



AGRICULTURAL BANK OF CHINA LIMITED,
SINGAPORE BRANCH

SECOND PARTY OPINION : SUSTAINABLE FINANCING
FRAMEWORK



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Singapore Branch Sustainable Financing Framework

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Disclaimer

Our assessment relies on the premise that the data and information provided by the client to us as part of our review procedures are provided in good faith. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not be detected. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied as per scope of work. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Statement.

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DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17029:2019 - Conformity Assessment – General principles and requirements for validation and verification bodies, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct during the assessment and maintain independence where required by relevant ethical requirements.

DNV'S INDEPENDENT ASSESSMENT

Scope and Objectives

Agricultural Bank of China Limited, Singapore Branch ("ABC Singapore Branch" or the "Customer") is one of the major integrated financial service providers in China. Agricultural Bank of China Limited ("ABC") provides a diverse portfolio of corporate and retail banking products and services for a broad range of customers, conducts treasury operations and asset management. ABC has achieved significant milestones in green finance business and development, advancing green finance strategies, enhancing green products and services and diversifying green investment and financial channels. ABC Singapore Branch is one of the well-known commercial banks in Singapore and has upgraded its offshore banking licence to a wholesale banking licence in 2012. ABC Singapore Branch provides a wide range of financial services to its customers in the Southeast Asia region and facilitates strong bilateral economic and trade relations between China and the region.

ABC Singapore Branch has developed a Sustainable Financing Framework ("Framework") with the aim to raise Green Finance Instruments and Social Finance Instruments (collectively, "Sustainable Finance Instruments" or "SFIs") to finance or refinance new and existing projects as part of its sustainable business strategies and commitment to environmental well-being, as described in the Framework. The Framework is in alignment with the stated standards and principles (collectively the "Standards, Schemes & Principles"):

- Green Loan Principles ("GLP") issued by the Loan Market Association ("LMA") / Asia-Pacific Loan Market Association ("APLMA") / Loan Syndications and Trading Association ("LSTA") in February 2023
- Social Loan Principles ("SLP") issued by the LMA / APLMA / LSTA in February 2023
- Green Bond Principles ("GBP") issued by the International Capital Markets Association ("ICMA") in June 2021
- Social Bond Principles ("SBP") issued by the ICMA in June 2023
- Sustainability Bond Guidelines ("SBG") issued by the ICMA in June 2021
- ASEAN Green Bond Standards ("ASEAN GBS") issued by the ASEAN Capital Markets Forum ("ACMF") in October 2018
- ASEAN Social Bond Standards ("ASEAN SBS") issued by the ACMF in October 2018
- ASEAN Sustainability Bond Guidelines ("ASEAN SBG") issued by the ACMF in October 2018

The Framework also makes reference to the Singapore-Asia Taxonomy ("SAT"), published by the Monetary Authority of Singapore ("MAS") in December 2023.

The framework also takes flexible reference from the EU-China Common Ground Taxonomy, the People's Bank of China's 2019 "Special Statistical System for Green Loans," and the 2021 "Catalogue of Green Bond Supported Projects" issued by the People's Bank of China for any appropriate or eligible green projects located in Mainland China. However, DNV's opinion does not include an assessment of alignment against these Chinese standards.

DNV Business Assurance Singapore Pte Ltd ("DNV") has been commissioned by the ABC Singapore Branch to review its Framework and provide a Second Party Opinion on the Framework, based on the Standards, Schemes & Principles.

Our methodology to achieve this is described under 'Work Undertaken' below. We were not commissioned to provide independent assurance or other audit activities.

Responsibilities of the Management of ABC Singapore Branch and DNV

The management of ABC Singapore Branch has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform ABC Singapore Branch management and other interested stakeholders in the SFIs as to whether the SFIs are aligned with the Standards, Schemes & Principles. In our work we have relied on the information and the facts presented to us by ABC Singapore Branch. DNV is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by ABC Singapore Branch's management and used as a basis for this assessment were not correct or complete.

Basis of DNV's Opinion

We have adapted our assessment methodology to create the ABC Singapore Branch-specific Eligibility Assessment Protocol (henceforth referred to as "Protocol"). Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion.

As per our Protocol, the criteria against which the Framework has been reviewed are grouped under the four core components:

1. Use of Proceeds

The Use of Proceeds criteria are guided by the requirement that an issuer of a bond / a borrower of a loan must use the funds raised to finance or refinance or to repay equity of eligible activities. The eligible activities should produce clear environmental and social benefits.

2. Process for Project Evaluation and Selection

The Project Evaluation and Selection criteria are guided by the requirements that an issuer of a bond / a borrower of a loan should outline the process it follows when determining eligibility of an investment using SFI proceeds and outline any impact objectives it will consider.

3. Management of Proceeds

The Management of Proceeds criteria are guided by the requirements that a bond/loan should be tracked within the organization, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled.

4. Reporting

The Reporting criteria are guided by the recommendation that at least annual reporting should be made of the use of proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible.

No assurance is provided regarding the financial performance of instruments issued via the Framework, the value of any investments, or the long-term environmental benefits of the transaction. Our objective has been to provide an assessment that the Framework has met the criteria established on the basis set out below.

Work Undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by ABC Singapore Branch in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

- Creation of a Protocol, adapted to the purpose of the SFIs, as described above and in Schedule 3 to this Assessment;
- Assessment of documentary evidence provided by ABC Singapore Branch on the SFIs and supplemented by high-level desktop research. These checks refer to current assessment best practices and standards methodology;
- Review of published materials by ABC Singapore Branch and ABC Singapore Branch's website;
- Discussions with ABC Singapore Branch's management, and review of relevant documentation and evidence related to the criteria of the Protocol; and
- Documentation of findings against each element of the criteria.

Our opinion as detailed below is a summary of these findings.

Findings and DNV's Opinion

DNV's findings on the alignment with the Standards, Schemes & Principles are listed below:

1. Use of Proceeds

ABC Singapore Branch intends to use the net proceeds of the SFIs to finance and/or refinance and/or to repay equity of new and/or existing eligible projects.

The Framework defines the following eligible green project categories:

- Renewable energy
- Energy efficiency
- Pollution prevention and control
- Environmentally sustainable management of living natural resources and land use
- Green buildings
- Sustainable water and waste management
- Clean transportation
- Adoption of innovative solutions contributing towards low-carbon, climate resiliency, circular economy and SDGs

The Framework defines the following eligible social project categories:

- Healthcare and sanitation
- Access to essential services
- Affordable housing
- Employment generation including through small and medium enterprises (SME) financing and microfinancing

DNV undertook an analysis of the associated project types to determine the eligibility as Green and Social, and in line with the Standards, Schemes & Principles. DNV concludes that the eligible categories outlined in the Framework are consistent with the categories outlined in the Standards, Schemes & Principles.

2. Process for Project Evaluation and Selection

ABC Singapore Branch has set up an evaluation and selection process, in the form of the Green and Sustainable Finance Committee ("GSFC") that will make decisions on the eligibility criteria, as well as any financial considerations, when evaluating the projects proposed to allocate proceeds towards.

The GSFC will have various responsibilities in the evaluation and selection process and the GSFC will be comprised of senior management and heads of various departments. A description of the process and responsibilities is described for the relevant parties in evaluating and selecting eligible projects for allocating the proceeds. Additionally, it is stated that the front office relationship managers shall review eligible projects on an annual basis.

ABC Singapore Branch have incorporated sustainable considerations into their credit application process and an analysis on the environmental and social impact would be required for every applicable.

DNV concludes that ABC Singapore Branch's Framework appropriately describes the process for Project Evaluation and Selection and is aligned with the criteria outlined in the Standards, Schemes & Principles.

3. Management of Proceeds

ABC Singapore Branch's Framework provides a detailed description of the process for the management of net proceeds under its Framework.

Net proceeds will be deposited in the general account of ABC Singapore Branch and a register will be established to earmark the proceeds of the financing instruments against assessed and eligible projects. The register will be reviewed and updated regularly.

The Framework also describes the process for financing vs. refinancing and any unallocated proceeds; that any unallocated bond proceeds could be temporarily invested in Green, Social and Sustainability (GSS) bonds. ABC Singapore Branch may also invest in cash and/or cash equivalents according to local liquidity management guidelines, but with strict exclusion to sectors or activities identified in the IFC Exclusion List.

DNV has reviewed the evidence presented and concludes that the Framework appropriately describes the process for Management of Proceeds and is aligned with the criteria outlined in the Standards, Schemes & Principles.

4. Reporting

ABC Singapore Branch will report on the allocation of net proceeds and impact metrics from each sustainable finance instruments on an annual basis, until the full allocation of proceeds. The Framework explains the metrics and key information that is to be included in the annual reporting, which consists of allocation reporting and impact reporting. Reports will be made publicly available in ABC Singapore Branch's website. The disclosure is expected to contain at least the following:

- The list of sustainable financing instrument(s) issued by ABC Singapore Branch
- The description and value of eligible green and/or social assets financed by the sustainable financing instruments issued by ABC Singapore Branch, including appropriate details of any inter-branch lending
- The aggregated amount of allocation of the net proceeds of the sustainable financing instruments issued by ABC Singapore Branch to the Eligible Green and/or Social Assets
- The proportion of net proceeds of sustainable financing instruments used for financing versus refinancing of Eligible Green and/or Social Assets
- The balance of any unallocated proceeds invested in cash and/or cash equivalents
- Relevant sustainability output and impact metrics

On the basis of the information provided by ABC Singapore Branch and the work undertaken, it is DNV's opinion that the Framework meets the criteria established in the Protocol and that it is aligned with the stated definition of Green/Social Use of Proceeds as stipulated within the Standards, Schemes & Principles.

For DNV Business Assurance Singapore Pte Ltd

Singapore / 26 November 2024



Jerus D'Silva
Quality Reviewer



Vigilia Ang
Lead Verifier

Schedule 1. Description of Categories to be financed or refinanced through ABC Singapore Branch's Green/Social Financing Instruments

Eligible Green Project Categories	Eligible Criteria and Description	DNV Findings
Renewable Energy	<ul style="list-style-type: none"> Construction, acquisition, development, operation, maintenance, transmission and distribution of renewable energy generation sources: <ul style="list-style-type: none"> Wind power (onshore and offshore) Solar power (photovoltaic/concentrated solar power), solar thermal utilisation Hydropower <25MW, or >25MW where either life-cycle carbon intensity is <100 gCO₂e/kWh or power density is greater than 5W/m² Bioenergy power generation that complies with all of the criteria below is eligible: <ul style="list-style-type: none"> i. Emission intensity measured during lifecycle of power plant is less than 100gCO₂e/kWh, and ii. Bioenergy produced from waste (e.g. agriculture, municipal sources) are eligible, or iii. Feedstock used for bioenergy production complying with any of the following standards – ISCC, ISCC plus, FSC, 2BSvs, Better Sugarcane Initiative, RSB or RTRS Geothermal energy with direct GHG emissions threshold of less than 100 g CO₂/kWh¹⁰ Ocean energy Electric air source heat energy Green hydrogen manufactured or produced through electrolysis of water powered by renewable energy Development, manufacture and/or installation of renewable energy technologies including equipment for renewable energy generation such as wind turbines, solar panels, battery storage and fuel cells storage Construction, distribution (to reduce the curtailment of renewable energy to the grid) or improvement of transmission networks and base station that facilitate: <ul style="list-style-type: none"> Connecting renewables to power grid 	<p>The activities listed under this category meets the criteria for renewable energy.</p> <p>Furthermore, the criteria listed is aligned to the SAT. Electricity generation from solar PV, CSP, wind power, and ocean energy is automatically classified as Green in the SAT. The criteria specified for hydropower, bioenergy, and geothermal energy align with the SAT's green requirements. The criteria for electricity transmission and distribution also align with the SAT's green requirements.</p> <p>DNV considers the criteria listed under this category to be aligned with the criteria for eligible green projects under the Standards, Schemes & Principles.</p>

	<ul style="list-style-type: none"> Supporting/integrating at least 90% electricity from renewable energy sources into the grid¹ 	
Energy Efficiency	<ul style="list-style-type: none"> Development, manufacture and implementation of product, equipment, building and/or technology that improve at least 30% energy efficiency Examples include, but are not limited to, energy efficient lighting (e.g. LEDs), energy storage (e.g. fuel cells), and improvement in energy services (e.g. reduced energy usage in manufacturing operations, improved chillers, water and cooling solutions, farming solutions and smart grid meters) Data processing, storage, transmission, and management of data centres, where for new facilities in Singapore, PUE threshold shall follow the BCA-IMDA Green Mark Scheme (Platinum rating), or the thresholds specified in applicable taxonomy for green finance 	<p>The activities within this project category align with the principles for energy efficiency.</p> <p>The criteria specified in this category are consistent with the SAT. DNV notes that ABC Singapore Branch will adhere to additional requirements and thresholds for data processing, storage, transmission, and management.</p> <p>DNV considers the criteria listed under this category to be aligned with the criteria for eligible green projects under the Standards, Schemes & Principles.</p>
Pollution Prevention and Control	<ul style="list-style-type: none"> Integrated municipal and commercial waste collection, recycling and diversion programs excluding landfill and exclude incineration without energy recovery Liquid and hazardous waste treatment, recycling and reuse such as: <ul style="list-style-type: none"> E-waste recycling projects Sewage sludge treatment Waste liquid recovery Waste-to-energy projects and/or facilities where the activity complies with all of the following criteria: <ul style="list-style-type: none"> Residual or pre-sorted waste only, and Plant efficiency $\geq 25\%$, and Bottom ash recovery with at least 75% recovery of metal from ash. Facilities, systems and equipment that prevents or reduces air pollution, and/or mitigate GHG emissions <ul style="list-style-type: none"> Carbon sequestration: Natural-based Carbon capture storage (CCS)/ Utilization of the captured CO₂ (CCU) including afforestation, 	<p>The activities in this category support the decarbonization pathway and meets the environmental objective of pollution prevention and control.</p> <p>Additionally, the criteria listed in the framework for waste-to-energy projects are aligned to the SAT under 8.4. Waste-to-Energy (Incineration). The criteria for using CCUS in the manufacturing of basic iron and steel is also aligned with the SAT. DNV notes that ABC Singapore Branch will meet all additional requirements under</p>

¹ If grid is less than 90% renewable electricity but the percentage of renewables is expected to increase, a pro-rata approach will be applied to determine the green allocation to grid development or maintenance

	<p>reforestation, habitat restoration, conservation of coastal and marine habitats; Biochar addition</p> <ul style="list-style-type: none"> CCUS for the manufacturing of basic iron and steel, whereby CCUS must capture at least 70% of all emissions² 	<p>4.3. Manufacture of basic iron and steel as stated in the SAT.</p> <p>DNV considers the criteria listed under this category to be aligned with the criteria for eligible green projects under the Standards, Schemes & Principles.</p>
Environmentally Sustainable Management of Living Natural Resources and Land Use	<ul style="list-style-type: none"> Financing of products, associated activities and/or innovative technologies, with any of the following certifications applicable: <ul style="list-style-type: none"> Forestry: Forest Stewardship Council (FSC), China Forest Certification (CFCC), Sustainable Forestry Initiative (SFI), or equivalent Agriculture: USDA Organic, Rainforest Alliance, UTZ, RTRS, China National Organic Standard, ISCC (for bio-based feedstock) Fisheries and aquaculture: Marine Stewardship Council (MSC), Aquaculture Stewardship Council (ASC), Global G.A.P., or equivalent Improving the energy and/or water efficiency of irrigation systems such as drip-irrigation system Low-carbon livestock management: regenerative agriculture, organic farming, precision agriculture, agroforestry, controlled environments, as certified by eligible schemes Preservation and/or restoration of biodiversity in urban areas or critical natural habitats; Soil remediation 	<p>The activities in this category contribute to the sustainable management of natural resources and land use, aligning with the relevant principles.</p> <p>DNV considers the criteria listed under this category to be aligned with the criteria for eligible green projects under the Standards, Schemes & Principles.</p>
Green Buildings	<ul style="list-style-type: none"> Construction, acquisition, maintenance, or operation of new and/or existing buildings which obtained, or are expected to obtain, any of the following regional, national or international green certification levels: <ul style="list-style-type: none"> Singapore BCA Green Mark - Gold or higher LEED – Gold or higher China 'Three Star System' – 2 stars or higher BEAM Plus - Gold or higher EDGE – Certified or higher BREEAM – Excellent or higher GBCA Green Star – 5 stars or higher Any other equivalent internationally recognised green building certifications Renovation of existing buildings that will achieve the aforementioned green certification levels or align with relevant CBI certification 	<p>DNV considers the criteria listed under this category to be aligned with the criteria for eligible green projects under the Standards, Schemes & Principles.</p>

² In reference to SG-Asia Taxonomy, 4.1 Manufacture of basic iron and steel Table 12, on facility specific mitigation criteria.

	<ul style="list-style-type: none"> Retrofit/refurbish of existing buildings that leads to at least 30% reduction in primary energy demand (PED) or reduction in GHG emissions 	
Sustainable Water and Waste Management	<ul style="list-style-type: none"> Financing equipment, construction, development, manufacturing, operation and/or maintenance of: <ul style="list-style-type: none"> Sustainable clean/drinking water systems Waste water treatment/ recycling facilities Rainwater harvesting systems Sustainable drainage systems Management and restoration of water systems Strengthening resilience of infrastructure to mitigate risks resultant from extreme weather events (e.g. flood defences such as surge barriers, pumping stations, levees, gates and early warning systems for storms, droughts, floods or dams failure) 	<p>The activities in this category meet the principles for sustainable water and waste management by promoting responsible use, treatment, and conservation of water resources. Investments in infrastructure resilience, including flood defences and early warning systems, further support adaptation to climate change by protecting communities and ecosystems from the impacts of extreme weather events.</p> <p>DNV considers the criteria listed under this category to be aligned with the criteria for eligible green projects under the Standards, Schemes & Principles.</p>
Clean Transportation	<ul style="list-style-type: none"> Development, maintenance, operation, purchase and/or financing of electric, public, rail, non-motorised and multi-modal transportation meeting the following criteria³: <ul style="list-style-type: none"> Zero tailpipe emission vehicles (e.g. hydrogen, electric, biofuel) Public transportation (zero tailpipe emissions) including electric trams and trains Replacement/retrofit of transportation vehicles with technologies or features involving reducing carbon emissions such as car sharing schemes⁴, electric charging stations, and low-carbon fuelling stations for green hydrogen or biofuels Investments and expenditure of technologies or equipment that supports electric vehicles (EVs), including production or construction of new manufacturing facilities and upgrading/retrofitting existing facilities for the 	<p>The activities listed under this project categories meet the criteria under the principles.</p> <p>Additionally, the criteria for green shipbuilding is aligned to 2.6 Sea and water coastal transport under the SAT. The criteria for low-carbon transportation infrastructure is also aligned to 2.5 of the SAT. DNV notes that ABC Singapore Branch will meet all additional requirements stated under 2.5 and 2.6 of the SAT.</p>

³ Excludes financing that supports transportation of fossil fuels, even if it meets the eligibility criteria under Clean Transportation

⁴ Car sharing schemes only apply to zero tailpipe emission vehicles

	<p>purpose of expanding production, as well as the manufacture of EV batteries and development of its specialised parts</p> <ul style="list-style-type: none"> • Development, manufacture and acquisition of green shipbuilding (fully electric ferries and small ships, vessels using biofuels) • Electrification of existing diesel or steam powered rail transport, to be operated on electricity derived from use of coal or natural gas in short-term but with clear plan to decarbonise in the long-term • Infrastructure, installations and related facilities that principally facilitate the transfer of passengers from rail to rail or from other modes to rail 	<p>DNV considers the criteria listed under this category to be aligned with the criteria for eligible green projects under the Standards, Schemes & Principles.</p>
Adoption of Innovative Solutions Contributing Towards Low-Carbon/ Climate-Resilient/ Circular Economy and SDGs	<ul style="list-style-type: none"> • Adoption of innovative solutions or technologies in the provision of smart, climate-resilient and/or green building features • Support R&D programmes in smart and green building technologies, innovation or solutions which can be test bedded or applied in future developments • Production of resource-efficient/low-carbon products that are RSB-certified (for bio-based materials) • Equipment, technology, and/or IT systems which help in reducing the resource intensity of economic activities 	<p>The activities listed in this category meet the criteria under the Principles, through designing for circularity and incorporating eco-efficient certification processes.</p> <p>DNV considers the criteria listed under this category to be aligned with the criteria for eligible green projects under the Standards, Schemes & Principles.</p>

Eligible Social Project Categories	Eligible Criteria and Description	DNV Findings
Healthcare and Sanitation	<ul style="list-style-type: none"> • Investment, construction and operation of public healthcare facilities such as public hospitals, healthcare centres and elderly care centres, and other facilities providing access to affordable and safe essential medicines and vaccines • Expansion of access to or provision of subsidised affordable basic healthcare services to the general public 	<p>DNV considers the criteria listed under this category to be aligned with the criteria for eligible social projects under the Standards, Schemes & Principles.</p>
Access to Essential Services	<ul style="list-style-type: none"> • Development and construction of public schools and other education facilities that expand access to affordable education for targeted minority inclusion • Investments or financing (loans/bonds) in infrastructure projects, corporate, entities or facilities which provide affordable basic infrastructure and services, such as: <ul style="list-style-type: none"> ○ Roads, railways, and ports that increase access for people in remote areas ○ Development of transmission and distribution infrastructure aimed at improving access to electricity to areas with no access or substantially inadequate access to electricity 	<p>DNV considers the criteria listed under this category to be aligned with the criteria for eligible social projects under the Standards, Schemes & Principles.</p>

	<ul style="list-style-type: none"> Water infrastructure such as water pipes, collection and recycling facilities, to provide stable freshwater supply to underserved populations based in areas with no access or substantially inadequate access to safe drinking water 	
Affordable Housing	<ul style="list-style-type: none"> Provide access to safe and affordable housing for marginalised or low-income communities as defined by local government 	DNV considers the criteria listed under this category to be aligned with the criteria for eligible social projects under the Standards, Schemes & Principles.
Employment generation including through small and medium enterprises (SME) financing and microfinancing	<ul style="list-style-type: none"> Loans to Small- and Medium-sized Enterprises (SMEs) which provide access to financial inclusion at affordable terms, where SMEs are defined by local government Inclusive financing as defined by local government (e.g. operation loans for individual-owned businesses, operations loans for farmers, entrepreneurship guarantee loans for laid-off workers, poverty alleviation loans, loans to agriculture and rural areas) 	DNV considers the criteria listed under this category to be aligned with the criteria for eligible social projects under the Standards, Schemes & Principles.

Exclusion Criteria

ABC Singapore Branch's financing proceeds shall not be utilized towards the following activities:

- Fossil fuel power generation
- Nuclear energy and nuclear related assets
- Luxury sectors (e.g. precious metals, artworks & antiques, golf course services and hospitality)
- Agricultural or afforestation operations located on land designated as primary forest, rich biodiversity, high conservation value areas, or legally preserved areas
- Untraceable and non-RSPO certified palm oil
- Activities involving exploitation of human rights (e.g. forced labor or child labor)
- Weaponry and guns
- Gambling



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Schedule 2. Contributions to UN SDGs

Eligible Green Project Categories	UN SDGs	DNV Findings
Renewable Energy	SDG 7 – Renewable Energy SDG 13 – Climate Action	DNV is of the opinion that the eligible categories outlined in the Framework contributes to the achievement of the UN SDGs.
Energy Efficiency	SDG 7 – Renewable Energy SDG 9 – Industry, Innovation and Infrastructure SDG 11 – Sustainable Cities and Communities	
Pollution Prevention and Control	SDG 12 – Responsible Consumption and Production SDG 15 – Life On Land	
Environmentally Sustainable Management of Living Natural Resources and Land Use	SDG 12 – Responsible Consumption and Production SDG 15 – Life On Land	
Clean Transportation	SDG 9 – Industry, Innovation and Infrastructure SDG 11 – Sustainable Cities and Communities	
Green Buildings	SDG 9 – Industry, Innovation and Infrastructure SDG 11 – Sustainable Cities and Communities	
Adoption of Innovative Solutions Contributing Towards Low-Carbon/ Climate-Resilient/ Circular Economy and SDGs	SDG 9 – Industry, Innovation and Infrastructure SDG 12 – Responsible Consumption and Production	
Sustainable Water and Waste Management	SDG 6 – Clean Water and Sanitation SDG 9 – Industry, Innovation and Infrastructure	

Eligible Social Project Categories	UN SDGs	DNV Findings
Access to Essential Services	SDG 3 – Good Health and Well-being SDG 4 – Quality Education SDG 10 – Reduced Inequalities	DNV is of the opinion that the eligible categories outlined in the Framework contributes to the achievement of the UN SDGs.
Affordable Housing	SDG 11 – Sustainable Cities and Communities	
Healthcare and Sanitation	SDG 3 – Good Health and Well-being	
Employment Generation Including through Small and Medium Enterprises (SME) Financing ⁵ and Microfinancing	SDG 1 – No Poverty SDG 10 – Reduced Inequalities	

⁵ Also includes China Classification Standards for SMEs



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Schedule 3. Eligibility Assessment Protocol

1. Use of Proceeds

Ref.	Criteria	Requirements	DNV Findings
1a	Type of Bond /Loan	<p>The Bond/Loan must fall in one of the following categories, as defined by the Standards, Schemes & Principles:</p> <ul style="list-style-type: none">• Green/Social Use of Proceeds Bond• Green/Social Use of Proceeds Revenue Bond• Green/Social Project Bond• Green/Social Securitized Bond• Loan instrument made available for Green/Social project (Green/ Social use of loan proceeds)	<p>The Framework states that the net proceeds of each sustainable financing instrument will be exclusively allocated to finance or refinance in whole or in part, new or existing eligible projects or assets into the eligible project categories listed under Schedule 1 to this report.</p> <p>The reviewed evidence confirms that the intended issuance of the proceeds from Sustainable Finance Instruments under the Framework, meets the criteria under the Standards, Schemes & Principles and DNV confirms this process to be well aligned with the Standards, Schemes & Principles.</p>
1b	Green/Social Project Categories	<p>The cornerstones of Green/Social Bonds and Loans are the utilization of the proceeds of the bonds or the loans which should be appropriately described in the legal documentation for the security.</p>	<p>Eligible project category presented by ABC Singapore Branch are as follows:</p> <p>Green Projects</p> <ul style="list-style-type: none">• Renewable energy• Energy efficiency• Pollution prevention and control• Environmentally sustainable management of living natural resources and land use• Green buildings• Sustainable water and waste management• Clean transportation• Adoption of innovative solutions contributing towards low-carbon, climate resiliency, circular economy and SDGs <p>Social Projects</p> <ul style="list-style-type: none">• Healthcare and sanitation

			<ul style="list-style-type: none"> • Access to essential services • Affordable housing • Employment generation including through small and medium enterprises (SME) financing and microfinancing <p>The target population of the above social projects includes:</p> <ul style="list-style-type: none"> • Low-income population, as defined by the national government or local authorities • Vulnerable, marginalised, underserved and/or excluded populations as defined by national government or local authorities • Unemployed/ Underemployed population • Underbanked micro, small and medium enterprises <p>The above-mentioned project categories meet the eligibility criteria to be considered as Green and Social Projects in the Principles. DNV confirms this to be well aligned with the Standards, Schemes & Principles.</p>
1c	Environmental Benefits	All designated Green/Social Project categories should provide clear environmentally sustainable benefits, which, where feasible, will be quantified or assessed by the Issuer.	<p>The designated categories stated in the framework are aligned to ABC and ABC Singapore Branch's vision for a green and low-carbon future, as mentioned in their Corporate Social Responsibility Report (Environmental, Social and Governance Report) 2023.</p> <div> <p>From the Report:</p> <p><i>Closely focusing on the realization of the dual carbon goal and basing itself on what the country needs and what finance could do, the Bank unswervingly implemented the green finance strategy, continuously broadened the connotation and extension of green financial services, vigorously supported the development of green and low-carbon industries, continuously boosted the ability to prevent and control climate risks, steadily promoted innovations in green investment and financing, and thoroughly acted on the concept of low-carbon operations.</i></p> </div> <p>ABC's people-centred development philosophy takes into account people's aspiration for a better life as the direction for inclusive finance development.</p>

			<p>From the Report:</p> <p><i>ABC shoulders its responsibilities and stays true to its mission as a socialist state-owned commercial bank with Chinese characteristics. ABC considers social responsibility fulfilment within the context of the whole nation and the economy, and shoulders responsibilities in all aspects to promote comprehensive social progress</i></p> <p><i>Being people-centric, ABC has made efforts in promoting economic transition and upgrading, reducing the gap between rural and urban areas, improving people's livelihoods, fostering environment protection, promoting inclusive finance and supporting vulnerable groups, realizing both social awareness and profitability</i></p>
			<p>The eligible project categories presented by ABC Singapore Branch are closely aligned with the requirements stipulated under the Standards, Schemes & Principles. These environmental and social benefits would be reinforced later by quantitative indicators and metrics in the annual reporting.</p> <p>DNV confirms that the proposed use of proceeds will be expected to deliver meaningful environmental and social benefits.</p>
1d	Refinancing Share	In the event that a proportion of the proceeds may be used for refinancing, it is recommended that issuers provide an estimate of the share of financing vs. re-financing, and where appropriate, also clarify which investments or project portfolios may be refinanced.	<p>The proceeds of instruments issued under the Framework will be used to finance and refinance projects. The exact proportion of finance and refinance proposed by ABC Singapore Branch is to be nominated at the time of bond or loan issuance.</p> <p>Under the Annual Allocation Reporting, it is stated that ABC Singapore Branch will list all eligible projects that have been financed/refinanced, including the proportion of net proceeds used for financing versus refinancing.</p> <p>The proposed management of net proceeds from the Sustainable Financial Instruments is confirmed by DNV to be expected to meet the criteria under the Standards, Schemes & Principles.</p>

2. Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	DNV Findings
2a	Investment-Decision Process	<p>The Issuer of a Green /Social Bond and Loan should outline the decision-making process it follows to determine the eligibility of projects using Green/Social Bond and Loan proceeds. This includes, without limitation:</p> <ul style="list-style-type: none"> • The environmental objectives of the eligible Green/ Social Projects; • The process by which the issuer determines how the projects fit within the eligible Green/Social Projects categories; and • Complementary information on processes by which the issuer identifies and manages perceived environmental and social risks associated with the relevant project(s). 	<p>ABC Singapore Branch has set-up the Green and Sustainable Finance Committee ("GSFC"), which is a decision-making body that review, assess, validate and approve of sustainability and ESG-related matters, including decisions on the eligibility criteria as well as any financial considerations.</p> <div> <p>From the Framework:</p> <p><i>Front office departments will nominate potential green, social, or sustainable projects and conduct a preliminary screening of such projects, in accordance with the criteria and standards set out in "Use of Proceeds" section in this Framework, and form a preliminary list of projects that will, along with supporting materials, be escalated to the GSFC for further assessment and evaluation.</i></p> <p><i>The GSFC shall evaluate and validate each nominated project's eligibility, based on this Framework and considering the environmental and social impacts. The eligible assets will be added to a register. The GSFC approves the allocation of eligible assets earmarked to each sustainable financing instrument raised by the Branch based on this Framework.</i></p> <p><i>Front office relationship managers shall review the eligible projects on an annual basis and determine if any changes are necessary.</i></p> </div> <p>The GSFC consists of senior management and heads of departments (including front office department, risk management, operations, information technology and human resources and administration). ABC Singapore Branch's GSFC will have various responsibilities in the evaluation and selection process as mentioned in the framework.</p> <p>Additionally, ABC Singapore Branch will incorporate sustainable considerations into every stage of the credit process, from application to post-lending. Customers are classified as high, medium, or low impact based on their business activities, with environmental and social impact analyses required for each credit evaluation. High and medium impact customers undergo enhanced due diligence in line with ABC's sector-specific guidelines.</p>

			<p>DNV confirms this process for project selection and evaluation to be well aligned with the criteria outlined in the Standards, Schemes & Principles.</p>
2b	<p>Issuer/ Borrower's Environmental and Governance Framework</p>	<p>Issuers are also encouraged to:</p> <ul style="list-style-type: none"> • Position the relevant information within the context of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability. • Provide information, if relevant, on the alignment of projects with official or market-based taxonomies, related eligibility criteria • Have a process in place to identify mitigants to known material risks of negative environmental and/or social impacts from the relevant project(s). 	<p>ABC Singapore Branch is committed to spur its environmental, social, and governance (ESG) efforts, establishing and developing a holistic and robust green finance system.</p> <p>In support of its commitment, ABC collaborates with International Finance Corporate (IFC) to develop and implement innovative program. ABC is also a member of the United Nation Environment Program Finance Initiative (UNEP FI), complying and implementing their commitment with "The Principles for Responsible Banking". ABC is also a supporting organization of Task Force on Climate-related Financial Disclosures (TCFD).</p> <p>Internally, ABC Singapore Branch have established a "ABC Singapore Branch 2024-2026 Business Development Plan", which ensure that ABC Singapore Branch will stay up to date with green finance regulations, industry developments, headquarters' policies, continuously refining the Branch's framework while enhancing green finance services and fostering innovation</p> <p>The Framework describes a governance structure for selecting eligible Green/Social Projects. ABC Singapore Branch also indicates its strategy to manage the process and the approach taken for selection and evaluation, from integrating sustainable considerations in their credit management policy to the establishment of the GSFC for decision-making.</p> <p>DNV confirms that ABC Singapore Branch's ESG strategies and grouping of projects with eligibility criteria, are well aligned with the Standards, Schemes & Principles.</p>

3. Management of Proceeds

Ref.	Criteria	Requirements	DNV Findings
3a	Tracking Procedure	<ul style="list-style-type: none"> (Bond) The net proceeds of Green/Social Bonds should be credited to a sub-account, moved to a sub- portfolio or otherwise tracked by the Issuer in an appropriate manner and attested to by a formal internal process that will be linked to the Issuer's lending and investment operations for Green/ Social Projects. (Loan) The proceeds of Green/Social Loans should be credited to a dedicated account or otherwise tracked by the borrower in an appropriate manner, so as to maintain transparency and promote the integrity of the product. Where a green loan takes the form of one or more tranches of a loan facility, each green tranche(s) must be clearly designated, with proceeds of the green tranche(s) credited to a separate account or tracked by the borrower in an appropriate manner. 	<p>The evidence reviewed shows how ABC Singapore Branch plans to manage the net proceeds from the Sustainable Financing Instruments, in accordance with the evaluation and selection process in the Principles. ABC Singapore Branch may allocate the proceeds to eligible projects across various domestic and overseas market (inter-branch allocation) within ABC's group. The tracking procedure is as follows:</p> <div> <p>From the Framework:</p> <p><i>Net proceeds of each ABC Singapore Branch's sustainable financing instrument will be deposited in the general account of the Branch and it will establish a register, recording each specific asset allocated as Use of Proceeds in the appropriate internal system.</i></p> <p><i>The Branch will review and update the register regularly. In the register, database will include but not limited to, instrument amount, maturity date, borrower's name, brief description of use of proceeds, allocation to eligible green or social asset category, and other necessary information.</i></p> <p><i>The register will be monitored periodically to avoid any double counting.</i></p> </div> <p>The framework states the type of data that will be included in the register (not limited to):</p> <ul style="list-style-type: none"> • Instrument amount • Maturity date • Borrower's name • Brief description of use of proceeds • Allocation to eligible Green/Social Project category • Other necessary information <p>DNV confirms that the Framework outlines processes to track proceeds and allocations to the nominated projects, that are well aligned with the Standards, Schemes & Principles.</p>
3b	Tracking Procedure	So long as the Green/ Social Bonds or Loans are outstanding, the balance of the tracked proceeds should be	The related tracking process is covered in the Framework as follows:

		periodically reduced by amounts matching eligible green investments or loan disbursements made during that period.	<p>From the Framework:</p> <p><i>ABC Singapore Branch may allocate the proceeds of its sustainable financing instrument(s) (i.e. loans or bonds issued under this framework) to eligible projects across various domestic and overseas markets (inter-branch allocation) within ABC's group.</i></p> <p><i>ABC Singapore Branch will use its best efforts to substitute any sustainable assets that are no longer eligible, as soon as practical once an appropriate substitution option is identified. The Branch will aim to deploy full allocation of net proceeds to eligible categories within 24 months from drawdown or issuance.</i></p> <p>DNV confirms that the Framework outlines processes to track proceeds and allocations to the nominated projects, that are aligned with the Standards, Schemes & Principles.</p>
3c	Temporary Holdings	Pending such investments or disbursements to eligible Green/Social Projects, the Issuer should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds.	<p>The Framework explains the treatment of unallocated funds.</p> <p>From the Framework:</p> <p><i>Any unallocated bond proceeds could be temporarily invested in Green, Social and Sustainability (GSS) bonds. ABC Singapore Branch may also invest in cash and/or cash equivalents according to local liquidity management guidelines, but with strict exclusion to sectors or activities identified in the IFC Exclusion List.</i></p> <p>DNV confirms that the Framework outlines instruments to which unallocated proceeds will be invested, that are well aligned with the Standards, Schemes & Principles.</p>



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4. Reporting

Ref.	Criteria	Requirements	DNV Findings
4a	Periodical Reporting	<ul style="list-style-type: none">• Issuers should make, and keep, readily available up to date information on the use of proceeds to be renewed annually until full allocation, and on a timely basis in case of material developments.• The annual report should include a list of the projects to which *Green/Social - adjust as required* Bond proceeds have been allocated, as well as a brief description of the projects, the amounts allocated, and their expected impact.• Where confidentiality agreements, competitive considerations, or a large number of underlying projects limit the amount of detail that can be made available, the GBP recommend that information is presented in generic terms or on an aggregated portfolio basis (e.g. percentage allocated to certain project categories).	<p>ABC Singapore Branch has confirmed that it will disclose the allocation of the net proceeds of the GFIs/SFIs and publish updates of the allocation of the proceeds, as well as impact reporting, throughout the term.</p> <div><p>From the Framework:</p><p><i>Until full allocation of proceeds of its sustainable financing instrument(s), ABC Singapore Branch will report on the allocation of net proceeds from each of the sustainable finance instruments as well as impact metrics on an annual basis. Such report will be published as a standalone Sustainable Financing Report (or "Allocation and Impact Report") or as a part of ABC Singapore Branch's annual report. The report will be available on the Branch's website.</i></p></div> <p>The annual review report will provide allocation reporting and impact reporting and would include information such as:</p> <ul style="list-style-type: none">• The list of sustainable financing instrument(s) issued by ABC Singapore Branch• The description and value of eligible green and/or social assets financed by the sustainable financing instruments issued by ABC Singapore Branch, including appropriate details of any inter-branch lending• The aggregated amount of allocation of the net proceeds of the sustainable financing instruments issued by ABC Singapore Branch to the Eligible Green and/or Social Assets• The proportion of net proceeds of sustainable financing instruments used for financing versus refinancing of Eligible Green and/or Social Assets• The balance of any unallocated proceeds invested in cash and/or cash equivalents• Relevant sustainability output and impact metrics <p>Additionally, the proposed impact metrics are aligned with the recommendations outlined in the Harmonised Framework for Impact Reporting, published by ICMA in June 2024.</p>

			<div>From the Framework:</div> <div><i>In the context where the Branch allocates the proceeds of its sustainable financing instrument(s) to green or social loans issued by to Specific Entities, which subsequently extend green or social loans to ultimate borrowers, the Specific Entities shall be responsible for gathering relevant, timely, and accurate impact information from the ultimate borrowers and report the information to ABC Singapore Branch.</i></div> <div>ABC Singapore Branch will utilize the data received from the ultimate borrowers to prepare the annual impact reporting for its sustainable financing instruments.</div> <div>ABC Singapore Branch may consider engaging an independent provider to conduct an external review, assessing the allocation of proceeds and evaluating their alignment with this Framework, where applicable, for any Green/Social instruments issued under it.</div> <div>DNV confirms that the proposed reporting is consistent with the criteria set out in the Standards, Schemes & Principles.</div>
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WHEN TRUST MATTERS

About DNV

Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight. With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 16,000 professionals are dedicated to helping customers make the world safer, smarter and greener group. All rights reserved.