BIDV TRANSITION FINANCE FRAMEWORK 2026

June 2026

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1. Introduction

With a distinguished history of nearly 70 years of formation and development, the JSC Bank for Investment and Development of Vietnam (BIDV) is currently the financial institution with the largest total assets in Vietnam and plays a vital role in mobilizing and allocating national financial resources. Recognizing this systemic importance, BIDV has identified climate action and the promotion of sustainable finance as core pillars within our long-term Sustainable Development Strategy. The Bank is committed to aligning with the Government of Vietnam's Net Zero 2050 target and actively contributing to the Paris Agreement's objective of holding the global average temperature rise to well below 2°C and pursuing efforts to limit it to 1.5°C.

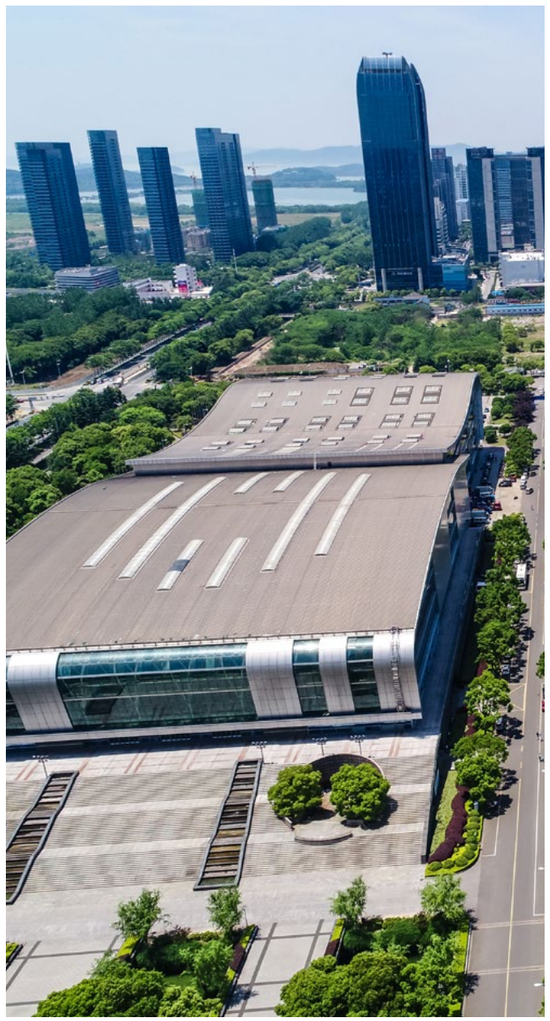
BIDV acknowledges that achieving a low-carbon economy requires a comprehensive structural shift, one that is not limited to traditional "Green" sectors but also encompasses the hard-to-abate industries that possess a viable transition pathway. In Vietnam, a substantial share of economic output, and of national emissions, is concentrated in such sectors, including power generation, steel, cement, chemicals, and export-oriented manufacturing. These industries cannot attain low-emission status through a single investment; they require sustained capital to retire aging assets, adopt Best Available Technology, and progressively reduce emission intensity along a credible pathway to Net Zero. Green finance, by its nature, is directed toward activities that have already achieved low-emission performance, and therefore does not extend to these sectors. In the absence of dedicated transition finance, these industries risk either delaying decarbonization or entrenching high-carbon assets over the long term, outcomes that are inconsistent with Vietnam's Net Zero 2050 commitment and with the continued competitiveness of its enterprises in export markets where carbon is increasingly subject to pricing at the border.

On this basis, BIDV has developed this Transition Finance Framework (TFF) to provide a transparent, science-based methodology for identifying, appraising, and labeling financing activities that promote genuine decarbonization pathways. The Framework is designed to direct capital toward measurable, real-economy emission reductions while safeguarding against greenwashing and carbon lock-in: each financed activity must satisfy defined eligibility criteria, demonstrate alignment with a credible pathway, and remain subject to time-bound and progressively tightening performance thresholds. In doing so, the TFF enables customers to mobilize financial resources to implement technological upgrades, optimize production processes, and contribute to the reduction of both absolute greenhouse gas emissions and emission intensity, particularly in high-emission sectors. Equally, it provides investors, regulators, and counterparties with the confidence that any financing BIDV designates as "transition" reflects substantive climate outcomes rather than ambition alone.

The TFF is designed to apply to the transition finance products provided by BIDV, including but not limited to:

- Transition Loans;
- Transition Bonds.

BIDV adopts a use-of-proceeds approach at the specific project and asset levels. Accordingly, funding will be allocated directly to projects and assets that have successfully passed technical appraisal, ensuring compliance with quantified emission reduction thresholds, preventing carbon lock-in risks, and adhering to the "Do No Significant Harm" (DNSH) principle regarding other environmental and social objectives, other than climate mitigation and adaptation.



The TFF has been developed based on a comprehensive reference to international standards and practices, including:

- The latest international guidelines and principles from the International Capital Market Association (ICMA) and the Loan Market Association (LMA), such as: Guide to Transition Loans (November 2025), Climate Transition Bond Guidance (CTBG – November 2025), and the Climate Transition Finance Handbook (CTFH – June 2023);
- Regional sustainable finance taxonomies, specifically the ASEAN Taxonomy (Version 4, November 2025) and the Singapore-Asia Taxonomy;
- Sectoral decarbonization pathways published by the Transition Pathway Initiative (TPI), used as the quantitative benchmark for assessing carbon-performance alignment.

Through the issuance of the TFF, BIDV continues to reaffirm its commitment to transparency, accountability, and its pioneering role in promoting sustainable finance activities in Vietnam. Furthermore, the Framework is expected to support Vietnamese enterprises in enhancing their capacity to adapt to international standards, thereby contributing to the promotion of a just and sustainable transition of the economy.

2. Definitions and Principles

The TFF is constructed through the integration of a top-down approach (encompassing strategic vision, core principles, and a robust decision-making framework) and a bottom-up approach (via criteria systems and quantitative technical thresholds). This dual structure ensures that all transition-related capital flows are directed toward Net Zero objectives in a transparent, measurable, verifiable, and science-based manner.

2.1. Definition of Transition Finance

At BIDV, "Transition Finance" is defined as financial transactions (including loans and bonds) earmarked to fund projects, assets, or activities that facilitate a credible decarbonization pathway in high-emitting and hard-to-abate sectors. This focus is specifically directed toward clients whose activities cannot yet meet low-emission criteria but that are positioned to reduce emissions over time, empowering them to align their operations with science-based scenarios and the Net Zero targets of the Paris Agreement.

Unlike Green Finance, which prioritizes assets that have already attained low-emission status, Transition Finance is dedicated to facilitating the measurable reduction of greenhouse gas (GHG) emissions, in both absolute and intensity terms through the adoption of low-carbon technological solutions or essential enabling activities that support decarbonization across the value chain.

BIDV defines Transition Finance as a time-bound progression. Consequently, financed projects must adhere to a roadmap of progressively tightening technical thresholds and are subject to a Sunset Clause. Financing is further conditioned on the avoidance of carbon lock-in and on the "Do No Significant Harm" principle with respect to other environmental and social objectives. To safeguard the integrity of the portfolio, the Transition Finance designation will be revoked if a project fails to maintain committed emission reduction performance, misses planned transition milestones, or fails to adapt to evolving environmental standards.

2.2. Core Principles

BIDV is committed to the mandatory application of the following three foundational principles for the assessment and approval of all labeled TFF transactions:

PRINCIPLE 01

Aligned with Science-Based Pathways: All financed activities must be anchored in recognized emission reduction scenarios (such as the IEA[1] Net Zero Emissions by 2050 scenario) and remain consistent with the Paris Agreement's goal of holding warming well below 2°C while pursuing efforts toward 1.5°C. Activity eligibility is assessed against If "Amber"[2] (transition) tiers of the ASEAN Taxonomy for Sustainable Finance, and the carbon-performance of financed assets is assessed against the relevant Transition Pathway Initiative (TPI[3]) sectoral pathway aligned with a below-2°C trajectory. Eligibility is further determined by the specific List of Eligible Transition Activities defined within this Framework.

PRINCIPLE 02

Avoiding Carbon Lock-in: All financed activities must not result in long-term dependence on high-emission assets or impede the future deployment of zero-carbon solutions. BIDV prioritizes financing for projects applying Best Available Technology (BAT) to ensure maximum emission reduction efficiency at the time of investment. This principle is managed through a Sunset Clause for each technology type to encourage innovation and protect both the Bank and its clients as climate regulations intensify.

PRINCIPLE 03

Do No Significant Harm (DNSH): All financed activities must not cause material significant negative impacts on other environmental and social objectives. This principle requires adherence to minimum social safeguard standards (including labor rights, occupational health and safety, and community impacts) while integrating just transition principles to support workforce reskilling and mitigate socio-economic disruptions.

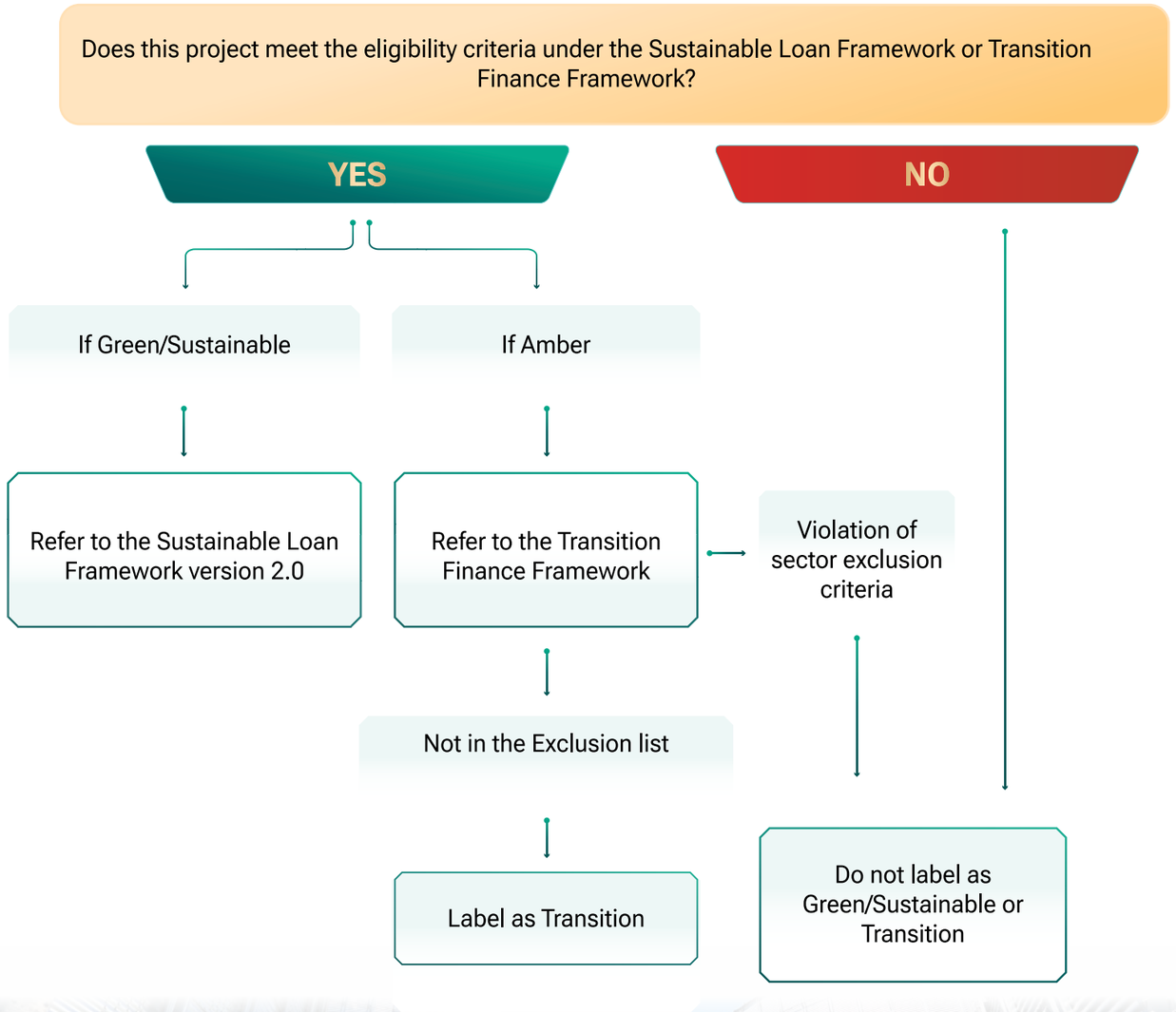
1 IEA NZE 2050 (Net Zero Emissions by 2050) Scenario: A pathway established by the International Energy Agency (IEA) to achieve Net Zero emissions by 2050. This is the most stringent normative scenario, outlining specific milestones for energy structure transformation, drastic reduction of fossil fuels, and expansion of renewable energy to limit global temperature increase to 1.5°C in accordance with the Paris Agreement.

2 The ASEAN Taxonomy "Amber" tiers classify activities that are transitional and not yet "Green" but on a credible decarbonization pathway, and are subject to defined sunset.

3 The TPI "Below 2 Degrees" sectoral pathways translate the goals of the Paris Agreement into asset-level carbon-performance benchmarks consistent with limiting warming to below 2°C.

3. Decision framework

To ensure credibility and integrity in labeling, BIDV has established a project/asset appraisal process based on a decision-tree model.



4. Use of Proceeds

To ensure eligibility for classification as Transition Finance, the proceeds provided from financial instruments issued or disbursed under this Framework (including Transition Loans and Transition Bonds) shall be earmarked exclusively for the financing or refinancing, in full or in part, of Eligible Transition Projects and Assets.

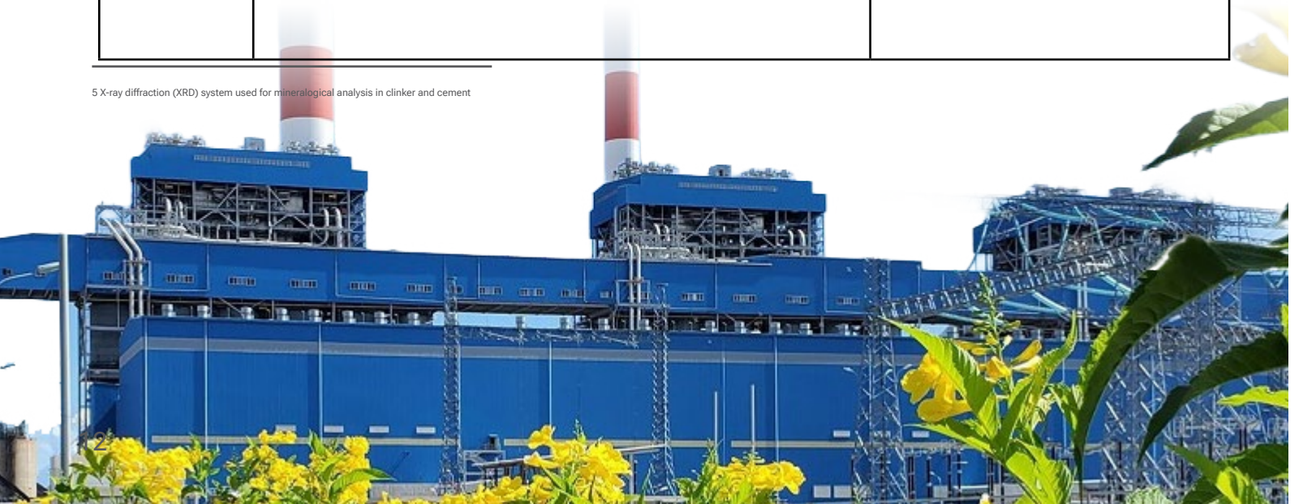
The List of Eligible Transition Activities is detailed in the table below.

SECTOR	ELIGIBLE TRANSITION ACTIVITIES	EXCLUSION
I. Electricity, gas, steam, and air conditioning supply		
Coal-fired Power	**1. Coal-fired Power (Retrofit)** - Managed phase-out: Capital allocation for activities aimed at the early retirement (shut down early) of existing coal-fired power plants; - Co-firing: Implementing biomass, ammonia or hydrogen co-firing in existing thermal plants in alignment with the country's regulations to reduce emission intensity; - Adoption of CCUS technology. **2. Coal-fired Power (Fuel Switch):** Switching from coal to gas-fired power (LNG/CNG) with capability of hydrogen uptake in the future.	**1. Coal-fired Power (Retrofit)** - Construction of new coal-fired power plants without CCUS technology; - Coal mining or supply chain infrastructure activities directly related to coal. **2. Coal-fired Power (Fuel Switch)** - Power generation using coal-derived gas (unless utilizing qualified CCUS); - Projects that lack a roadmap to gradually reduce emission intensity in alignment with Net Zero trajectories.
Power generation (not completely green)	Transition power generation: Hydropower, bioenergy, and geothermal electricity generation that do not meet the "Green" technical screening criteria but remain on a recognized transition roadmap.	
Fossil Gas to Power (new plant)	Electricity generation from fossil gas.	- Power generation using coal-derived gas (unless utilizing qualified CCUS); - Projects that lack a roadmap to gradually reduce emission intensity in alignment with Net Zero trajectories.
Fossil Gas to Power	- Methane management: Methane capture or reduction of flaring in upstream and downstream fossil fuel operations; - Elimination of flaring in upstream and downstream fossil fuel operations; - Operational efficiency: Electrification and energy efficiency retrofitting of upstream and downstream fossil fuel operations; - Midstream & Downstream: Midstream and downstream gas activities subject to appropriate gating criteria.	
Transition fuel or Low-emission Fuels production	- Biofuels infrastructure: Infrastructure supporting the production, use, and distribution of low-carbon fuels (e.g., biofuels, biomethane) to blend or replace fossil fuels as an energy source or feedstock; - Advanced low-carbon gases: Infrastructure upgrades for the production and distribution of low-carbon gases, such as blue hydrogen and synthetic gases (ammonia, liquid organic hydrogen carriers (LOHC)). Equipment and components for production of low-carbon hydrogen (e.g., electrolysers, membranes); - Hybrid industrial processes: Use of renewable energy in industrial processes in combination with fossil-based energy. (e.g.,use of renewable energy in refineries, gas processing plants, electrolysers and compressors).	Hydrogen: Unabated hydrogen production from natural gas (production of grey hydrogen).
II. Manufacturing		
Iron and Steel	Decarbonization measures for Iron and steel facilities that: - Decrease emissions: Use of Direct Reduced Iron (DRI)[4], hydrogen or smelting reduction, Electric Arc Furnace (EAF), CCUS; - Circular economy: Enable the facility to increase the share of scrap-based production; - Integration of Renewable Energy: Enable the EAF facility to increase the share of renewable energy; - Electrification: Electrification of ancillary equipment or heating furnaces; - Fuel Switch/co-firing: Switching from coal to gas to hydrogen or any low-carbon alternative fuel.	- Construction of new high-emission facilities without Carbon Capture, Utilisation, and Storage (CCUS); - Retrofit projects that risk "carbon lock-in" (i.e., prolonging the life of high-carbon assets without a clear decarbonization roadmap).

4 Produced by the reduction of iron ore in its solid state (without melting) using reducing agents such as H2, CO, or carbon from coal. As the removal of oxygen leaves behind a porous structure, the product is also commonly referred to as Sponge Iron. DRI is characterized by high iron content (90-97%) and superior purity, making it a critical clean feedstock to substitute steel scrap in Electric Arc Furnaces (EAF).

Cement	Decarbonization measures for cement facilities, including: - Supplementary Materials: Adoption of Supplementary cementitious materials (SCMs) such as limestone, calcined clay, fly ash and ground granulated blast furnace slag (GGBS) to reduce clinker-to-cement ratio; - Electrification: Switch from fossil fuels to electrified cement production or ancillary equipment; Electric cement kilns; - Use or uptake of alternative fuels: Switch from coal to gas; or gas to Refuse Derived Fuels (RDFs) or biomass; - Use of blue hydrogen: New or retrofit of existing facilities to enable hydrogen as a fuel source; - Thermal/Energy efficiency measures: Investments in technologies that result in a material improvement in energy efficiency over existing systems: + Waste Heat Recovery (WHR) Systems; + Installation, upgrade and operation of precalciners; + Installation, upgrade, and operation of digitised control equipment or infrastructure such as sensors & measurement tools, communication & control equipment/systems (including advanced software and control rooms to improve efficiency and automate plant processes); + Installation, upgrade, and operation of testing equipment such as XRD systems[5]. - Resource Recovery: Efficient recovery and recycling of waste and secondary materials for the substitution of virgin materials; - Infrastructure Transition: Repurposing and/or decommissioning of fossil fuel-based infrastructure.	- Construction of new high-emission facilities without Carbon Capture, Utilisation, and Storage (CCUS); - Retrofit projects that risk "carbon lock-in" (i.e., prolonging the life of high-carbon assets without a clear decarbonization roadmap).

5 X-ray diffraction (XRD) system used for mineralogical analysis in clinker and cement



Chemicals and Fertilizers	- Infrastructure for synthetic fuels: Investments in infrastructure to support the production, use, and distribution of synthetic fuels using alternative process technologies such as CCUS, methane pyrolysis, biomass gasification, and electrolysis of water using renewable energy; - Blue hydrogen: Use of blue hydrogen to produce derivatives and synthetic fuels (like ammonia, liquid organic hydrogen carriers (LOHC)); - Feedstock substitution: Replacement or blending of virgin fossil fuel feedstocks with low-carbon synthetic, bio-based, bio-sourced, or recycled waste feedstocks (e.g., bioethanol, recycled olefins) in chemical and polymer production; - Renewable energy: Use of renewable energy in combination with existing fossil fuel energy in chemical production units; - Electrification & Thermal Efficiency: Electrification of industrial equipment and energy efficiency retrofitting, including installation of resistive heaters, electric furnaces, industrial heat pumps, or specialized technologies like microwave, infrared, and plasma heaters.	
Textiles, Leather, and Footwear	- Resource efficiency: Construction or retrofitting of facilities that support the separation of recyclable components in the waste stream, thus displacing the use of primary raw materials in production processes; - Energy Efficiency: Expanding energy efficiency efforts across the manufacturing processes; - Electrification/Fuel Switch: Use alternative techniques to traditional fossil fuel-based combustion to either – electrified thermal processes or fuel switch to lower carbon fuels; - Clean energy use: Increasing the share of renewable energy used directly in the manufacturing units; - Development and scaling of sustainable materials and practices like recycled polyester and conservation tillage for cotton[6]; - Development of innovative or next-generation materials like textile recycling, bio-based materials or plant-based leather[7].	

6 https://apparelimpact.org/wp-content/uploads/2024/03/roadmap-net-zero-delivering-science-based-targets-apparel-sector.pdf

7 https://apparelimpact.org/wp-content/uploads/2024/03/roadmap-net-zero-delivering-science-based-targets-apparel-sector.pdf

Food and Beverage (F&B)	- Supply Chain Efficiency: Installation or retrofitting of energy-efficient cold chain and processing infrastructure that supports the agri-supply chain to reduce food loss and wastage; - Energy Integration: Use of renewable energy in industrial processes in combination with fossil-based energy; - Research and use of innovative and low-carbon packaging substitutes/alternatives; - Energy efficiency: Retrofits or new machinery or equipment to increase efficiency or reduce energy intensity of the manufacturing unit; - Shift to sustainable refrigerants with GWP of less than 150 in their cooling units; - Decarbonize process heat by electrification; - Waste recovery and end-of-life recycling facilities.	
Wood and Paper Processing	- Resource Efficiency: Investments in infrastructure or activities that support the recovery and reuse of primary and secondary materials as substitutes for virgin materials in production processes. For example, pulp produced from recycled sources instead of primary wood; - Adoption of high-temperature heat pumps; - Use of low-emission fuels; - Efforts or investment towards the reduction in the energy required for drying: + Superheated steam; + Water removal without evaporation; + Papermaking without water.	- Commercial logging or procurement of logging equipment for use in primary tropical forests or old-growth forests; - Wood products that fail to demonstrate provenance from sustainably managed forests.

8 https://www.iea.org/energy-system/industry/paper.
9 AER (Annual Efficiency Ratio): A measure of carbon intensity, calculated by dividing total annual CO_2 emissions by the product of a ship's deadweight tonnage (DWT) and the total distance sailed.
10 Dry Bulk: Refers to unpackaged solid cargo such as metal ores, coal, grains, and cement, transported in large quantities (https://www.container-transportation.com/hang-roi-la-gi.html).

Aluminium	- Direct emission reduction: Deployment of improved anode technologies (e.g., inert anodes) and use of hydrogen in the calcination process to replace fossil fuels; - Retrofitting of smelters: Upgrade existing aluminium smelters to optimize efficiency; - Thermal efficiency: Implementation of Mechanical Vapour Recompression (MVR), installation of electric or hydrogen-powered boilers; - Clean energy use: Increasing the share of renewable energy used directly by the aluminium electrolysis facility; - Circular economy: Investment in scrap aluminium recycling infrastructure to increase the share of secondary aluminium production; - Installation of Carbon Capture, Utilisation & Storage solutions (CCUS); - Electrification: Electrification of ancillary equipment or any combustion process; - Fuel switch/co-firing: Switching from coal to gas to hydrogen or any low-carbon alternative fuel.	
III. Transport		
Aviation	- Fleet renewals: Investments in next-generation aircraft fleet renewals that result in an improvement at least 10% in portfolio fuel efficiency; - Sustainable Aviation Fuel (SAF): Investment in infrastructure to support the production, use, and distribution of SAF and activities that promote its adoption; - Disruptive technologies: Projects involving disruptive propulsion and airframe technologies to reduce carbon intensity; - Research & Development for hydrogen-based jet fuels and aircraft.	- Financing for military or combat aircraft, as well as private jets; - Fleet replacement projects that fail to demonstrate an improvement in fuel efficiency of at least 10%.
Shipping	- Fleet renewal & upgrading: Upgrading existing marine transport assets and infrastructure to enable hybrid-electric and alternative low-carbon fuel usage (e.g., dual-fuel methanol, ammonia, hydrogen, biofuels, fuel cells, etc.); - Operational efficiency: Investments in technologies for existing fleets that result in at least a 20% improvement in energy efficiency (e.g., wind-assistance, improved hull design, and propulsion efficiency); - IMO Compliance: Maintaining asset alignment with AER emission intensity thresholds and/or achieving an annual operational Carbon Intensity Indicator (CII) rating of "C" or above throughout its economic life.	- Fossil fuel transport: Dedicated vessels for fossil fuel transport. Crude Oil Tankers are excluded in all cases; - Tonnage limits: LNG or Dry Bulk carriers are excluded if more than 25% of their annual tonnage serves "non-Green" facilities (this threshold will tighten after 2030).

5. Governance

5.1. BIDV Governance System

BIDV applies a centralized governance system for transition finance products under this Framework to ensure consistency. This system operates through a clear segregation of duties across the following levels:

- **Strategic Oversight Level (The Executive Board):** As the highest governing authority, the Executive Board is responsible for the formal approval, periodic updates, and annual performance reports. This level ensures that BIDV's transition objectives remain strictly aligned with national climate policies and the global Net Zero 2050 trajectory.

- **Technical Review and Compliance** (Corporate Banking Divisions at Head Office): These units act as the central technical controller, responsible for the rigorous assessment of projects against science-based thresholds and the "Do No Significant Harm" (DNSH) principle. They ensure that every labeled transaction is anchored in credible decarbonization scenarios and utilizes the Best Available Technology (BAT).

- **Execution and Identification Level** (Relationship Managers (RMs) at Branches): Responsible for identifying financing opportunities, reviewing on-site documentation, and directly collecting operational data from customers. These units coordinate with the technical control department to ensure the accuracy and consistency of input data throughout the appraisal process.

5.2. Assessment and Selection Process

BIDV applies a screening and appraisal process based on two key governance components:

5.2.1. Assessment and Labeling Process for Eligible Projects/Assets

All projects/assets proposed for the transition label must undergo a 5-step appraisal process, including:

STEP 01

Verification of Green/Sustainable Compatibility: The Relationship Manager (RM) at Branches first cross-reference the project's use of proceeds with BIDV's current Sustainable Loan Framework. If the project qualifies for a "Green" or "Sustainable" label, it will be managed under that framework to prioritize pure-green projects and prevent label overlap.

STEP 02

Transition Eligibility Screening: For projects not qualifying for the green stream, RMs will verify the activity against the List of Eligible Transition Activities defined in this TFF. Confirmation that the project is "on the list" is a mandatory prerequisite before proceeding to detailed appraisal.

STEP 03

Technical Threshold Appraisal: The Corporate Banking Division at the Head Office conducts a quantitative assessment of GHG emissions, in absolute and/or intensity terms, against the technical screening criteria of the applicable ASEAN Taxonomy "Amber" tier and the relevant TPI sectoral pathway aligned with a below-2°C trajectory.

STEP 04

Risk Control and the "Do No Significant Harm" (DNSH) principle: The Corporate Banking Division at the Head Office conducts an environmental and social risk assessment process to ensure compliance with the DNSH principle regarding other sustainable objectives. Specifically, the environmental risk assessment is integrated and routed through the Bank's existing environmental risk assessment process within its current credit workflow.

STEP 05

Approval and Designation: After passing technical and risk controls, eligible projects/assets shall be submitted to the competent authority within or authorized by the Executive Board for approval to be designated as Transition Finance projects/assets within the Bank's management system.

5.2.2. Management of the Eligible Project/Asset Portfolio

BIDV shall establish and maintain a centralized portfolio of eligible projects/assets to facilitate capital management and impact reporting, governed by the following principles:

- **Sunset Clause Mechanism:** Transition Finance is defined as a time-bound "catch-up period". Therefore, projects/assets shall be assigned specific expiration dates (aligned with the taxonomies mentioned in Section 1, or earlier where a sector-specific pathway or national regulation requires). Beyond this period, if the activity fails to meet "Green" thresholds, the project/asset will be removed from the eligible portfolio.

- **Periodic Review and Reclassification:** On an annual basis (or upon material technological shifts), BIDV conducts a comprehensive portfolio review. Projects/assets that fail to maintain committed emission reduction performance, violate the DNSH principle, or reach their expiration date will have their Transition Finance label revoked and be reclassified as regular loan portfolios.

- **Preventing Carbon Lock-in Risk:** This core principle ensures that capital is not "locked" into high-emission technologies that could impede future low-carbon solutions. BIDV enforces this by prioritizing the financing of projects that utilize the Best Available Technology (BAT) appropriate to the activity, with high adaptability to further decarbonization.

5.3. Transition Bond Capital Management

To ensure that all financing activities are fundamentally anchored in and aligned with BIDV's overarching climate transition strategy, BIDV establishes a capital management mechanism for Transition Bonds as follows:

Management and Allocation of Proceeds:

- The net proceeds from each issuance shall be managed and earmarked within the internal system to ensure accurate allocation to eligible projects/assets. The Treasury Department is responsible for managing the allocation data for Eligible Transition Projects and Assets, which includes, but is not limited to information on project sector, allocated amounts, and allocation dates.

- The allocation of proceeds from issued Transition Bonds to eligible projects/assets shall be completed within 24 months from the date of issuance. For the avoidance of doubt, this allocation is based on the successful issuance value and excludes any interest or losses arising from the issuance process.

- If an eligible project/asset has been partially or fully disbursed by BIDV prior to the bond issuance, BIDV shall allocate the proceeds through new financing (for the remaining undisbursed amount) or refinancing (in part or in full) for the amount already disbursed to that project/asset.

Look-back Mechanism:

- For refinancing transactions, BIDV applies a look-back period of no more than 36 months from the first disbursement date of the project/asset to the bond issuance date. This rule ensures that bond proceeds are only allocated to assets that still provide a substantive contribution to the current decarbonization roadmap.

Management of Unallocated Capital

- While pending allocation, proceeds from the bonds shall be temporarily held in the form of cash or deposits at agent banks including the State Bank of Vietnam and/or other credit institutions, or in cash equivalents. BIDV commits not to allocate these funds to any activities included in the Exclusion List of the Transition Finance Framework or industries that cause serious environmental pollution.

5.4. Reporting and Disclosure

BIDV is committed to maintaining the highest level of transparency through the systematic disclosure of information regarding the allocation of transition finance proceeds and the actual environmental impact of the portfolio managed under this Framework.

5.4.1. Reports and Disclosure Frequency

The performance results of the Transition Finance portfolio (including total outstanding exposure, sector classification, and aggregate emission reduction impact) will be disclosed annually as an integrated part of BIDV's Sustainability Report, the ESG section of the Annual Report, or as a standalone Transition Finance Report.
For Transition Bonds, BIDV will publish an Allocation Report: (i) Annually, commencing from the issuance date until the full allocation of proceeds, or (ii) Upon the occurrence of material events that substantively affect the use of proceeds. Subject to client confidentiality, privacy rights, and competitive considerations, this report may be presented on an individual project basis or an aggregated portfolio level (by sector, classification, or geography) and will include the following details:

- Total amount allocated to Eligible Transition Projects and Assets;
- Number of eligible projects/assets;
- Balance of unallocated proceeds;
- The allocation ratio between new financing and refinancing.

To ensure market confidence, the allocation report will undergo independent review or external verification by an audit firm, a specialized assessor, or an equivalent independent body.

Subject to the adequacy and relevance of available data, BIDV retains the discretion to publish a standalone impact report for each specific issuance. This optional disclosure would present quantitative evidence of the actual environmental benefits realized from the eligible transition projects/assets financed by the Transition Bond proceeds.

5.4.2. Impact Measurement Metrics

BIDV consistently applies science-based quantitative indicators to assess the material climate benefits of projects, focusing on decarbonization results aligned with the below-2°C pathways and benchmarks defined in this Framework.

Core climate metrics:

- Actual avoided or reduced greenhouse gas emissions (tCO_2e/year);
- Actual carbon emission intensity (e.g., gCO_2e/kWh, tCO_2/ton compared against the benchmarks defined in the Framework);
- Installed low-carbon energy capacity or improved energy efficiency (percentage).

Socio-economic metrics (where applicable):

- Number of jobs created or retained in affected sectors;
- Number of workers reskilled or redeployed in connection with financed transition activities.

6. Independent review

The assessment of the Transition Finance Framework shall be conducted by an independent third party to verify the Framework's alignment with the core principles and guidelines of ICMA and LMA at the time of the evaluation. This external assessment ensures that the TFF meets international benchmarks for transparency and integrity.

7. Framework updates and maintenance

BIDV shall conduct a review of the Transition Finance Framework annually or on ad-hoc bases in response to material changes in national policies and legal regulations, international standards, or technological advancements. All updates and amendments must be formally approved by the Executive Board and publicly disclosed on the Bank's official website.

Updated versions of the Framework shall take effect from the date of disclosure and shall not be applied retroactively. Consequently, financial instruments already issued or disbursed shall continue to be governed and managed according to the version of the Framework in effect at the time of the transaction.