

Sustainable Financing Framework for Agricultural Bank of China Limited, Singapore Branch

December 2024

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Revision History

Version	Date of Issue	Document Details
1.0	Aug 2019	Issuance of the Sustainable Financing Framework (“SFF”)
1.1	Dec 2021	The following edits were made: <ul style="list-style-type: none">• Updated SFF to align with the latest 2021 Principles, Standards and Guidelines from ICMA, LMA, APLMA and LSTA• Incorporated Social Loan Principles, EU-CN Common Ground Taxonomy, and PBOC’s and CBRC’s Standards• Updated Use of Proceeds to include Other Green Financial Instruments• Expanded eligibility criteria for Green and Social Eligible Categories
1.2	Dec 2024	The following edits were made: <ul style="list-style-type: none">• Updated SFF to align with the latest 2023 Principles, Standards and Guidelines from ICMA, LMA, APLMA and LSTA, referencing Singapore-Asia Taxonomy for selective green projects• Expanded eligibility criteria for Green and Social Eligible Categories• Updated Project Evaluation and Selection, and Management of Proceeds• Updated Indicative Impact Reporting Criteria in accordance to ICMA Handbook’s Harmonised Framework for Impact Reporting (June 2024)

1. Introduction

1.1 About ABC and ABC Singapore Branch

As one of the major integrated financial services providers in China, Agricultural Bank of China Limited (thereafter ABC or the Bank) provides a diverse portfolio of corporate and retail banking products and services for a broad range of customers, and conducts treasury operations and asset management. ABC business scope also includes investment banking, fund management, financial leasing and life insurance. The Financial Stability Board has included the ABC into the list of Globally Systemically Important Banks for ten consecutive years since 2014. In 2023, ABC was ranked 3rd in The Banker's "Top 1000 World Banks" in terms of tier 1 capital. At the end of 2023, the Bank had total assets of RMB 39,872,989 million, and achieved a net profit of RMB 269,820 million. ABC has a total of 22,843 domestic branch outlets, 13 overseas branches, 4 overseas representative offices, and 16 major subsidiaries as of the end of 2023.

ABC has achieved significant milestones in our green finance business and development. We have steadfastly advanced our green finance strategies, enhanced our green products and services, and diversified green investment and financing channels. As of the end of 2023, the balance of green credit was RMB 4.05 trillion, marking a notable increase of RMB 1.35 trillion or 50.1% compared to the previous year. The Bank's MSCI ESG rating has also been upgraded to 'AA' in 2023.

With 29 years of presence in the local banking industry in Singapore, excellent customer services, prudent business approach and experienced professionals, Agricultural Bank of China Limited, Singapore Branch (thereafter ABC Singapore Branch or the Branch) has become one of the well-known commercial banks in Singapore and has upgraded its offshore banking licence to wholesale banking licence in 2012. ABC Singapore Branch provides a wide range of financial services to its customers in the South-east Asia region and facilitates strong bilateral economic and trade relations between China and the region.

1.2 Our Green and Sustainable Finance Commitment

ABC collaborated with International Finance Corporation (IFC) to develop and implement innovative program to build an extensive and innovating green financial products and portfolios. The Bank is committed to spur its ESG efforts, establish and develop a holistic and robust green finance system. As a member of United Nation Environment Programme Finance Initiative (UNEP FI), ABC complies and implements our commitment with "The Principles for Responsible Banking", a sustainable banking framework that govern the banks' green business areas, strategic development, sustainable direction and deal with challenges of climate change in adherence with UN Sustainable Development Goals (SDGs) and the Paris Climate Agreement. ABC is one of the supporting organizations of Task Force on Climate-related Financial Disclosures (TCFD), demonstrating our efforts to improve the quality of environmental and climate-related information disclosure based on the regulatory requirements and recommendations of the TCFD disclosure framework.

ABC Singapore Branch is committed to increase support for sustainable financing. We strive for a long-term commitment to sustainable development, practiced and embedded environmental, social and

governance (ESG) financial strategy through integrating the concept and requirement of sustainable development into our process of operation, management and business strategy. The Branch follows the “ABC Singapore Branch 2024-2026 Business Development Plan”¹ and commits to stay abreast of green finance regulations, industry trends, and headquarters’ policies, and continuously refine our Framework and enhance green finance services and innovation. The Branch successfully issued a US \$200 million SOFR-based Green Club Loan pursuant to the SFF updated in 2021 and utilized all the green loan proceeds towards eligible green assets, and provided cross-border green financing solutions to its customers.

2. Overview of the Sustainable Financing Framework

The Sustainable Financing Framework (“SFF”) has been developed by and for ABC Singapore Branch, as the guiding document to enter into any financing instruments such as loans, bonds, private placements, or other debt to finance or refinance new and/or existing eligible green, social and sustainable projects, clients, or assets. Any green, social or sustainable instrument issued under this Framework will be strictly aligned with the following Principles, Standards and Guidelines from ICMA, LMA, APLMA, LSTA and ACMF.

- Loan Market Association (LMA) / Asia-Pacific Loan Market Association (APLMA) / Loan Syndications and Trading Association (LSTA)
 - Green Loan Principles (GLP, 2023)
 - Social Loan Principles (SLP, 2023)
- International Capital Markets Association (ICMA)
 - Green Bond Principles (GBP, 2021)
 - Social Bond Principles (SBP, 2023)
 - Sustainability Bond Guidelines (SBG, 2021)
- ASEAN Capital Markets Forum (ACMF)
 - Green Bond Standards (GBS, 2018)
 - Social Bond Standards (SBS, 2018)
 - Sustainability Bond Standards (SUS, 2018)

The Framework may also flexibly take reference and/or guidance to the MAS Singapore-Asia Taxonomy² to select Eligible Green Projects and follow its technical screening criteria under respective scenarios.

Where relevant and applicable, the Framework may also flexibly take reference to the EU-China Common Ground Taxonomy³, the People’s Bank of China’s 2019 “*Special Statistical System for Green Loans*”⁴, and the People’s Bank of China’s 2021 “*Catalogue of Green Bond Supported Projects*”⁵, for any appropriate Eligible Green Projects located in Mainland China.

¹ This plan, also known as “新加坡分行 2024-2026 年业务发展规划”, is developed by ABC Head Office for ABC Singapore Branch to follow

² Monetary Authority of Singapore (MAS) Singapore-Asia Taxonomy (Dec 2023): <https://www.mas.gov.sg/-/media/mas-media-library/development/sustainable-finance/singaporeasia-taxonomy-dec-2023.pdf>

³ “可持续金融共同分类目录报告——减缓气候变化”:

https://ec.europa.eu/info/sites/default/files/business_economy_euro/banking_and_finance/documents/211104-ipsf-common-ground-taxonomy_table_en.pdf

⁴ “绿色贷款专项统计制度”: <https://gfm.sceex.com.cn/upload/20200120/7db24def5417506a344b593d7fc5825f.pdf>

⁵ “绿色债券支持项目目录”: <http://www.pbc.gov.cn/goutongjiaoliu/113456/113469/4342400/2021091617180089879.pdf>

Each green, social or sustainable financing instrument issued under this Framework will follow the four core components below:

- Use of Proceeds
- Project Evaluation and Selection
- Management of Proceeds
- Reporting

Independent external review will be conducted by an independent provider to opine conformity to the aforementioned Principles, Standards and Guidelines. Additionally, the issuance of green bonds, green loans or green financing instruments under this Framework may be further certified by the Climate Bonds Initiative (“CBI”) in accordance with the Climate Bonds Standard (“CBS”) if required.

3. Use of Proceeds

As such, the net proceeds of each ABC Singapore Branch’s sustainable financing instrument will be exclusively allocated to finance and/or refinance, in whole or in part, new and/or existing eligible projects or assets that contribute to clear sustainability impacts and meet the criteria outlined in Table 1.1 and Table 1.2 below.

Within the framework, sustainable financing (dedicated purposes) instruments include:

- **Green Loans or Bonds** – proceeds are allocated to Eligible Green Categories outlined in Table 1.1
- **Social Loans or Bonds** – proceeds are allocated to Eligible Social Categories outlined in Table 1.2
- **Sustainability Loans or Bonds** – proceeds are allocated to a combination of Eligible Green and Social Categories as outlined in Table 1.1 and 1.2
- **Other Green Financial Instruments** – green repos, green interest rate swaps, green certificate of deposits and green deposits, proceeds⁶ are allocated to Eligible Green Categories outlined in Table 1.1

Where a client derives 90% or more of its revenue from activities within the Eligible Green and/or Social Categories (i.e pure play companies), any financing and/or refinancing, including for general corporate purposes loans, to such pure play companies could be considered as meeting the requirements of the Eligible Categories of this SFF, so long as the financing does not fund expansion into activities specified in Section 3.2 (Exclusion Activities). For the avoidance of doubt, general corporate purposes loans except those extended to pure play companies are excluded under this SFF. ABC Singapore Branch’s look-back period for operating expenditures⁷ would be 36 months for which the use of proceeds would meet the eligible green and social criteria.

The Framework shall apply the principle of “Do No Significant Harm” (DNSH) to all Eligible Green and Social Categories, to ensure that while the economic activities make substantial contribution to one or more environmental or social objective(s), they do not cause significant harm to other environmental and social

⁶ Proceeds can refer to both: (1) The use of proceeds of the other green financial instruments such as green repos, green certificate of deposits and green deposits; and (2) The proceeds from inter-branch lending, for example, if ABC Singapore Branch lends its assets to another ABC Branch

⁷ Operating expenditures (OPEX) refers to the pure play companies’ OPEX

objectives. There should also be assessments performed on the customer where necessary, to ensure the economic activity avoids carbon lock-in as much as possible using the best available and feasible technology prevailing at the point of financing. Carbon lock-in shall be defined⁸ as an action that perpetuates, delays or prevents the transition to low-carbon alternatives. It is crucial that if any harm is identified, proper and sufficient mitigating measures are taken.

3.1 Eligible Green and Social Categories

Table 1.1 Eligible Green Categories

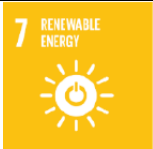
Eligible Green Project Category	Sustainable Development Goal	Eligibility Criteria and Examples
Renewable Energy	 	<ul style="list-style-type: none"> ▪ Construction, acquisition, development, operation, maintenance, transmission and distribution of renewable energy generation sources: <ul style="list-style-type: none"> ○ Wind power (onshore and offshore) ○ Solar power (photovoltaic/concentrated solar power), solar thermal utilisation ○ Hydropower <25 MW, or >25MW where either life-cycle GHG emissions intensity is <100 gCO₂e/kWh or power density is greater than 5W/m² ○ Bioenergy power generation⁹ 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

⁸ World Resources Institute (wri.org) – What to Know About Carbon Lock-in and How to Avoid It

⁹ With reference to the Singapore-Asia Taxonomy (which refers to the EU Taxonomy), 1.5 Electricity generation from bioenergy power

¹⁰ With reference to and alignment with the CBI criteria:

<https://www.climatebonds.net/files/files/standards/Geothermal/Sector%20Criteria%20-%20Geothermal%20%28April%202023%29.pdf>

		<p>for renewable energy generation such as wind turbines, solar panels, battery storage and fuel cells storage</p> <ul style="list-style-type: none"> 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 Supporting/integrating at least 90% electricity from renewable energy sources into the grid¹¹
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 centres¹², 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
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^{13 14} projects and/or facilities¹⁵ 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, reforestation,

¹¹ 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

¹² With reference to the Singapore-Asia Taxonomy, Table 7.1 Data processing, storage, transmission, and management

¹³ With reference to Singapore-Asia Taxonomy, 8.4. Waste-to-Energy (Incineration) - Green criteria (this green criteria is partially aligned to Climate Bonds Taxonomy)

¹⁴ Under the Singapore-Asia Taxonomy, R&D investments related to developing and testing new and emerging technologies are eligible.; these include but are not limited to pyrolysis and gasification that can produce alternate and sustainable fuels or chemicals

¹⁵ Where relevant and applicable, the facilities can also reference to the CBI Criteria for Energy from Waste (Table 9)

		<p>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 emissions¹⁶
Environmentally sustainable management of living natural resources and land use ¹⁷	 	<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 Standard¹⁸, 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 management¹⁹: regenerative agriculture, organic farming, precision agriculture, agroforestry, controlled environments, as certified by eligible schemes²⁰ Preservation and/or restoration of biodiversity in urban areas or critical natural habitats; Soil remediation²¹
Green Buildings ²²	 	<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

¹⁶ With reference to the Singapore-Asia Taxonomy, 4.3. Manufacture of basic iron and steel - Table 12

¹⁷ The category excludes all projects or activities that have a negative impact on Indigenous People Communities or transactions that negatively impact/affect UNESCO designated World Heritage Sites

¹⁸ For organic products, which are defined as a plant and/or animal product intended for human consumption and/or animal feeding, which is produced, processed and handled in accordance with The China National Organic Standard GB/T 19630

¹⁹ With reference to the Singapore-Asia Taxonomy, 10.2. Animal Production

²⁰ Eligible schemes include: The Global Roundtable for Sustainable Beef (GRSB), Sustainable Poultry Network (SPN – USA), and PoultryCARE

²¹ Soil remediation related to the contamination or negative environmental outcomes from the issuer’s own financed activities is excluded

²² Green Buildings include both commercial and residential buildings

		<ul style="list-style-type: none"> Renovation of existing buildings that will achieve the aforementioned green certification levels or align with relevant CBI certification Retrofit²³/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)
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 criteria²⁴: <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 schemes²⁵, 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 purpose of expanding production, as well as the manufacture of EV batteries and development of its specialised parts Development, manufacture and acquisition of green shipbuilding (fully electric ferries and small ships, vessels using biofuels²⁶) Electrification of existing diesel or steam powered rail transport, to be operated on electricity derived from

²³ Retrofitting will be financed and not the asset value of the entire building, unless the refurbishment results in an eligible certification

²⁴ Excludes financing that supports transportation of fossil fuels, even if it meets the eligibility criteria under Clean Transportation

²⁵ Car sharing schemes only apply to zero tailpipe emission vehicles

²⁶ With reference to the Singapore-Asia Taxonomy 2.6 Sea and water coastal transport

		<p>use of coal or natural gas in short-term but with clear plan to decarbonise in the long-term</p> <ul style="list-style-type: none"> ▪ Infrastructure, installations and related facilities that principally facilitate the transfer of passengers from rail to rail or from other modes to rail²⁷
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

Table 1.2 Eligible Social Categories

Social financing aims to mitigate or alleviate specific social challenges and/or to achieve positive social outcomes, particularly though not exclusively, for a target population or a target area. Target population thresholds will vary by region and therefore we adhere to local government definitions where available. Examples of target populations and target areas include, but not limited to, those that are:

- 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

Eligible Social Project Category	Sustainable Development Goals	Eligibility Criteria and Examples
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 public²⁸

²⁷ With reference to the Singapore-Asia Taxonomy 2.5 Low-carbon transport infrastructure

²⁸ Affordability of relevant projects will be ensured by one of the following criteria: (1) via subsidies; or (2) where universal healthcare scheme or public insurance is accepted; or (3) tariffs are offered at the same rate as public services

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^{29 30} Development of transmission and distribution infrastructure aimed at improving access to electricity to areas with no access or substantially inadequate access to electricity 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
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)³¹ which provide access to financial inclusion at affordable terms, where SMEs are defined by local government³². Inclusive financing³³ 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)

²⁹ Excluding high risk countries/regions according to the IFS Compliance Guidelines which cover the evaluation of anti-money laundering, counter-terrorist financing and sanctions risks of the countries

³⁰ Eligible projects are located in areas with no access or substantially inadequate access to transportation. Areas with substantially inadequate access to transportation are defined as areas that have unpaved, ungraded narrow or non-weather proof (mud road) roads or roads with poor conditions (such as potholes, cracked pavement, collapsing shoulders) rendering its use difficult or impossible.

³¹ Examples include, but not limited to, (a) Women entrepreneurs (SMEs where >50% of the shares belong to women, in case the women ownership is <50%; the SME shall be 20% female owned and have at least 1 woman at C-Suite and/or managerial role; 30% board of directors comprising women, if a board exist); (b) Owned and/or operated by migrants or youth

³² Please note that this is one such example of the different examples of SME definition by a local government: SME definition by China's Ministry of Industry and Information Technology, National Bureau of Statistics, National Development and Reform Commission, and Ministry of Commerce (https://www.gov.cn/gongbao/content/2012/content_2041870.htm)

³³ In the context of China, please refer to 《中国人民银行关于对普惠金融实施定向降准的通知》(银发(2017) 222 号) (Notice on Targeted Reserve Ratio Requirement Reduction for Inclusive Finance by People's Bank of China): <http://www.gov.cn/xinwen/201710/5229404/files/effb6a0517ef4891a92aebfe41b95b8d.pdf>

3.2 Exclusion Categories

In any case, eligible assets or projects exclude the type of projects listed in the IFC Exclusion List, as well as the following industry categories:

- 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

4. Project Evaluation and Selection

ABC Singapore Branch has established the Green and Sustainable Finance Committee (“GSFC”), a decision-making body that review, assess, validate and approve sustainability and ESG-related matters. This committee is made up of senior management (general manager and deputy general managers), heads of front office departments (investment banking, corporate banking, treasury and trade finance), head of risk management, head of operations, head of information technology, and head of human resources and administration, whereby all the individuals are management appointed at the Singapore Branch level.

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. The GSFC shall evaluate and validate each nominated project’s eligibility, based on this Framework and considering the environmental and social impacts. The GSFC will be the ultimate responsible body to approve the allocation of eligible assets earmarked to each sustainable financing instrument raised by the Branch based on this Framework. The eligible assets will be added to a register. Front office relationship managers shall review the eligible projects on an annual basis and determine if any changes are necessary.

According to ABC Singapore Branch’s credit management policy, sustainable considerations are incorporated into the whole credit application, evaluation, approval, and post-lending process. All existing and potential customers shall be categorized into three types, namely high impact, medium impact and low impact, based on their business activities and an analysis on the environmental and social impact is required for every credit application and evaluation process. Customers in the high impact and medium impact categories are subject to enhanced due diligence, following the ABC’s sector-specific guidelines.

In addition, if there is any material environmental and/or social controversy or adverse impact from the Eligible Green, Social or Sustainable Projects identified after the proceeds’ allocation, the Branch shall undertake relevant analysis and monitoring on the Eligible Green, Social or Sustainable Projects to assess the potential environmental and/or social risk(s). If the Branch confirms that the project will do significant

harm to the environment and/or society, such project could become ineligible for allocation of the Sustainable Financing Instruments proceeds.

5. Management of Proceeds

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. 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. The register will be monitored periodically to avoid any double counting.

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. 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 of its sustainable financing instrument(s) to eligible green and/or social asset categories within 24 months of drawdown or issuance. Any unallocated bond proceeds could be temporarily invested in Green, Social and Sustainability (GSS) bonds aligned with the ICMA Principles. 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.

In the context where the Branch allocates the proceeds of its sustainable financing instrument(s) to green or social loans issued by to Specific Entities³⁴, which subsequently extend green or social loans³⁵ 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. The Branch will make annual impact reporting for its sustainable financing instrument(s), using the information received from the ultimate borrowers.

6. Reporting

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.

Each annual review report will provide:

³⁴ Specific entities include but not limited to, financial leasing companies, financial institutions (including ABC branches) and corporates

³⁵ Whereby the use of proceeds of these loans are exclusively allocated to eligible green and/or social projects

6.1 Allocation Reporting

- The list of sustainable financing instrument(s) issued by ABC Singapore Branch;
- Description and Value of the 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; and,
- The balance of any unallocated proceeds invested in cash and/or cash equivalents.

6.2 Impact Reporting

ABC Singapore will report on relevant sustainability output and impact metrics³⁶, where feasible, for each of the sustainable finance instruments. Below are examples of indicators:

Table 2: Indicative Impact Reporting Criteria

Green Categories	Indicative Impact Reporting Criteria
Renewable Energy	<ul style="list-style-type: none"> ▪ Annual GHG emissions avoided/reduced in tCO₂e³⁷ ▪ Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (other energy) ▪ Additional capacity of renewable energy plant(s) constructed or rehabilitated in MW ▪ Decrease in carbon intensity factor³⁸ (tCO₂e/MWh) ▪ Annual Absolute (gross) GHG emissions from the project in tCO₂e³⁹
Energy Efficiency	<ul style="list-style-type: none"> ▪ Annual energy savings in MWh/GWh (electricity) and GJ/TJ (other energy savings) ▪ Annual GHG emissions avoided/reduced in tonnes of CO₂e
Pollution prevention and control	<ul style="list-style-type: none"> ▪ Annual absolute amount of waste that is separated and/or collected, and treated (including composted) or disposed of (in tonnes p.a. and in % of total waste) ▪ Waste that is prevented, minimised, reused or recycled in tonnes p.a. ▪ Annual energy generation from non-recyclable waste in energy/emission-efficient waste to energy facilities in kWh ▪ Energy recovered from waste (minus any support fuel) in kWh of net energy generated p.a. ▪ Tonnes of GHG avoided from waste management
Environmentally sustainable management of	<ul style="list-style-type: none"> ▪ Reduction in net GHG emissions, GHG intensity (e.g. tCO₂e/unit of output) or energy intensity

³⁶ Impact metrics references to the ICMA Handbook – Harmonised Framework for Impact Reporting (June 2024 version)

³⁷ Where CO₂ emissions figures are reported, the GHG accounting methodology and assumptions should be referenced

³⁸ For Utilities

³⁹ Depending on their own GHG reporting requirements, some institutions may report absolute (gross) GHG emissions from the project, alongside the avoided/reduced emissions. Together with baseline emissions, absolute (gross) emissions allow for the calculation of emissions avoided/reduced.

living natural resources and land use	<ul style="list-style-type: none"> Area covered by sustainable agricultural land management practices and crop yields in tonnes per hectare Cubic metre (m³) of water used and/or saved per hectare of land
Clean transportation	<ul style="list-style-type: none"> Passenger-kilometres (i.e. the transport of one passenger over one kilometre) and/or passengers; or tonne-kilometres (i.e. the transport of one tonne over one kilometre) and/or tonnes Annual GHG emissions reduced/avoided in tCO₂e Reduction of air pollutants (e.g. PM, SO_x, NO_x, CO)
Green Buildings	<ul style="list-style-type: none"> Energy use reduced/avoided in kWh/m² of GBA per annum Annual GHG emissions reduced/avoided in tCO₂e vs. local baseline/baseline certification level % of water reduced/avoided vs. local baseline/ baseline certification level/IGCC
Sustainable water and waste management	<ul style="list-style-type: none"> Annual absolute water use before and after the project, in m³, or reduction in water use in % Annual absolute wastewater treated, reused or avoided before and after the project, in m³ and %
Social Categories	
Access to Essential Services	<ul style="list-style-type: none"> Number of people reached with improved health care Number of education facilities for inclusive and effective learning environments Number of people and students receiving education services and life learning
Affordable housing	<ul style="list-style-type: none"> Number of total affordable public housing financed Number of loans provided for people to enrol into affordable housing schemes
Employment generation including through SME financing/microfinance	<ul style="list-style-type: none"> Number of people/enterprises benefiting from SME financing and total of SME financing provided Number of low-income groups benefiting from microfinance and total of microfinance provided Amount of loans to SMEs

7. External Review and Verification

ABC Singapore Branch has appointed DNV to provide a Second Party Opinion (SPO) on this Framework. The SPO assesses and confirms the Framework's alignment with the stated Principles, Standards and Guidelines in Section 2 (Overview of the Sustainable Financing Framework). The SPO will be made available on ABC Singapore Branch's website.

For any green, social or sustainable instrument issued under this Framework, ABC Singapore Branch will engage an appropriate independent provider to provide an external review report, or a stand-alone independent limited assurance by an external auditor on a best effort basis, on the allocation of proceeds and evaluate its conformity with this Framework.