nearly 44% of corporate lending and green-sector loans accounting for 9.8% of total outstanding loans. Saigon-Hanoi Bank also directs credit toward agriculture and rural development, manufacturing and processing, exports, infrastructure, housing, tourism, logistics, renewable energy, and environmental-protection projects.

The bank is listed on the Ho Chi Minh City Stock Exchange. Ownership is fragmented, but the T&T Group (6.8%) and the Do family (close to 9%) collectively represent the most influential shareholder block.

Eligible Projects Summary

Saigon-Hanoi Bank expects to allocate the proceeds of its upcoming issuance to social projects (access to essential services - financing/employment/empowerment).

The issuer expects 50% of proceeds to be allocated to refinancing projects, while remaining half will be directed to finance new projects.

Project category	Shade	Sustainable Development Goals (SDGs)
GREEN		
Renewable energy	  Dark to Medium green	- Affordable and clean energy* - Climate action
Energy efficiency	 Medium green	- Affordable and clean energy* - Industry Innovation and Infrastructure*
Green buildings	 Light green	- Industry innovation and infrastructure - Sustainable cities and communities*
Clean transportation	  Medium to Light green	Sustainable cities and communities*
Eco-friendly and/or circular economy adapted products, production technologies, and processes	  Dark to Medium green	- Good health and well-being - Responsible consumption and production*
Pollution prevention and control	  Medium to Light green	- Sustainable cities and communities* - Responsible consumption and production*
Environmentally sustainable management of living natural resources and land use	  Medium to Light green	- Responsible consumption and production* - Life on Land*
BLUE		
Marine Ecosystem Management	  Medium to Light green	Life below water*

Fisheries, aquaculture, and seafood value chain	 Light green	• Responsible consumption and production • Life below water*
Sustainable water and wastewater management	 Medium to Light green	• Clean water and sanitation*
Sustainable shipping and port logistics sectors	 Light green	• Clean water and sanitation • Life below water
Sustainable aquatic and marine tourism	 Light green	• Life below water
Ocean-friendly products, marine biotechnology, and chemicals	 Medium to Light green	• Industry, innovation and infrastructure • Life below water
SOCIAL		
Access to essential services – financing/employment/empowerment		• No poverty* • Gender equality • Decent work and economic growth*
Access to essential services - healthcare		• Good health and well-being*
Access to essential services - education		• Quality education*
Affordable housing		• Sustainable cities and communities*
Affordable basic infrastructure		• Clean water and sanitation* • Affordable and clean energy* • Sustainable cities and communities*

Where the financing documentation references the SDGs, we consider which SDGs it contributes to. We compare the activities funded by the financing to the International Capital Markets Association (ICMA) SDG mapping and outline the intended linkages within our SPO analysis. Our assessment of SDG mapping does not affect our alignment opinion. *The eligible project categories link to these SDGs in the ICMA mapping.

See [Analysis Of Eligible Projects](#) for more detail.

Issuer Sustainability Context

This section provides an analysis of the issuer's sustainability management and the embeddedness of the financing framework within its overall strategy.

Material Sustainability Factors

- **Climate Transition Risk**
- **Physical Climate Risk**
- **Biodiversity & Resource Use**
- **Access and Affordability**

Issuer And Context Analysis

Eligible green and blue project categories address Saigon-Hanoi Bank's most material sustainability factors. Renewable energy, energy efficiency, transportation, and green building projects target climate transition risks. Meanwhile, water, waste management, circular economy, and sustainable land/aquatic projects focus on pollution control, biodiversity management, and resource efficiency. Socially, the framework seeks to expand financial access and economic empowerment for underserved communities. However, eligible projects remain exposed to physical climate, biodiversity, and pollution risks.

Saigon-Hanoi Bank is yet to report its direct emissions and has not assessed the emissions from its lending and investment portfolio. The bank aims to reduce scope 1 and scope 2 greenhouse gas emissions by at least 30% by 2028. In parallel, it targets to increase green credit to at least 25% of total outstanding loans by 2028, from 9.8% in 2025, prioritizing renewable energy, energy efficiency, green buildings, sustainable transport, and waste management. An inventory of scope 3 emissions will help measure the impact on the loan book's carbon intensity. Between 2024 and 2025, Saigon-Hanoi Bank raised US\$588 million through two environmental, social, and governance (ESG)-linked syndicated loans to fund projects under its sustainable finance framework. While the bank's transition strategy is still developing, it has yet to account for financed emissions, which typically represent a bank's largest climate impact.

Saigon-Hanoi Bank is integrating physical climate risks into its risk management and operational resilience planning. Through its environmental and social management system (ESMS), the bank screens, classifies, assesses, and monitors environmental and social risks throughout the credit lifecycle. There is limited information on how granular and systematic the assessment is, and on what climate scenarios it relies.

To manage operational exposure to extreme weather, Saigon-Hanoi Bank conducts seasonal preparedness assessments, provides staff training, and annually tests its business continuity plan, which covers floods, fires, system failures, and electrical incidents.

The bank manages biodiversity and ecosystem risks via the broader ESMS rather than a dedicated biodiversity policy. This system integrates screening, risk classification, due diligence, approval conditions, mitigation action plans, and post-disbursement monitoring. Saigon-Hanoi Bank is currently strengthening its policies and assessment tools to align with international standards, such as those of the International Finance Corp., World Bank, and Asian Development Bank (ADB). These enhanced controls could better identify and manage financing-related impacts on habitats, natural resources, and local communities, particularly for high-risk projects. Additionally, Saigon-Hanoi Bank's green lending targets, including organic agriculture and sustainable infrastructure, may contribute indirectly to ecosystem protection.

Saigon-Hanoi Bank's approach to access and affordability focuses on expanding access to credit for SMEs, low-income homebuyers, farmers, and other priority customer groups. The bank collaborates with international institutions, including the World Bank, ADB, and Japan International Cooperation Agency (JICA), to mobilize funding for micro, small, and medium-sized enterprises (MSMEs), rural, sustainable agriculture, and renewable energy finance.

MSME loans comprise nearly 44% of Saigon-Hanoi Bank's corporate lending, supported by preferential interest rates, flexible credit limits, and specialized programs such as "SLINK Value Chain," "Sustainable Development," and "Reconstruction and Recovery." Furthermore, digital services such as Saigon-Hanoi Bank SAHA, Saigon-Hanoi Bank Corporate, and mobile banking simplify customer access to services and reduce transaction times.

Analysis Of Eligible Projects

This section provides details of our analysis of eligible projects, based on their environmental benefits and risks, using the "[Analytical Approach: Shades Of Green Assessments](#)," as well as our analysis of eligible projects considered to have clear social benefits and to address or mitigate a key social issue.

Green project categories

Renewable energy

  **Dark to Medium green**

Description

Electricity generation: To finance/ refinance eligible projects for the development, construction, management, operation, or maintenance of renewable energy projects, including:

- Solar photovoltaic (PV)
- Wind
- Hydropower: Generating less than 10 megawatt (MW) or run-of-river facilities; life-cycle emissions less than 100g CO2e/kWh; or Power density > 5W/m2
- Geothermal energy (with lifecycle greenhouse gas emissions from the generation of electricity by the entire facility <100 gCO2e/kWh)
- Biomass (with lifecycle GHG emissions from the generation of electricity by the entire facility <100 gCO2e/kWh). Subject to the following requirements: Biomass/fuel that is derived from sources of high biodiversity, competes with food sources, or depletes carbon pools is excluded; Biomass/fuel from waste (e.g., agriculture, municipal sources) is eligible; Feedstock standards should be compliant with the following or equivalent: Forest Stewardship Council (FSC), Biomass Biofuels voluntary scheme (2BSvs), Bonsucro (Better Sugarcane Initiative), Roundtable of Sustainable Biomaterials (RSB), Round Table on Responsible Soy (RTRS), International Sustainability and Carbon Certification (ISCC and/or ISCC plus) and other equivalent certification schemes

Related infrastructure and supply chain:

- Projects for the construction and operation of electricity storage including mechanical energy, fuel cell, thermal energy storage systems, pumped hydropower, electrochemical, and other storage systems for renewable energy projects/assets; technologies supporting renewable energy storage capacity, including batteries, capacitors, compressed air storage, and flywheels
- Facilities dedicated to manufacturing key components for eligible facilities e.g., solar panel or wind turbine manufacture
- Transmission and distribution infrastructure dedicated to a direct connection or an expansion of connection between power plants, with lifecycle emissions intensities less than 100gCO2e/kWh
- Transmission and distribution infrastructure dedicated to an inter-country/region direct or grid connection to access existing or new power plants, with lifecycle emissions intensities less than 100gCO2e/kWh (lifecycle emissions)
- Transmission and distribution infrastructure that is on a decarbonization trajectory where at least 67% of the newly connected generation capacity in the system is below the generation threshold value of 100gCO2e/kWh measured on a product carbon footprint (PCF) basis over a rolling five-year period; or the average system grid emissions factor is below the threshold value of 100gCO2e/kWh measured on a PCF basis over a rolling five year average period
- Investments in new and existing infrastructure to improve energy efficiency and reduce network losses using smart grid technologies and the installation of smart meters

Analytical considerations

- To achieve a low-carbon, climate-resilient future, energy systems must undergo a structural shift away from fossil-fuel-based generation, supported by robust grid infrastructure and storage. In 2025, coal accounted for 32% of Vietnam's installed capacity, but over 50% of generation, followed by hydro, and wind and solar (source: Vietnam Electricity). Primary risks include carbon lock-in and the physical risks for energy infrastructure. Energy decarbonization also requires managing the impact of large-scale renewable deployment on biodiversity, water security, and circular economy principles (e.g., end-of-life management of solar and wind components).
- The framework's exclusion of dedicated fossil-fuel connections and its focus on lifecycle emissions thresholds prevent the financing of carbon-intensive technologies. The inclusion of energy storage and transmission infrastructure specifically addresses the intermittency of renewables, mitigating the risk of grid instability and facilitating the integration of higher renewable shares. Wind, solar, hydropower, and geothermal provide Dark green climate mitigation benefits. A low-carbon intensity grid (below 100gCO₂e/kWh or with at least 67% of newly enabled generation capacity below 100gCO₂e/kWh over a rolling five-year period) stands for a Dark green solution for the future. Feedstocks for biomass are restricted to waste and residues derived from certified activities only, consistent with a Dark green shade. Energy efficiency measures with an expected 20% improvement against verified business-as-usual performances or baseline are Medium green (see "energy efficiency" for detailed analysis). Overall, the category receives a Dark to Medium green assessment given the absence of indicative allocation split between projects.
- Saigon-Hanoi Bank addresses lifecycle greenhouse gas intensity by setting a low ceiling for generation. A notable data limitation exists regarding the granular tracking of scope 3 emissions from the manufacturing of solar panels and wind turbines. While the bank reviews equipment durability and waste on a case-by-case basis, a standardized approach to circularity (e.g., mandatory recycling protocols) would further mitigate end-of-life environmental impacts.
- Both open-loop and closed-loop geothermal systems are in scope. The bank will assess impacts on water and natural habitats and ensure compliance with the environmental permits.
- For biomass, the framework mitigates indirect land use change risks through mandatory certifications (e.g., FSC, ISCC) and clear screening. While certifications can provide useful signals of environmental performance, their credibility depends on the rigor of the standard, governance arrangements, and independent assurance processes. Biomass eligibility is restricted to non-food, non-biodiversity-depleting sources, reducing the risk of competition with food security. For hydropower and geothermal, the risk to aquatic ecosystems and natural habitats is managed through internal risk classification.
- Physical climate risks, particularly water scarcity and extreme weather, pose material threats to power systems. Hydropower is highly sensitive to hydrological shifts. According to the World Bank, climate change is altering precipitation patterns in Southeast Asia, which may impact run-of-river viability. Similarly, geothermal and thermal storage systems face operational risks from water stress. While Saigon-Hanoi Bank assesses climate risks, the long-term resilience of these assets depends on the accuracy of local climate modeling.

Energy efficiency	Medium green
Description	
To finance/refinance eligible projects for the development, manufacturing and distribution of infrastructure, equipment, and technology that yield an energy efficiency improvement of minimum 20% as compared with a baseline or market average. Examples include but are not limited to:	
• Smart grids technologies • Waste heat recovery technologies • Energy management systems (such as improved chillers, transition to fiber networks, improved lighting technology, and reduced power usage in manufacturing operations) • Building technologies (such as LED lighting, smart meters, and replacement of boilers) to improve energy performance • Fiber optic connection lines that replace legacy copper technologies for broadband networks	
Analytical considerations	

- Energy efficiency is critical to limiting warming to well below 2°C. According to the Intergovernmental Panel on Climate Change (IPCC), average mitigation investment flows and needs through 2030 indicate that energy efficiency requires the most significant investment. On Aug. 20, 2025, Vietnam's Central Executive Committee issued Resolution 70-NQ/TW, targeting 8-10% energy savings compared to business-as-usual by 2030. This supports the national strategy for energy security and aligns with the Vietnam Energy Efficiency Program (VNEEP 3).
- Saigon-Hanoi Bank has set quantitative performance thresholds for eligible financing. It will monitor and review the baselines and relevant benchmarks based on specific projects and sectors. For instance, the bank will refer to the Vietnam's Ministry of Industry and Trade (MOIT)'s specific energy consumption benchmarks for steel-related projects (Circular No. 20/2016/TT-BCT), for paper-related projects (Circular 24/201/TT-BCT), and for fishery processing projects (Circular 52/2018/TT-BCT), as well as referencing relevant technical standards or verified historical performance. Higher energy efficiency can reduce energy use and the associated greenhouse gas emissions. Therefore, we assess the category as Medium green. The bank has confirmed that efficiency improvements for fossil fuel equipment and assets are ineligible.
- Vietnam's power grid remains heavily reliant on fossil fuels, meaning efficiency gains risk driving higher net consumption via the rebound effect. Project climate benefits will ultimately depend on the availability of clean power. While the bank's ESMS tracks project-level energy-saving progress, it does not currently account for this rebound effect.

Green buildings

 Light green

Description

To finance/refinance eligible projects for development, construction, acquisition, and retrofitting of buildings, including:

- Existing or new buildings that meet national or international standards or certifications such as LEED (Gold or above), EDGE, Living Building Challenge Certified (all tiers), BREEAM Excellent, DGNB (Gold and above), GREEN STAR (5 or above), BCA Green Mark (Gold Plus and Premium), LOTUS (Gold and above), or any buildings that meet Climate Bonds Initiatives (CBI) Certification Criteria. Certificate validity: Five-year maximum limit if the certification does not impose a limit or has one that is longer than five years
- Refurbish existing buildings for at least 20% energy saving or carbon emission reduction (kgCO₂e/m²) from business-as-usual baseline or market average
- Data centers with a design average annual power usage effectiveness (PUE) of or less than 1.4

To finance eligible projects for manufacturing energy-efficient equipment or industrial products for buildings, such as:

- Primary material supply, manufacture, and installation of energy efficient technologies including information and communications technology solutions, heating, ventilation, and air conditioning systems, energy saving equipment and appliances, light fittings, efficient utilities including heating and cooling related to construction and operation of green buildings and/or increased operational efficiency

Analytical considerations

- The International Energy Agency emphasizes that reaching net-zero emissions in buildings requires major strides in energy efficiency and fossil fuel abandonment. All properties must achieve high energy performance; new properties should also reduce emissions from building materials and construction. Moreover, addressing physical climate risks is crucial for strengthening resilience across all buildings.
- Saigon-Hanoi Bank expects most financing to target new buildings, with a limited pipeline for renovation projects. This category is Light green because the framework criteria promote more energy-efficient projects than required by regulation, yet with limited consideration for physical climate risks and embodied emissions. Buildings with direct fossil fuel heating and cooling are excluded.
- Although green building certifications cover broad environmental issues, they differ considerably in requirements for energy efficiency, embodied emissions, and climate resilience. Typically, their point-based systems do not guarantee low-carbon construction. Their robustness depends on factors such as the certification type and level achieved, which limits our visibility into the potential impacts of eligible projects.

- The average PUE was 1.50 in APAC (Source: International Energy Agency), and it is projected to reduce to 1.35 by 2030. 1.4 is a common target in Vietnam for new assets (Source: Mordor Intelligence). In addition to PUE requirements, the bank requires eligible data centers to demonstrate confirmed or planned access to low-carbon energy via physical or virtual procurement. This commitment is crucial for reducing the operational carbon footprint of these energy-intensive facilities. A large part of the country is exposed to low to low-medium water stress in terms of water availability for domestic, industrial, and irrigation use (source: World Resources Institute). The bank manages project-level water risks through its ESMS and will require enhanced reviews or environmental and social action plans for higher-risk assets.
- While embodied emissions in building materials are significant, the framework lacks specific reduction thresholds, relying instead on external building certifications. We view this as a limitation, as the point-based systems used by many certification bodies allow projects to qualify without ensuring significant reductions in embodied emissions.
- Both greenfield and brownfield projects are eligible, posing risks to natural habitats and local ecosystems. The bank manages and evaluates biodiversity impacts through borrowers' third-party environmental impact assessment reports and permit requirements. It will conduct enhanced due diligence, environmental and social action plan-driven mitigation, and post-disbursement risk monitoring for higher-risk projects.
- Both new and existing properties are exposed to physical climate risks. Saigon-Hanoi Bank evaluates this exposure through project feasibility studies, engineering surveys, technical designs, environmental assessments, other statutory documentation, and its ESMS.

Clean transportation

 Medium to Light green

Description

To finance/refinance eligible projects for development or manufacturing of low-carbon passenger, freight transportation, and/or related infrastructure:

- Passenger non-public transportation (e.g., passenger cars and commercial vehicles): zero direct emissions (fully electric or hydrogen) or hybrid vehicles with tailpipe emissions of below 50g CO₂e/passenger-km
- Passenger public transportation (e.g., light rail transit, metro, tram, trolleybus, bus, and rail): zero direct emissions (fully electric or hydrogen) or hybrid vehicles with tailpipe emissions of below 50g CO₂e/passenger-km
- Freight rail (excluding rail transport dedicated to fossil fuels): zero direct emissions (fully electric or hydrogen) or hybrid vehicles with tailpipe emissions at or below 25gCO₂/t-km (ton-kilometer)
- Road freight (excluding road freight dedicated to fossil fuels): zero direct emissions (fully electric or hydrogen) and development, manufacturing, recycling of rechargeable batteries and fuel cells for clean transportation
- Low carbon transportation infrastructures, including EV charging infrastructure, expansion of metro or train network and station upgrades, hydrogen fuel, information and communications technology such as smart cards, smart load pricing/charging, etc.

Analytical considerations

- Mitigating greenhouse gas emissions from transportation is crucial to meeting global decarbonization goals, given the sector accounts for 23% of global energy-related emissions (IPCC). In Vietnam, the transport sector contributes 18% of total emissions (Ministry of Transport). Additionally, fossil fuel-powered vehicles generate significant air pollution, including nitrogen and sulphur oxides.
- This category is assigned a Medium to Light green shade due to uncertainty regarding the allocation split between different solutions. While electrified transportation and green hydrogen align with a low-carbon, climate-resilient future, financing hybrid vehicles is a shorter-term solution due to emissions lock-in risks. Transportation or infrastructure dedicated to fossil fuel use is ineligible under this framework.
- Investments supporting the electrification of public transport, electric vehicles (EVs), and associated infrastructure (e.g., charging stations) are Dark green. However, actual emission reductions will depend on Vietnam's grid emissions intensity. The framework does not explicitly address climate and environmental risks associated with EV production, such as energy-

intensive manufacturing, raw material mining (particularly for batteries), and circularity, leaving Saigon-Hanoi Bank to rely on its ESMS to assess these impacts.

- Hybrid vehicles are eligible only if they meet predefined emissions thresholds. Although hybrid vehicles may prolong fossil fuel use, they serve as an important interim step in Vietnam's decarbonization, given full-electrification in most parts of the country is not feasible yet, and are Light green. Vietnam has about 150,000 charging ports nationwide.
- Saigon-Hanoi Bank confirmed that only green hydrogen vehicles (produced using 100% renewable energy) are eligible. While they can reduce lifecycle emissions compared to internal combustion engines, hydrogen production is often energy- and water-intensive, and storage/leakage risks remain. Saigon-Hanoi Bank has not provided details on the production value chain.
- Physical risk exposure is material for vehicle manufacturing plants and infrastructure projects. Saigon-Hanoi Bank relies on its ESMS process to identify and manage these risks.

Eco-friendly and/or circular economy adapted products, production technologies, and processes

  **Dark to Medium green**

Description

To finance/refinance eligible projects for development, construction, operation, and upgrade of sustainable waste management projects that support a circular economy, including but are not limited to:

- Procurement of recycled, waste materials, or resource-efficient materials as an input, such as recycled steel, glass, aluminum
- Repair activities aimed at increasing the lifespan of existing products
- Commercial-scale manufacturing /production of resource-efficient recycling materials of products
- Production of products where at least 90% of input is recycled and/or bio-based input
- Procurement of waste or recycled material as an input, of at minimum 90% of the final product. If the materials are bio-based raw materials (excluding bio-based plastics), they need to be sourced from sustainable sources or crops. Examples include but are not limited to production of aluminum-based consumer products where 90% or more of input is scrap or recycled aluminum

Analytical considerations

- Circular economy services are essential to a low-carbon transition, reducing resource extraction and waste by extending product lifetimes through reuse, repair, and recycling. According to the United Nations Development Program, only 7.2% of materials are cycled back into the economy after use. Increasing circularity in key materials such as cement, steel, plastics, and aluminum could reduce global greenhouse gas emissions by up to 40% by 2050.
- Goods produced in energy-efficient ways that also seek to limit resource use, including through repair, remanufacturing, and recycling, can contribute to significant emissions savings. Eligible end products must contain at least 90% recycled, bio-based, or waste-derived inputs, supporting both resource efficiency and circularity. In addition, financing excludes fossil-fuel-based production equipment. Still, there is uncertainty about the emissions performance of waste collection and recycling. This category is a Dark to Medium green shade as a result.
- To mitigate land-use change risks, eligible bio-based materials must be derived exclusively from bio-waste, avoiding competition with food production and depletion of natural carbon stocks. Furthermore, sustainable feedstocks must consist solely of agricultural waste or certified biomass meeting the criteria set out in the framework's "renewable energy" category.
- The bank screens all eligible projects through its ESMS to ensure compliance with Vietnamese regulations and permitting requirements. The ESMS also assesses environmental performance across key operational indicators, including energy and water consumption, raw material sourcing, emissions, wastewater management, waste handling, and pollution control.

Pollution prevention and control

 Medium to Light green

Description

To finance/refinance eligible projects for the development, construction, and operation of waste recycling and waste to energy, including:

- Recycling of materials, including the prevention, collection, treatment, and processing of waste
- Reuse of materials, including refurbishing or repairing products for reuse
- Reduction of air emissions, including through the installation of smokestack scrubbers or process upgrades
- Mitigation of greenhouse gas emissions, including through installation of sensors to monitor or test emission control or compliance
- Processing of recyclable waste fractions into secondary raw materials including steel, aluminum, and glass
- Recycling of e-waste or waste from electrical or electronic equipment
- Waste management (excluding landfills) such as waste prevention, waste reduction, and energy/emission-efficient co-processing with emission abatement technologies
- Projects to capture biogas from closed landfill facilities, with high gas capture efficiency of 75% or more

Analytical considerations

- Waste management is a critical pollution prevention measure that protects human health and local ecosystems. Proper recycling extends material lifespans, reducing energy consumption, natural resource use, and emissions of carbon and other air pollutants. Following the waste management hierarchy, waste prevention and reuse are the preferred solutions due to their minimal environmental impact, followed by recycling, energy recovery, and finally, disposal.
- Vietnam faces a worsening waste crisis, producing over 70,000 tons of municipal solid waste daily. Although the government mandated household source-sorting starting Jan. 1, 2025, only about half of the country's cities and provinces have implemented it. Infrastructure gaps persist, leading to improper waste management and a plastic recycling rate of less than 30% (source: UNDP). Eligible projects address the urgent need to prevent pollution and protect biodiversity. This category is Medium green because Saigon-Hanoi Bank prioritizes projects according to the waste management hierarchy (prevention and reuse, followed by recycling and resource recovery). The development of new landfills is ineligible for financing.
- Reducing air pollutants and greenhouse gas emissions is vital for environmental quality and local pollution control. However, uncertainty remains regarding the risks and benefits of projects lacking explicit performance thresholds. Furthermore, the framework does not rule out financing pollution-reduction projects in heavy-emitting industries, which limits our visibility on the environmental benefits and comparability associated with high-carbon infrastructure. Accordingly, this sub-category is Light green.
- Capturing landfill gas contributes to the reduction of methane leakages, although the subsequent combustion of captured gas still generates emissions. As gas capture is limited to closed landfills, this project type is Light green.
- The bank manages environmental compliance and physical climate risks through its ESMS and will require environmental and social action plans for any identified performance gaps.

Environmentally sustainable management of living natural resources and land use

 Medium to Light green

Description

To finance/refinance eligible projects for sustainable agriculture, animal husbandry, and forestry, including:

- Improvement of farming equipment or technologies to reduce inputs such as water, fertilizers, pesticides

- Climate smart farming aligned to UN FAO (Food and Agriculture Organization) that improve efficiency or reduce greenhouse gas emissions by 20% as compared with existing baseline or market average. This includes green organic fertilizers (microbial fertilizers), bio stimulants, biopesticides, agricultural robots, vertical farming, hydroponics, or aeroponics
- Management of soil and biomass, erosion control, and improvement of soil health
- Afforestation, restoration, and preservation of natural landscape from a degraded state and rewilding projects
- Products with international certifications associated with natural materials such as Sustainable Rice Platform (SRP), Global Organic Textile Standard (GOTS), Forest Stewardship Council (FSC)
- Agriculture activities certified by internationally renowned agricultural certification system such as Bonsucro, RSB (Roundtable on Sustainable Biomaterials), RTRS (Roundtable on Responsible Soy), Rainforest Alliance (RA)/UTZ, Fairtrade Small-Scale Producer, Fairtrade Hired Labor, Friends of Earth, Global Good Agriculture Practices (Global G.A.P), VietGAP or equivalent certifications

Analytical considerations

- According to the World Bank, Vietnam's agriculture sector was the country's second-largest greenhouse gas emitter in 2020, accounting for 19% of total emissions. Rice production contributed 48% of these emissions, followed by enteric fermentation (15%), synthetic fertilizer application (13%), and manure management (10%). Transitioning to agricultural practices that reduce emissions while enhancing soil health, water quality, and ecosystem integrity contributes to a low-carbon, climate-resilient future.
- This category covers crop farming, livestock, and forestry. While the use of certifications (e.g., FSC, RSB, RTRS) helps verify sustainable practices, certification systems vary in stringency and may contain loopholes. They often fail to adequately address systemic issues, such as direct and indirect land-use change driven by agricultural expansion, or the enforceability and traceability of impacts. Consequently, this category receives a Medium to Light green shade.
- Eligible crop-based financing includes precision irrigation, optimized fertilizer application, soil-moisture monitoring, water-efficient pumps, cold storage, agricultural robotics, and hydroponics/aeroponics. The bank aims to help farmers adapt to climate variability and maximize resource efficiency. The exclusion of equipment and vehicles powered directly by fossil fuels prevent carbon-intensive investments. These projects are Light green.
- Livestock farming contributes significantly to emissions through animal digestion and manure, while land conversion for animals and feed crops can drive emissions and harm biodiversity. Although eligible projects primarily focus on increasing yields and reducing losses without additional resource inputs, Saigon-Hanoi Bank does not restrict livestock types or maximum herd sizes, meaning they could finance many ruminants. These projects are Light green.
- Eligible forestry projects include the restoration and rewilding of degraded land, with remediated areas designated for permanent conservation. The bank requires reforestation and afforestation projects to use native or site-adapted tree species. Furthermore, projects must implement sustainable management plans certified by recognized international bodies, such as SFI, and receive a Medium green shade. Likewise, the management of soil and biomass, erosion control, and improved soil health is Dark green.
- Physical climate, biodiversity, and land-use change risks are managed through Saigon-Hanoi Bank's ESMS, which assesses adherence to local environmental laws and other impacts. The bank will conduct enhanced due diligence, Environmental and Social Action Plan-driven mitigation, and risk-based monitoring for higher-risk projects.

Marine ecosystem management	 Medium to Light green
Description	
To finance/refinance eligible projects and investments aimed at:	
• Conserving, improving, and restoring marine and coastal ecosystems: ○ Marine protected areas established, or management strengthened ○ Critical ecosystems (e.g., include, but not limited to, mangrove forests, coral reef, seagrass meadow, coastal wetland, river embankment, or salt marsh) sustainably managed, conserved, or restored	

- Information systems, technology, and instruments deployed for measuring, tracking, and reporting physical and chemical indicators of the water body

Analytical considerations

- Conserving biodiversity, natural ecosystems, and habitats provides significant co-benefits for climate mitigation and adaptation through the protection of critical ecosystem services. This aligns with Vietnam's National Biodiversity Strategy to 2030, which targets recovery of at least 20% of degraded ecosystems.
- This category encompasses a broad range of activities, including conservation and restoration. While measuring, tracking, and reporting tools can indirectly support the restoration of marine and coastal ecosystems, the lack of detailed selection criteria creates uncertainty regarding the range of climate benefits and risks. Consequently, this category is Medium to Light green.
- Coastal ecosystems, such as wetlands, coral reefs, mangroves, and seagrass meadows, are essential for the environment's health and community well-being. These ecosystems also play an important role in climate mitigation through their carbon sequestration capacity.
- Saigon-Hanoi Bank states that eligible conservation and restoration projects may be assessed by independent specialists under its ESMS. While these activities provide biodiversity, carbon sequestration, and climate resilience benefits, the bank allows some conserved areas to be used for small-scale aquaculture and eco-tourism, provided they align with the criteria outlined in the framework's "fisheries, aquaculture, and seafood value chain" and "sustainable aquatic and marine tourism" categories.
- Physical climate and social risks will be assessed and managed through Saigon-Hanoi Bank's ESMS.

Fisheries, aquaculture, and seafood value chain

 Light green

Description

To finance/refinance eligible projects and investments aimed at improvement in fisheries sourced from sustainable sources by a minimum of 20% from existing a baseline or market average:

- Developing traceability systems to ensure sustainability of operations, facilities, and supply chains in the fishing industry
- Improving sustainable production of fishery that meet, keep, or exceed the Marine Stewardship Council (MSC) Fisheries Standards, Aquaculture Stewardship Council (ASC) standards

Analytical considerations

- Sustainable aquaculture can offer lower-carbon protein compared to meat, supporting climate goals as demand rises. However, feed-related deforestation or nutrient pollution could erode these gains. Furthermore, even certified fishery and aquaculture projects may induce biodiversity loss or pollution.
- Eligible projects must achieve at least a 20% increase in the volume, value, or share of seafood sourced from certified sustainable sources, or a 20% improvement in traceability capabilities against a baseline or market average. While these thresholds promote sustainable fishing practices and enhance supply chain data transparency, they may not translate into direct environmental benefits. Additionally, beyond certification requirements, Saigon-Hanoi Bank sets no criteria regarding aquaculture vessels, energy performance, or transport emissions. Consequently, we assess this category as Light green.
- Feed for eligible projects must be sourced from certified suppliers, and proceeds will be allocated to fisheries to meet, maintain, or exceed MSC or ASC standards. While certifications help verify sustainable practices, these systems vary significantly in stringency and may contain loopholes. They often fail to address systemic issues, such as associated climate emissions, or ensure the enforceability and traceability of impacts. Relying solely on certifications and regulatory compliance introduces uncertainty regarding a project's actual environmental impact.
- Fossil-fuel-powered vessels may be used in eligible projects as alternative fuels and electrification are not yet commercially available in Vietnam. Nonetheless, the bank noted that some projects may include measures to reduce vessel or facility energy use by 20% on a case-by-case basis.

Sustainable water and wastewater management

 Medium to Light green

Description

To finance/refinance eligible projects and investments aimed at developing/ manufacturing infrastructure, equipment, and technology for:

- Sustainable infrastructure for clean and drinking water, including
 - Desalination plants with average carbon intensity used for desalination at least or below 100gCO₂e/ kWh
 - Water distribution systems
 - Water recycling systems
 - Projects to develop new or repair existing water pipelines, improve water quality, or distribute water with improved quality
 - Projects that reduce, reuse, or recycle water
 - Projects that increase of water-use efficiency by at minimum 20% from existing baseline or market average, such as digital water metering, smart control center, leakage prevention, and irrigation systems to promote water saving recovery
 - Development and manufacturing water conservation products (for example, low-flow shower heads, faucet aerators, water recyclers, and low-flow toilets) for residential and commercial use that achieve at minimum 20% improvement from existing baseline
- Restoration of hydro-ecological systems
- Sustainable urban drainage systems and other forms of flooding mitigation. These include stormwater warning systems; floodwater warning systems; dam failure warning systems; storm water management systems; heavy rain drainage system; flood management or flood prevention such as wetlands, retention, berms, lagoons, sluice gates; flood mitigation tools such as storm/flood water warning systems; development of floodplain mapping and flood forecasting models etc.
- Wastewater treatment--especially wastewater--on a large scale, and technologies, systems, or facilities that increase the efficiency of wastewater processing

Exclusion: water and wastewater treatment dedicated to fossil fuel operations and/ or carbon intensive sectors

Analytical considerations

- Vietnam faces water stress and management challenges driven by rapid urbanization, industrial growth, and climate-induced precipitation shifts. Limited rural access to safe water and sanitation, alongside pollution from agriculture, industry, and wastewater, continues to degrade water quality. Untreated wastewater contributes nutrients and contaminants to waterways, threatening biodiversity and public health. Improving water and wastewater management, as well as flood control, can enhance water quality, climate resilience, and environmental benefits, provided local impacts are adequately managed.
- Saigon-Hanoi Bank expects eligible projects to outperform local regulatory requirements. These facilities will primarily rely on the national grid, using fossil fuels only for backup, and the bank will encourage borrowers to utilize renewable energy. This category is Medium to Light green given the broad inclusion of projects and their varying range of benefits and risks.
- Water efficiency and conservation reduce pressure on natural capital and lower greenhouse gas emissions associated with water treatment and conveyance. The minimum 20% improvement threshold against a baseline should ensure adequate performance. Therefore, this sub-category is Medium green.
- While desalination reduces freshwater dependence, it is highly energy-intensive and poses brine disposal risks. Saigon-Hanoi Bank relies on its ESMS to monitor brine and waste disposal for regulatory compliance. Consequently, we cap this assessment at Light green. It is positive that the bank has set an average carbon intensity threshold of 100gCO₂e/kWh to ensure the use of low-carbon energy.

- Hydro-ecological restoration, including wetlands, riverbanks, floodplains, riparian buffers, natural drainage, and degraded aquatic habitats, is Medium green (See "marine ecosystem management" for more details).
- Introducing flood mitigation features into water management can enhance resilience against the growing physical climate risks facing Vietnam.
- Wastewater systems reduce pollution, enable resource recovery, and enhance public health and ecosystem stability. While they improve water quality and relieve water stress, these systems are energy-intensive and can produce significant solid waste and methane emissions, if insufficiently managed. Sewage sludge must be handled by authorized entities in accordance with environmental standards, and landfill disposal is excluded. Saigon Hanoi-Bank expects eligible projects to achieve a 20% improvement in wastewater processing efficiency while exceeding government benchmarks in terms of pollution control. We view this sub-category as Medium green.
- The construction of water infrastructure may lead to significant embodied emissions and exposure to physical climate risks. Saigon-Hanoi Bank relies primarily on its ESMS to address these risks and mitigate potential environmental impacts.

Sustainable shipping and port logistics sectors

 Light green

Description

To finance/refinance eligible projects and investments aimed at:

- Research, design, development, and implementation of water, waste management, solid waste reduction measures in shipping vessels, shipping yards, and ports
- Water treatment in shipping vessels
- Water treatment equipment and facilities for all blackwater and greywater generated from ports and shipping and cruising vessels
- Improvement of oil (fuel) spill prevention, risks safeguard, and recovery facilities

Analytical considerations

- Water and waste management projects in the shipping and port sectors provide direct benefits to local biodiversity and human health. 90% of Vietnam's international trade by volume moves through seaports, making the sustainability of ports and associated logistics infrastructure strategically important. The logistics sector contributes 4%-5% of GDP directly (Vietnamnet). The Light green assessment reflects the broad range of activities covered, including water and solid waste management, and the lack of quantitative performance thresholds. It is difficult to estimate how impactful these projects could be, while acknowledging their role in addressing a few important issues, such as water pollution.
- Saigon-Hanoi Bank requires eligible projects to comply with the International Convention for the Prevention of Pollution from Ships (MARPOL, whose objective is to prevent and minimize pollution from routine operations and accidental releases) and applicable national regulations. Eligible activities include onboard wastewater treatment, port reception facilities, waste segregation, recycling, and material reduction measures. The bank will not support ports, terminals, or vessels primarily dedicated to fossil fuel transportation.
- Treating blackwater and greywater, alongside oil spill prevention (e.g., enhanced containment systems, monitoring, sensors, and advanced skimmers/sorbents) are critical pollution prevention solutions to protect ecosystems and human health. Yet, these processes can be energy intensive, and the framework lacks clarity on this aspect.
- The bank manages potential exposure to physical climate risks through its ESMS.

Sustainable aquatic and marine tourism

 Light green

Description

To finance/refinance eligible licensed / certified sustainable tourism in the vicinity of marine conservation areas, less than 50 kilometers from the marine-protected areas and internationally recognized areas, with inclusive livelihood elements and business opportunities.

Analytical considerations

- Sustainable tourism can promote conservation of the marine ecosystem and local employment. However, it may also catalyze negative environmental impacts, such as ecological pressure from infrastructure development and increased emissions from tourist travel.
- Eligible financing includes nature conservation and restoration in protected areas, marine OECMs (other effective area-based conservation measures), wetlands, and coral reefs. However, eligibility also extends to tourism infrastructure, such as new or existing hotels and vehicles (which are screened under the "green buildings" and "clean transportation" categories). Direct investment in fossil-fuel-powered equipment and vehicles is excluded. Because this category covers a broad range of activities, from marine restoration to hotel construction, and limited information is available on the projects' details besides green building, this category is Light green.
- Eligible certification schemes for tourism sites include Biosphere Tourism, Preferred by Nature, Green Destination, and Green Globe. While these certifications guide holistic sustainability performance of the projects, they vary considerably in scope and specific criteria – particularly on biodiversity conservation, energy efficiency, and carbon footprints.
- To manage the biodiversity and environmental footprint of tourism projects, Saigon-Hanoi Bank requires all eligible projects to conduct environmental impact assessments (for new developments) and fulfill the following: 1) implement activities to prevent direct biodiversity impacts (e.g., carrying-capacity analysis); 2) establish a biodiversity awareness plan; 3) continuously monitor and measure conservation effectiveness; 4) achieve at least 20% water savings against a baseline or market benchmark; and 5) partner with conservation management entities, local nongovernment organizations, or communities on conservation works. These commitments provide safeguards for marine ecosystem protection.

Ocean-friendly products, marine biotechnology, and chemicals

 Medium to Light green

Description

To finance/refinance eligible projects and investments aimed at:

- Alternative low carbon and biodegradable fibers (such as lyocell) substituting for fossil-based fibers (for example, polyester) in the value chains of the medical, apparel, and other industries
- Biodegradable plant-based plastics and packaging, or compostable plastics and packaging
- Plastics collection and recycling facilities, substitution of plastic packaging with sustainable and biodegradable materials, and reusing or repurposing of plastics in areas close to a water body
- At least a 20% reduction per unit of product or replacement of phosphate-based or nitrogen-based synthetic fertilizers with sustainable alternatives and biodegradable fertilizers and supplements, in areas connected to rivers or coastal water basins

Analytical considerations

- Industrial value chains, particularly in textiles, packaging, and agriculture, must decouple economic growth from resource depletion and pollution. UNDP notes that less than 30% of plastic waste is recycled in Vietnam. A low-carbon, climate resilient future implies shifting from linear take-make-waste models to circular systems that prioritize biodegradable feedstocks, mechanical recycling, and nutrient-efficient agricultural inputs to protect both climate stability and water security.
- By financing low-carbon fibers and plant-based plastics, projects address the decarbonization of the textile and packaging sectors. The focus on mechanical recycling and the requirement for 90% recycled content in certain packaging applications directly support circular economy principles. Furthermore, the mandate for a 20% reduction in synthetic nitrogen/phosphate fertilizers targets the critical issue of water quality and greenhouse gas emissions. While the lifecycle emissions of the virgin and recycled fibers and plastics in scope should be much lower than those of their conventional alternatives, some

production and recycling processes may still be emissions-intensive. Sourcing quality feedstock with high environmental credentials could be an issue, and compete with other impactful uses, such as biomass-based energy. Potential issues also include monoculture plantations reducing biodiversity and increased fertilizer and pesticide use. The absence of clear emission thresholds means visibility on the full climate benefits is limited. Accordingly, these projects are Medium to Light green.

- Projects mitigate plastic leakage by focusing on mechanical recycling and the substitution of fossil-based plastics with compostable/biodegradable alternatives. By aligning with the CBI Waste Management Criteria, Saigon-Hanoi Bank ensures that financed facilities contribute to a closed-loop system where waste is converted into secondary raw materials. An uncertainty remains the end-of-life performance of biodegradable plastics. Without adequate industrial composting infrastructure, these materials may fail to degrade as intended. Additionally, while fossil-fuel-intensive industries are excluded, the ability to quantify the total lifecycle greenhouse gas reduction of "alternative fibers" depends on the transparency of upstream agricultural information, which remains a data limitation.
- The framework addresses the risk of aquatic eutrophication by incentivizing the replacement of synthetic fertilizers with organic alternatives like biochar. This is particularly relevant for projects in river or coastal basins, where nutrient runoff is a primary driver of ecosystem degradation.
- Saigon-Hanoi Bank employs recognized certifications (e.g., USDA Organic, FSC, RSB) to manage land-use and sourcing risks, adding some transparency to the fibers and plastics' value chain. Still, certifications vary in their rigor.
- Physical climate risks pose indirect but material risks to the feedstock supply chains of these projects. For instance, the production of plant-based plastics and biodegradable fibers relies on agricultural residues or starch, which are highly sensitive to drought and flooding.

S&P Global Ratings' Shades of Green

Assessments											
	Dark green		Medium green		Light green		Yellow		Orange		Red
Description											
Activities that correspond to the long-term vision of an LCCR future.		Activities that represent significant steps towards an LCCR future but will require further improvement to be long-term LCCR solutions.		Activities representing transition steps in the near-term that avoid emissions lock-in but do not represent long-term LCCR solutions.		Activities that do not have a material impact on the transition to an LCCR future, or, Activities that have some potential inconsistency with the transition to an LCCR future, albeit tempered by existing transition measures.		Activities that are not currently consistent with the transition to an LCCR future. These include activities with moderate potential for emissions lock-in and risk of stranded assets.		Activities that are inconsistent with, and likely to impede, the transition required to achieve the long-term LCCR future. These activities have the highest emissions intensity, with the most potential for emissions lock-in and risk of stranded assets.	
Example projects											
 Wind power		 Certified forestry		 New energy efficient buildings		 Fossil fuel buses		 Conventional steel production		 Oil and gas exploration	

Note: For us to consider use of proceeds aligned with ICMA Principles for a green project, we require project categories directly funded by the financing to be assigned one of the three green Shades.

LCCR--Low-carbon climate resilient. An LCCR future is a future aligned with the Paris Agreement; where the global average temperature increase is held below 2 degrees Celsius (2 C), with efforts to limit it to 1.5 C, above pre-industrial levels, while building resilience to the adverse impact of climate change and achieving

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sustainable outcomes across both climate and non-climate environmental objectives. Long term and near term--For the purpose of this analysis, we consider the long term to be beyond the middle of the 21st century and the near term to be within the next decade. Emissions lock-in--Where an activity delays or prevents the transition to low-carbon alternatives by perpetuating assets or processes (often fossil fuel use and its corresponding greenhouse gas emissions) that are not aligned with, or cannot adapt to, an LCCR future. Stranded assets--Assets that have suffered from unanticipated or premature write-downs, devaluations, or conversion to liabilities (as defined by the University of Oxford).

Social project categories

Access to essential services – financing and financial services / employment generation / socioeconomic advancement and empowerment

To finance/refinance eligible projects aimed at:

- The development, distribution, and expansion of financial products and services to MSMEs and women-led MSMEs
- The development, distribution, and expansion of digital services aiming at increasing access to financial services for MSMEs
- Projects or activities that promote MSMEs' participation in the digital economy, e-commerce, and digital transformation

Analytical considerations

- The social challenges addressed are financial exclusion and digital divide. As Vietnam pursues rapid transformation, MSMEs that lack access to digital banking and formal credit could get marginalized from modern value chains, hindering broader national goals of inclusive economic growth and poverty reduction.
- There is a systemic credit gap facing MSMEs in the country. MSMEs generate approximately 40% of GDP and 50% of employment, but an estimated 62% of their financing needs remain unmet, representing a financing gap of about US\$21.7 billion. Women-led MSMEs face additional barriers. They represent 21% of Vietnam's formal businesses, yet only 37% have access to bank business loans, compared with 47% of male-led firms (Source: IFC). Their estimated financing gap is approximately US\$4.9 billion. MSMEs commonly have insufficient collateral, weak financial records, limited credit histories, administrative complexity, and high transaction costs for small loans. These constraints can make conventional bank underwriting less accessible even for commercially viable businesses. MSMEs face significant hurdles in transitioning from informal to formal economic participation.
- The focus on digital services (e.g., micro-merchant platforms) creates a credible pathway for social impact. By converting informal transactions into structured digital data, the bank enables data-driven credit scoring, which directly addresses the collateral barrier.
- The sectoral exclusions and specific safeguards against over-indebtedness (know your customer and repayment capacity assessments) support the long-term financial resilience of the beneficiaries. In addition to preferential rates and fee reductions, Saigon-Hanoi Bank supports financial inclusion through educational programs, simplified credit processes, and digital accessibility for underserved customers.

Access to essential services – healthcare

To finance/refinance eligible projects aimed at:

- Expanding universal health coverage, including access to quality essential healthcare services and access to safe, effective, quality, and affordable essential medicines and vaccines for all
- Increasing health financing and the recruitment, development, training, and retention of the health workforce
- Healthcare infrastructure comprising land and buildings as well as property adaptations, renovations, improvements, and associated fixtures and fittings
- Healthcare machinery, equipment, and related digital infrastructure and software, especially digital tools, for delivering telehealth services. Vehicle associated with health provision
- Hospitals, clinics, or healthcare centers providing free or subsidized care
- Facilities providing programs that support the well-being of vulnerable and disadvantaged communities, such as elderly / disabled care homes or hospices
- Pharmaceutical manufacturers (minimum 80% of revenues to generic medicines), distributors, traders, and drugstores
- Sale of affordably priced or subsidized medicines on the World Health Organization essential medicines list

Analytical considerations

- The framework addresses gaps in healthcare equity and accessibility within Vietnam. While the country boasts a high public health insurance coverage of 93%, significant disparities persist in the quality and availability of services. The primary social challenges include access in rural versus urban areas, shortages in specialized medical infrastructure, and the high out-of-pocket costs for advanced treatments or essential medicines. Out-of-pocket payments represented 39.2% of current health expenditure in 2023 (Source: The World Bank). These issues are material, as healthcare access remains a critical determinant of socio-economic mobility and poverty prevention.
- The primary beneficiaries are those in underdeveloped regions, ethnic minorities, people with disabilities, the elderly, and low-income/near-poverty households. By utilizing national classifications for underdeveloped regions and disability laws, Saigon-Hanoi Bank ensures its targeting is grounded in existing socio-economic realities. Rural and remote communities often lack the specialized machinery and digital infrastructure (telehealth) required for modern care, forcing expensive and difficult travel to urban centers. For those living near the multidimensional poverty line (per Decree 07/2021/ND-CP), even subsidized care can be inaccessible if it is not paired with affordable medicines. Vietnam's demographic transition increases the need for healthcare, as more than one-fifth of the population could be over age 60 within a decade (Source: UNFPA).
- Private healthcare financing is limited to facilities participating in the Vietnam Health Insurance Organization scheme. This ensures that private sector efficiency is leveraged without bypassing the social insurance safety net. The framework includes specific provisions for hospitals offering free or subsidized care, and mandates that pharmaceutical financing prioritizes generic medicines. This creates a direct causal pathway from capital injection to reduced patient costs.

Access to essential services – education and vocational training

To finance/refinance eligible projects aimed at:

- Provision of affordable and quality pre-primary, primary, lower secondary, and upper secondary education, and vocational training
- Maintenance and upgrade of education facilities for children and people with disabilities
- Supply of teachers, teacher training, and materials

Analytical considerations

- The social challenge addressed is the potential for educational inequality to entrench multi-generational poverty. Although primary enrollment is nearly universal at 98%, access and completion evolve at later stages. Fewer than half of rural children and only one-third of children from the poorest households complete upper-secondary education (Source: UNICEF). By focusing on pre-primary through upper secondary education and vocational training, the framework seeks to ensure the workforce of the future possesses the baseline literacy, numeracy, and technical skills required for a transitioning economy.
- The framework specifically identifies children and people with disabilities as key beneficiaries. Without targeted investment in adapted facilities and specialized teacher training, these individuals are effectively excluded from the formal education system. For low-income households, the transition from secondary school to the labor market is a critical juncture. A lack of accessible vocational training can lead to underemployment or entry into the informal economy, where workers lack social protection.
- Conventional private education markets tend to gravitate toward high-margin, premium international schools. This leaves a missing middle in specialized, inclusive education for people with disabilities and limits their access to affordable vocational training, which is less profitable but socially essential.
- Limiting financing to private schools or institutions that charge the same fees as public schools creates a credible barrier against a drift toward high-cost, exclusive private education. The inclusion of teacher training and materials, rather than just physical infrastructure, recognizes that social impact in education requires both the "hardware" (buildings, as only 3% of schools have suitable infrastructure according to UNICEF) and "software" (human capital).
- While the bank targets public-equivalent pricing, it could be complex to monitor whether these institutions maintain affordability or if the quality of education meets employability goals. Likewise, teachers may require specific incentives to

look after students with special needs. And quality and affordability are not supported by measurable standards beyond fee equivalence with public institutions.

Affordable Housing

To finance/refinance eligible projects that aim to provide access to housing for underserved purchasers, including costs related to:

- Offering mortgages to underserved buyers
- Providing house improvement loans to underserved homeowners
- Invest, build, repair, or renovate social housing in accordance with national law

Analytical considerations

- The framework targets the acute shortage of affordable housing in Vietnam as the country undergoes rapid urbanization and industrialization. This creates a significant housing deficit for low-income urban dwellers and industrial workers. Significant migration to cities places immense pressure on urban infrastructure and housing affordability. Market-rate rentals in urban centers represent a disproportionate share of income compared to regulated social housing rates (e.g., typically less than 200,000 VND/m²/month).
- The identified beneficiaries--primarily low-income individuals, workers in industrial zones, and those living in sub-standard conditions (<15m² per person)--face systemic barriers to housing. They often lack the collateral or stable income profiles required for standard mortgages. The "no home ownership" requirement highlights a cycle of rental dependency that prevents wealth accumulation among the working class. Regulatory eligibility is broader than vulnerability. Following Decree 136/2026/ND-CP, income ceilings reach VND25 million monthly for single applicants, VND35 million for single parents, and VND50 million for married couples. The thresholds widen access to households caught between social-housing eligibility and unaffordable private housing, but they suggest every eligible borrower may not be marginalized.
- By financing projects subject to provincial-level price caps, Saigon-Hanoi Bank ensures that the end-user benefit (affordability) is structurally protected from market inflation.
- Mortgages, home-improvement loans, and investment in regulated social housing could improve housing security, reduce overcrowding, and enhance access to employment and essential services. Renovation finance may also address unsafe or substandard conditions, although the framework does not specify minimum habitability, resilience, or energy-performance improvements.
- Saigon-Hanoi Bank has a record of offering specific credit interventions for housing. For instance, the 2025 preferential package (3.99% interest, 60-month principal moratorium, and 90% LTV) directly addresses the liquidity and cash-flow constraints of underserved borrowers. Yet the advertised 3.99% rate is only a starting rate; Saigon-Hanoi Bank does not disclose its duration, subsequent pricing, effective annual cost, or comparison with ordinary mortgages.

Affordable basic infrastructure – clean drinking water/ sanitation, transport, telecom network

To finance/refinance eligible projects aimed at:

- Provision of access to safe and affordable sanitation and clean water facilities
- Development of transportation systems and related infrastructure in underserved areas
- Development of telecom networks and related infrastructure--including transmission lines and data transmission in low penetration areas and data centers in low density regions--specifically designed to reach previously underserved communities, such as rural communities or purposed to provide services related to access to government services, healthcare information, education, and other social services.

Analytical considerations

- The framework targets the last-mile connectivity gap in Vietnam's essential infrastructure: clean water, sanitation, transport, and digital connectivity. While Vietnam has achieved significant national progress in these areas, the development is highly uneven, with the persistence of infrastructure deserts in remote and mountainous regions. Lack of access to safe water and sanitation remains a critical driver of health inequality, while inadequate transport and digital networks act as structural barriers to economic integration, healthcare access, and government services.
- The identified beneficiaries (communities in underserved, remote, mountainous, island, and ethnic minority areas) face vulnerabilities that conventional market mechanisms rarely address. Low population density in these regions makes infrastructure projects commercially unattractive for private developers without state support. For ethnic minority and low-income households, the absence of reliable transport and digital connectivity limits market access for agricultural products and restricts access to essential digital services (e.g., e-government, telehealth). Inadequate sanitation and water treatment infrastructure disproportionately impacts these communities, leading to higher incidences of waterborne diseases and increased household healthcare expenditures, which can trigger poverty traps. Almost half of Vietnam's population still lacks access to safely managed drinking water (Source: UNICEF).
- By utilizing national classifications (Decision 33/2020/QD-TTg) to define underserved areas, the framework avoids diluting its impact through broad national infrastructure lending and focuses on those with the highest marginal need. The explicit inclusion of public transportation and its associated infrastructure, rather than just road networks for private vehicles, provides a credible pathway to improving mobility for the lowest-income segments.
- The application of the bank's ESMS, which covers resettlement, indigenous minorities, and community health/safety supports the projects' integrity. Infrastructure development can inadvertently cause displacements or cultural disruption.
- Ensuring that the end-user tariffs for water, telecom, or transport remain affordable for the lowest-income residents post-project completion could be challenging, given the high cost of infrastructure.

Alignment Assessment

This section provides an analysis of the framework's alignment to the Social Bond Principles, Social Loan Principles, Green Bond Principles, Green Loan Principles, Sustainability Bond Guidelines, and Guidelines for Blue Finance.

Alignment Summary

Aligned = ✓ Conceptually aligned = ○ Not aligned = ✕

- ✓ Social Bond Principles, ICMA, 2025
- ✓ Social Loan Principles, LMA/LSTA/APLMA, 2025
- ✓ Green Bond Principles, ICMA, 2025
- ✓ Green Loan Principles, LMA/LSTA/APLMA, 2025
- ✓ Sustainability Bond Guidelines ICMA, 2021

✓ Use of proceeds

We assess all the framework's green and blue project categories as having a green shade and consider all social project categories to be aligned. The issuer commits to allocating the net proceeds issued under the framework exclusively to eligible green, blue and social projects. Please refer to the Analysis of Eligible Projects section for more information on our analysis of the expected use of proceeds. The maximum look-back period is three years, which is in line with market practice.

✓ Process for project evaluation and selection

The framework outlines the process to select, evaluate, and approve eligible projects. Saigon-Hanoi Bank utilizes its ESMS to identify and monitor environmental and social risks associated with projects. The framework's exclusion list excludes fossil fuel activities, coal and peat, and corporate scale agriculture or aquaculture without international certifications, as well as activities involving deforestation and impacts on indigenous people etc. Additionally, eligible blue projects must not introduce material risk to other environmental priorities of the SDGs and must explicitly refer to internationally recognized standards covered in the reporting section.

✓ Management of proceeds

The net proceeds will be placed into Saigon-Hanoi Bank's general account and earmarked for allocation. So long as the proceeds are outstanding, the balance of the tracked net proceeds will be periodically adjusted to match allocations to eligible projects made during that period. Pending allocation, net proceeds will be temporarily invested in cash or a cash-equivalent instrument in accordance with the bank's cash management policies, taking the exclusion criteria into account.

✓ Reporting

Saigon-Hanoi Bank commits to disclosing annually the allocation of proceeds and the impact of financed projects until the full allocation of net proceeds and in case of material developments. Allocation reporting will include brief descriptions of the projects and target populations, the proportion of financing and refinancing, and the balance of unallocated proceeds etc. The impact report will include both expected and/or actual impacts. Where feasible, the bank will align its reporting with the ICMA's Harmonized Framework for Impact Reporting. Additionally, Saigon-Hanoi Bank will engage a third-party to conduct post-issuance review of the allocation reporting.

✓ IFC Guidelines for Blue Finance adherence

All blue projects contribute to SDG 6 clean water and sanitation or SDG 14 life below water. The blue projects do not introduce material risk to other environmental priorities of the SDGs, and the framework clearly states the international sustainability standards the issuer follows. Further, the issuer commits to making all reasonable efforts to report relevant impact indicators identified in the ICMA Handbook for Impact Reporting, including measurable outcomes from "sustainable water and wastewater management" and "ocean-friendly products, marine biotechnology and chemicals".

Related Research

- [Analytical Approach: Second Party Opinions](#), Mar. 6, 2025
- [FAQ: Applying Our Integrated Analytical Approach For Second Party Opinions](#), Mar. 6, 2025
- [Analytical Approach: Shades Of Green Assessments](#), Jul. 27, 2023

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