

FRAMEWORK
EXTERNAL REVIEW

Sustainability Quality of the Issuer and Sustainability-Linked
Loan Funding Framework

Agricultural Bank of China Limited, Singapore Branch

5 June 2025

VERIFICATION PARAMETERS

Type(s) of instruments contemplated	<ul style="list-style-type: none">Sustainability-linked Loans financing Bonds
Relevant standards	<ul style="list-style-type: none">Guidelines for Sustainability-Linked Loans financing Bonds, as administered by the International Capital Market Association (ICMA) (as of June 2024)
Scope of verification	<ul style="list-style-type: none">ABCSG’s Sustainability-Linked Loan Funding Framework (as of Jun. 5, 2025)ABCSG’s Sustainability-Linked Loans’ KPIs and associated SPTs (as of Jun. 5, 2025)
Lifecycle	<ul style="list-style-type: none">Pre-issuance verification
Validity	<ul style="list-style-type: none">Valid as long as the cited Framework and the Sustainability-Linked Loans’ KPIs/SPTs remain unchanged

CONTENTS

SCOPE OF WORK.....	3
ABCSG OVERVIEW	4
ASSESSMENT SUMMARY	5
FRAMEWORK EXTERNAL REVIEW ASSESSMENT	6
PART I: REVIEW OF ABCSG'S SUSTAINABILITY-LINKED LOAN FUNDING FRAMEWORK.....	6
PART II: ELIGIBILITY OF THE SUSTAINABILITY-LINKED FINANCE FACILITIES' KPIs AND ASSOCIATED SPTs	10
PART III: LINKING THE TRANSACTION(S) TO ABCSG'S ESG PROFILE	25
ANNEX 1: METHODOLOGY	32
ANNEX 2: QUALITY MANAGEMENT PROCESSES.....	32
About this External Review.....	33

SCOPE OF WORK

Agricultural Bank of China Limited, Singapore Branch ("the Issuer," "the Bank" or "ABCSG") commissioned ISS-Corporate to assist with its Sustainability-Linked Loans financing Bonds (SLLB), by assessing three core elements to determine the sustainability quality of the instruments:

1. ABCSG's Sustainability-Linked Loan Funding Framework (as of Jun. 5, 2025), benchmarked against the International Capital Market Association's (ICMA) Guidelines for Sustainability-Linked Loans financing Bonds (SLLBG).
2. Assessment of the sustainability credentials of the key performance indicators (KPIs) selected and sustainability performance targets (SPTs) calibrated for those Sustainability-Linked Loans (SLLs) — whether the KPIs are material and SPTs are ambitious.
3. Consistency of Sustainability-Linked Loans financing Bonds with ABCSG's sustainability strategy, drawing on the key sustainability objectives and priorities defined by the Issuer.

ABCSG OVERVIEW

Agricultural Bank of China Limited (“ABC”) is a financial institution that provides a range of banking and financial services to corporate, institutional and retail clients, and where ABC is included in the Financial Stability Board’s (“FSB”) list of Global Systematically Important Bank since 2014.

Agricultural Bank of China Limited, Singapore Branch (“ABCSG” or “the Bank”) is established in 1995 and is located in Singapore, providing a range of financial services such as corporate lending, investment banking, trade financing, and foreign exchange, to customers across Southeast Asia and ASEAN.

ESG risks associated with the Issuer’s industry

ABCSG is classified in the commercial banks and capital markets industry, as per ISS ESG’s sector classification. Key sustainability issues faced by companies¹ in this industry are sustainability impacts of lending and other financial services/products, customer and product responsibility, sustainable investment criteria, labor standards and working conditions, and business ethics.

This report focuses on the sustainability credentials of the issuance. Part III of this report assesses the consistency between the issuance and the Issuer’s overall sustainability strategy.

¹ Please note that this is not a company-specific assessment but rather areas that are of particular relevance for companies within this industry.

ASSESSMENT SUMMARY

SECTION	EVALUATION SUMMARY ²
Part 1: Assessment of ABCSG's Sustainability-Linked Loan Funding Framework against ICMA's SLLBG	Implementation of the recommendations of ICMA's SLLBG The Issuer has defined a formal concept for its SLLB regarding the use of proceeds, processes for project evaluation and selection, management of proceeds, and reporting.
Part 2: Assessment of the SLLs' KPIs and associated SPTs on the basis of ABCSG's Eligibility Criteria for KPIs and SPTs	The SLLs' KPIs and associated SPTs reflects with ABCSG's Eligibility Criteria for KPIs and SPTs. A detailed analysis of the sustainability credibility of the KPI selection and SPT calibration is available in Part II of this report.
Part 3: Consistency of SLLB with ABCSG's sustainability strategy	ABCSG's Sustainability-Linked Loan Funding Framework is consistent with ABCSG's sustainability strategy. The key sustainability objectives and the rationale for issuing the Sustainability-Linked Loan Funding Framework are clearly described by the Issuer.

² The evaluation is based on ABCSG's Sustainability-Linked Loan Funding Framework (Jun. 5, 2025, version), on the sustainability-linked loans' KPI and SPT eligibility criteria as received on Jun. 5, 2025.

FRAMEWORK EXTERNAL REVIEW ASSESSMENT

PART I: REVIEW OF ABCSG'S SUSTAINABILITY-LINKED LOAN FUNDING FRAMEWORK

This section evaluates the alignment of ABCSG's Sustainability-Linked Loan Funding Framework (as of Jun. 5, 2025) with ICMA's SLLBG.

ELEMENTS OF THE SLLBG	OPINION
1. Use of proceeds	<p>The use of proceeds description provided by ABCSG's Sustainability-Linked Loan Funding Framework reflects ICMA's SLLBG.</p> <p>The Issuer included clear eligibility criteria for selecting the underlying SLLs. To avoid double counting, facilities that have both a green, social or sustainability use of proceeds and a sustainability-linked component will not be considered as an eligible SLL. Furthermore, net proceeds are only allocated to the outstanding drawn parts of each eligible SLL.</p> <p>ABCSG adopts Approach 1 suggested in the SLLBG,³ and provides clear and detailed criteria to assess the pairs of KPIs and SPTs. ISS-Corporate has been appointed as an independent external reviewer to assess through a pre-issuance external review the alignment of the Framework's eligibility criteria with the five core components of the Loan Market Association's Sustainability-Linked Loan Principles (SLLP) through information on the evaluation process, and criteria and/or thresholds in place in the Sustainability-Linked Loan Funding Framework for assessing the SLL eligible portfolio, which includes a predefined list of KPIs and accompanying ambition ranges for SPTs.</p> <p>ABCSG's Sustainability-Linked Loan Funding Framework requires that eligible SLLs are to be aligned with the Sustainability-Linked Loan Principles published corresponding to the year of signing of the SLLs.</p> <p>The Issuer has defined climate change mitigation and sustainable use and protection of water and marine resource as the core sustainability objectives of its eligible SLLs under this Framework, in line with market best practice.</p>

³ According to the [SLLBG](#), issuers are provided two options to achieve an appropriate level of transparency.

ELEMENTS OF THE SLLBG	OPINION
<p>2. Process for sustainability-linked loan evaluation and selection</p>	<p>The process for SSLs evaluation and selection provided by ABCSG's Sustainability-Linked Loan Funding Framework reflects ICMA's SLLBG.</p> <p>The Process for SLL Evaluation and Selection is clearly defined by The evaluation and selection process of SLLs and/or pair of predetermined KPIs/SPTs is defined and structured in a congruous manner. ABCSG has transparently disclosed the committee responsible for SLL evaluation, selection, monitoring, and reporting, as well as the corporate functions engaged in the process.</p> <p>The Sustainability-Linked Loan Funding Framework defines exclusion criteria for borrowers, including activities associated with Activities exploiting human rights; Alcohol; Nuclear energy; Gambling; Tobacco; Weapons and defense, Fossil fuel trading, sale, transmission, distribution. It should be noted that ABCSG specifies only borrowers with more than 10% revenue generated from the listed sectors are excluded. It should also be noted that there may be discrepancies in approaches towards the criteria for the exclusion list from other issuers and investors, e.g. having a zero-tolerance approach for exclusion lists.</p> <p>ABCSG states that SLLs deemed eligible for inclusion in the pool of SLL Funding Assets should annually confirm their performance in alignment with the stated SPTs for the relevant KPIs in order to remain eligible. Loans failing to meet the SPTs multiple times within a timeframe of two to three years (i.e. non-compliant) will be temporarily excluded from the SLL Funding Assets portfolio but still tracked as part of the whole SLL asset portfolio. If the non-compliant loans meet their targets set for subsequent years, they can be reinstated as eligible SLLs.</p> <p>ABCSG provides information on its internal processes in place to identify and mitigate ESG risks related to the borrower of each eligible SLL. It has a credit management policy, where sustainable considerations are incorporated into its whole credit application, evaluation, approval, and post-lending process. All existing and potential customers are categorized into high impact, medium impact and low impact, based on business activities and analysis on environmental and social impact. Customers in high and medium impact categories are subject to enhanced due diligence processes, based on ABCSG's internal sector specific guidelines.</p>

ELEMENTS OF THE SLLBG	OPINION
3. Management of proceeds	<p>The management of proceeds provided by ABCSG's Sustainability-Linked Loan Funding Framework reflects ICMA's SLLBG.</p> <p>ABCSG clearly defines the process for the management of proceeds. The net proceeds are tracked appropriately through an SLL Funding register and attested in a formal internal process. ABCSG states that it aims to allocate the collected net proceeds fully at the date of issuance, and will be at least equal to the net proceeds from any SLL funding towards eligible SLL Funding Assets with the aim to ensure that the size of SLL Funding Assets consistently exceeds the total outstanding SLLB by a margin of 5-10%. The proceeds collected will be earmarked and managed on an aggregated basis (portfolio approach). Moreover, for any net proceeds unallocated, the Issuer may invest in cash and/or cash equivalents or temporarily invest in Green, Social, Sustainability and Sustainability-linked (GSSS) bonds in domestic and/or international capital markets.</p> <p>The Issuer has defined an expected allocation period of 24 months from the time of issuance of each instrument, and discloses the nature and the ESG criteria of temporary investments, in line with best market practice.</p>
4. Reporting	<p>The SLLB reporting provided by ABCSG's Sustainability-Linked Loan Funding Framework reflects ICMA's SLLBG.</p> <p>ABCSG will publish and publicly disclose a SLL Funding Allocation Report on its website annually throughout the lifetime of the SLLB. ABCSG explains that the level of expected reporting will be at portfolio/aggregate level. The reporting will include information on eligible SLLs including currency, amount, year of origination and maturity, sector and geographic distribution of eligible SLLs, information on the borrowers' achievement of its KPIs/SPTs in combination with the underlying sector, any remaining proceeds which have not been allocated to SLL funding assets, and relevant information on any non-compliant SLLs and/or newly added SLLs. Furthermore, ABCSG states that it will publish publicly the Sustainability-Linked Loan Funding Framework and this External Review on ABCSG's website.</p>
5. External Review	<p>ABCSG engaged ISS-Corporate to act as an external reviewer of this Sustainability-Linked Loan Funding Framework. The External Review</p>

ELEMENTS OF THE SLLBG	OPINION
	<p>and the Sustainability-Linked Loan Funding Framework is publicly available on ABCSG's website.</p> <p>The Issuer commits to engage an external auditor or other third party to verify the internal tracking and the allocation of funds from the SLLB proceeds to eligible SLLs.</p> <p>A new external review of the Framework will be sought upon any subsequent update.</p>

PART II: ELIGIBILITY OF THE SUSTAINABILITY-LINKED FINANCE FACILITIES' KPIs AND ASSOCIATED SPTs

Summary table⁴

KPI	KPI 1 SCOPE 1 & 2 GHG EMISSIONS (ABSOLUTE IN TCO ₂ E OR INTENSITY)	KPI 2 RENEWABLE ENERGY USAGE, CAPACITY DEVELOPMENT AND GENERATION CAPACITY	KPI 3 ENERGY CONSUMPTION INTENSITY	KPI 4 WATER USAGE (ABSOLUTE OR INTENSITY)	KPI 5 GREEN BUILDING CERTIFICATION
Relevant	Relevant	Relevant	Relevant	Relevant ⁵ Relevant if the borrower could present its materiality matrix that shows that water consumption is a key material topic to the borrower. Otherwise, not relevant. ⁶	Relevant

⁴ Given that the assessment of the KPIs and associated SPTs is done at the lender level, the identification and management of the environmental and social risks associated with the borrower of the Sustainability-Linked Loans at transaction is out of the review's scope.

⁵ For Agri-Food industry, Metals and Mining industry, Power and Utilities industry, Real Estate industry, Construction Materials industry, Chemical industry, Iron and Steel industry.

⁶ For Fuel Cells & Industrial Batteries industry, Electrical & Electronic Equipment industry, Industrial Machinery & Goods industry, and Auto Parts industry.

FRAMEWORK EXTERNAL REVIEW

Sustainability Quality of the Issuer
and Sustainability-Linked Loan
Funding Framework

KPI	KPI 1 SCOPE 1 & 2 GHG EMISSIONS (ABSOLUTE IN TCO ₂ E OR INTENSITY)	KPI 2 RENEWABLE ENERGY USAGE, CAPACITY DEVELOPMENT AND GENERATION CAPACITY	KPI 3 ENERGY CONSUMPTION INTENSITY	KPI 4 WATER USAGE (ABSOLUTE OR INTENSITY)	KPI 5 GREEN BUILDING CERTIFICATION
Core	Moderately Core if the borrower's action plan to reach the SPT includes the recommended actionable items from the non-exhaustive list defined by ABCSG. Otherwise, Limited Information to Assess.	Moderately Core if the borrower's action plan to reach the SPT includes the recommended actionable items from the non-exhaustive list defined by ABCSG. Otherwise, Limited Information to Assess.	Moderately Core if the borrower's action plan to reach the SPT includes the recommended actionable items from the non-exhaustive list defined by ABCSG. Otherwise, Limited Information to Assess.	Core if the borrower's action plan to reach the SPT includes the recommended actionable items from the non-exhaustive list defined by ABCSG. Otherwise, Limited Information to Assess.	Moderately Core if the borrower's action plan to reach the SPT includes the recommended actionable items from the non-exhaustive list defined by ABCSG. Otherwise, Limited Information to Assess.
Material	Material	Partially Material	Partially Material	Material ⁷ Partially Material ⁸	Partially Material
SPT's ambition against past performance	Ambitious against past performance based on limited evidence if a quantitative approach is taken for past performance benchmarking. ⁹				

⁷ In cases where the KPI covers 100% of the assets and operations at borrower level.

⁸ In cases where the KPI covers at least 2/3 of water consumption at group/guarantor level but less than 100%.

⁹ When the SPT calibration is based on a qualitative approach, there is limited information to assess the SPT's ambition against its past performance.

FRAMEWORK EXTERNAL REVIEW

Sustainability Quality of the Issuer
and Sustainability-Linked Loan
Funding Framework

KPI	KPI 1 SCOPE 1 & 2 GHG EMISSIONS (ABSOLUTE IN TCO ₂ E OR INTENSITY)	KPI 2 RENEWABLE ENERGY USAGE, CAPACITY DEVELOPMENT AND GENERATION CAPACITY	KPI 3 ENERGY CONSUMPTION INTENSITY	KPI 4 WATER USAGE (ABSOLUTE OR INTENSITY)	KPI 5 GREEN BUILDING CERTIFICATION
SPT's ambition against peers	In line with peers ¹⁰				
SPT's ambition against international targets	<p>In line with the Paris Agreement if the SPT is aligned to a 1.5°C or well below 2°C trajectory and externally verified.</p> <p>Calibrated to be in line with the Paris Agreement if the SPT is committed to aligning but not verified externally.</p> <p>Otherwise, Limited Information to Assess.</p>	<p>In line with RE100 if borrower intends to use 100% renewable electricity by 2050¹¹ and externally verified; in line with SBTi and IEA NZE scenario if target is externally verified.</p> <p>Calibrated to be in line with respective standards (RE100, SBTi and IEA NZE scenario) if not externally verified.</p>	Limited Information to Assess due to the absence of defined quantitative targets at the international, regional, or industry level.	Limited Information to Assess due to the absence of defined quantitative targets at the international, regional, or industry level.	Limited Information to Assess due to the absence of internationally recognized harmonized standard to benchmark setting targets for green building certifications.

¹⁰ When the SPT calibration is based on a qualitative approach, or in cases where the peer group is excessively small (i.e. less than three peers), there is limited information to assess the SPT's ambition against its sectorial peers.

¹¹ RE100 is a corporate renewable energy initiative to encourage companies to commit to use 100% renewable electricity. For more information please visit: <https://www.there100.org/>

FRAMEWORK EXTERNAL REVIEW

Sustainability Quality of the Issuer
and Sustainability-Linked Loan
Funding Framework



KPI	KPI 1 SCOPE 1 & 2 GHG EMISSIONS (ABSOLUTE IN TCO ₂ E OR INTENSITY)	KPI 2 RENEWABLE ENERGY USAGE, CAPACITY DEVELOPMENT AND GENERATION CAPACITY	KPI 3 ENERGY CONSUMPTION INTENSITY	KPI 4 WATER USAGE (ABSOLUTE OR INTENSITY)	KPI 5 GREEN BUILDING CERTIFICATION
		Otherwise, Limited Information to Assess.			

0. General consideration of ABCSG's KPIs and associated SPTs

Sector application and KPI category: ABCSG's Sustainability-linked Loan Framework has provided an exhaustive list of sectors that could be represented in the SLL Funding Assets, including: Agri-Food, Aviation, Commodities, Diversified Industries & Services, Financial Institutions, Infrastructure, Industrial & Manufacturing, Metals & Mining, Power & Utilities, and Real Estate.

ABCSG confirms that by referring to Industrial & Manufacturing sector, it is aligning with the activities listed under Industry under the [Singapore-Asia Taxonomy](#). Under the [Singapore-Asia Taxonomy](#), sectors classified under industry includes Manufacture of basic chemicals, Manufacture of cement, Manufacture of basic iron and steel, Manufacture of hydrogen, Manufacture of aluminium, Manufacture of plastics in primary form, Manufacture of batteries, Manufacture of renewable energy technologies, Manufacture of equipment for the production of hydrogen through electrolysis, Manufacture of low-carbon technologies for transport, Manufacture of energy efficiency equipment for buildings, and Manufacture of other low-carbon technologies for household sector. The Issuer also confirms that they conduct an analysis of a borrower's revenue composition based on latest publicly available financial information, including segment reporting or investor disclosure.

The Issuer considers a revenue stream to be materially significant if it accounts for at least 20% of the borrower's total revenue, and that companies with at least two distinct revenue streams from different sectors are considered to be "Diversified Industries & Services". The Issuer also confirms that they apply qualitative assessments regarding the borrower's strategic positioning, stated diversification objectives, and relevance of each business segment to its long-term operating model.

Core dimension: ABCSG specifies that borrowers are expected to provide and disclose a credible action plan to achieve their set SPTs. For each KPI, ABCSG has defined a non-exhaustive list of actionable items that borrowers can implement to reach the SPT, and in certain cases, the borrower's action plan may go beyond the list. Where the specific actionable items of each KPI are not included, there is **limited information to assess** the KPI's core dimension, since there is limited or no visibility to what extent the KPI affects the borrower's key process and operations beyond business-as-usual.

Furthermore, ABCSG states that it may evaluate different approaches and action plans of borrowers with well-established and science-based trajectories and sectoral decarbonization roadmaps against borrowers that are in the initial stages of developing a climate plan, given that borrowers have varying levels of readiness in terms of sustainability-related strategies. Such sectoral decarbonization roadmaps include Mission Possible Partnership's decarbonization roadmaps, CBI's sector criteria which includes individual green/decarbonization technologies.

SPT ambition against past performance: ABCSG states that it requires its borrowers to provide at least three years of recent performance data beyond the baseline year data where possible with reasonable rationale on baseline selection and target observation dates. ABCSG

notes that it would also require external verification of the recent performance data where available, and that baseline of zero is not accepted. ABCSG notes that it will employ quantitative or qualitative assessments where appropriate. In cases where quantitative assessments are conducted, ABCSG will assess and consider the borrower's compound annual growth rate (CAGR) between its past performance and SPT, and will ensure that the improvement in the SPT is greater than its historical annual improvement. In this context, SPTs are **ambitious against past performance** if the historical performance is externally verified. In the case that the historical performance is not externally verified, SPTs are **ambitious against past performance based on limited evidence**.

In cases where the borrower is only able to provide one year of historical performance data, which is the baseline, there is **limited information to assess** the SPTs' ambition level against past performance, since there will not be any clarity on the historical trajectory of the borrower's performance.

In cases where qualitative assessments are conducted, ABCSG could take into consideration decarbonization options available for borrowers, whether the borrower has exhausted all previously available options, and whether there are material differences in production output from the borrowers. Given such, ISS-Corporate would not be able to assess if SPTs are ambitious against past performance if ABCSG takes a qualitative approach to the assessment, since the context and information available for each borrower may vary, and the nature of qualitative assessments are contextual-based and can only be assessed when information is available. Therefore, there is **limited information to assess** the SPTs' ambition level against past performance if a qualitative approach to the assessment was taken.

SPT ambition against peers: ABCSG identifies a borrower's peers based on the borrower's geographical location, sector, business activity and model, and product and service,¹² where ABCSG would take at least 3 peers identified for peer benchmarking. For borrowers in a specific sector with limited sector players (i.e. less than 3 available peers), ABCSG will assess and consider the SPT against its peers based on similar action plans and follow a science-based trajectory, i.e. taking a qualitative approach for the peer benchmarking. ABCSG notes that it will employ quantitative or qualitative assessments where appropriate. In cases where quantitative assessments are conducted, ABCSG will assess and consider the borrower's SPT against the industry average annual rate of change within its set of peers, and will ensure that the borrower's SPT is above the industry average of the peer group. In this context, SPTs are considered to be **in line with peers** if the peer group is sufficient (more than three peers) and results indicate that the borrower's SPT is above the industry average within its peers included in the analysis.

In cases where qualitative assessments are conducted, ABCSG will take into consideration decarbonization options available for borrowers, and whether the borrower has exhausted all previously available options. Given such, ISS-Corporate would not be able to assess if SPTs are ambitious against sector peers if ABCSG takes a qualitative approach to the assessment, since the context and information available for each borrower may vary, and the nature of qualitative

¹² ABCSG states that, for borrowers classified as Diversified Industries and Services, it considers the sector that takes up the largest revenue proportion of the borrower corresponding to the time of facility signing as its primary sector for peer benchmarking.

assessments are contextual-based and can only be assessed when information is available. Therefore, there is **limited information to assess** the SPTs' ambition level against sector peers if a qualitative approach to the assessment was taken.

If the SPT calibration is based on a limited peer group (less than three peers within peer group), there is **limited information to assess** the SPT's ambition against peers.

1. Scope 1 & 2 GHG emissions (absolute in CO₂e or intensity in kgCO₂/m²/yr)

Sector application and KPI category: Applicable KPI for the following sectors per ABCSG's Framework: agri-food, aviation, commodities¹³, diversified industries and services,¹⁴ financial institutions, infrastructure, industrial and manufacturing, metals and mining, power and utilities (excluding companies for which more than 10% of revenue is coming from fossil fuel trading, sale, transmission and distribution and nuclear energy), and real estate. The KPI covers at least 95% of Scope 1 and 2 GHG emissions,¹⁵ and at least 60% of total Scope 1, 2 and 3 GHG emissions.

Objective: Climate change mitigation.

KPI definition: The KPI is defined as GHG emissions reduction (Scope 1 and 2) in absolute terms (tCO₂e) or in terms of intensity, calculated in line with the GHG Protocol Corporate Accounting and Reporting Standard (the denominator may include revenue, EBITDA, unit of energy (electricity) produced, surface area (m²) built, etc.). It is to be noted that there is no visibility on the underlying absolute emissions and future trajectory underlying the set intensity target.

Relevant: The KPI is **relevant** to the customer's business as it relates to the key issue faced by the above-mentioned industries according to key ESG standards for reporting and ISS ESG's assessment.

Core: The KPI is deemed **moderately core**. Action plans should be communicated to the Issuer, and may affect the borrower's key processes and/or request moderate efforts from the borrowers, including energy efficiency, renewable alternatives, construction of certified green buildings. The Issuer also confirms that renewable energy certificates (RECs) and power purchase agreements (PPAs) are allowed to be used as part of its measures of the KPI, however, it is unclear regarding the proportion allowed to be used as a measure to meet respective SPT. Further, it is unclear whether offset measures would be used to achieve the SPT.

¹³ This includes borrowers such as commodities trading houses who trade physical commodities (such as crude oil, LNG, natural gas and refined base metals) through its trading centres.

¹⁴ The Issuer confirms that they conduct an analysis of a borrower's revenue composition based on latest publicly available financial information, including segment reporting or investor disclosure. The Issuer considers a revenue stream to be materially significant if it accounts for at least 20% of the borrower's total revenue, and that companies with at least two distinct revenue streams from different sectors are considered to be "Diversified Industries & Services". The Issuer also confirms that they apply qualitative assessments regarding the borrower's strategic positioning, stated diversification objectives, and relevance of each business segment to its long-term operating model.

¹⁵ In line with the SBTi Corporate Near-Term Criteria and emissions is calculated in line with the GHG Protocol Corporate Accounting and Reporting Standard - denominator for intensity may include revenue, EBITDA, unit of energy (electricity) produced, surface area (m²) built, etc.

Additionally, when the customer's action plan does not specify the actionable items listed above, please refer to the core assessment under the General Consideration section above.

Materiality: The Issuer confirms that the KPI will cover at least 95% of Scope 1 and 2 GHG emissions and at least cover 60% of the customers' total GHG emissions. Therefore, for KPIs set with absolute GHG emissions KPI is deemed **material** as it covers a significant perimeter of the company operations.

It should be noted that in case an intensity target is adopted, reduction in GHG emissions intensity may not result in absolute GHG emissions reduction. It is also to be noted that there is no visibility on the underlying absolute emissions and future trajectory underlying the set intensity target.

SPT ambition against international/national targets: ABCSG confirms that it will rely on verified SBTi 1.5°C trajectory, verified IEA Net Zero Emissions by 2050 (NZE) scenarios or SBTi absolute emissions contraction method to benchmark the ambition of the SPT.

- a) If the SPT is aligned to a 1.5°C SBTi trajectory, the SBTi Absolute Emissions Contraction method where the average annual reduction of absolute emissions is at least 4.2% for the 1.5°C scenario or 2.5% in the WB2°C scenario, or the IEA NZE scenario and externally validated by the SBTi or an equivalent external party, the SPT will be assessed as **in line with the Paris Agreement**
- b) If the SPT is in line with the SBTi Absolute Emissions Contraction method but not verified by an external third party, the SPT will be assessed as **calibrated to be in line with the Paris Agreement**.

Otherwise, there is **limited information to assess** the ambition of the SPT against relevant external targets.

2. Renewable energy usage, capacity development (in GW) and generation capacity

Sector application and KPI category: Applicable KPI for the following sectors per ABCSG's Framework: agri-food, power and utilities excluding companies for which more than 10% of revenue is coming from fossil fuel trading, sale, transmission and distribution and nuclear energy), industrial and manufacturing and real estate.

Objective: Climate change mitigation.

KPI definition: The KPI is defined as renewable energy usage, capacity development and generation capacity, measured as the proportion of renewable energy share as a % of total energy use within the borrower's facilities. The Bank confirms that the definition of renewable energy will be aligned with the eligibility criteria for "Renewable Energy" project category of [ABCSG's Sustainable Financing Framework](#).

Relevant: The KPI is **relevant** to the borrower's business as it relates to a key or secondary issue faced by the above-mentioned industries according to key ESG standards for reporting and ISS ESG's assessment. Specifically, per the ICMA KPI Registry, it is considered a secondary

issue for power and utilities and agri-food sector. According to the Sustainability Accounting Standards Board (SASB), Renewable Energy, as part of a company's energy management, is a relevant issue to the Real Estate industry, Construction Materials industry,¹⁶ Fuel Cells & Industrial Batteries,¹⁷ Chemical Industry,¹⁸ Electrical & Electronic Equipment industry,¹⁹ Industrial Machinery & Goods industry,²⁰ Auto Parts Industry,²¹ Iron & Steel Producers,²² Metals & Mining industry.²³

Core: The KPI is deemed **moderately core**. Actionable items are defined and include using renewable energy in processing and on-site facilities such as green grid electricity, installing solar panels, biomass boiler, offshore wind power, renewable energy generation with lifecycle emissions below 100gCO₂e/kWh, procurement of renewable energy for borrower's operational consumption. The Issuer also confirms that renewable energy certificates (RECs) and power purchase agreements (PPAs) are allowed to be used as part of its measures of the KPI, however, it is unclear regarding the proportion allowed to be used as a measure to meet respective SPT. Further, it is unclear whether offset measures would be used to achieve the SPT.

Additionally, when the borrower's action plan does not specify the actionable items listed above, please refer to the core assessment under the General Consideration section above.

Materiality: The renewable energy consumed/purchased is a proxy for the borrower's Scope 2 GHG emissions. ISS-Corporate has no visibility on how much GHG emissions the covered operation represents out of the borrower's total GHG emissions, nor do we have visibility on how much reduction will result in the increased usage/procurement of renewable energy. Nonetheless, the Issuer confirm that targets with a baseline set to zero are not accepted, and nuclear power generation is excluded from the renewable energy sources.

Additionally, it should be noted that the KPI metric is used to measures energy usage within a defined area. For industry such as Industrial and Manufacturing and Real Estate, where the operation perimeters are not fixed, it may not accurately capture the energy usage.

Therefore, KPI 2 is deemed **partially material** to the borrowers' business model and sustainability because no information was disclosed on the coverage of its direct operations' energy consumption.

It should also be noted that ABCSG has shared the list of eligible renewable energy sources for this KPI, and no negative externalities regarding the renewable energy sources are observed.

¹⁶ Corresponding to the Manufacture of cement listed in the Singapore-Asia Taxonomy.

¹⁷ Corresponding to the Manufacture of batteries listed in the Singapore-Asia Taxonomy.

¹⁸ Corresponding to Manufacture of basic chemicals, Manufacture of hydrogen, and Manufacture of plastics in primary form listed in the Singapore-Asia Taxonomy.

¹⁹ Corresponding to Manufacture of renewable energy technologies, Manufacture of energy efficiency equipment for buildings and Manufacture of other low-carbon technologies for household sector listed in the Singapore-Asia Taxonomy.

²⁰ Corresponding to Manufacture of renewable energy technologies, Manufacture of equipment for the production of hydrogen through electrolysis listed in the Singapore-Asia Taxonomy.

²¹ Corresponding to Manufacture of low-carbon technologies for transport listed in the Singapore-Asia Taxonomy.

²² Corresponding to Manufacture of basic iron and steel listed in the Singapore-Asia Taxonomy.

²³ Corresponding to Manufacture of aluminium listed in the Singapore-Asia Taxonomy.

SPT ambition against international/national targets: Given that this SPT is concerned with renewable energy usage, it can be benchmarked against RE100. The Bank ensures full comparability of the international targets (SBTi, GRI, IEA World Energy Outlook, or RE100 scenarios) and borrower's targets in terms of scope, metric and timeline when calibrating the SPT.²⁴

Therefore, if the SPT is aligned with any of these scenarios and externally validated, the SPT will be assessed as **in line with SBTi, RE100 initiative and the IEA NZE scenario**. In case the target is not externally verified, it will be assessed as **calibrated to be in line with the respective standard**. In absence of a quantitative target defined by GRI, there is **limited information to assess** the level of ambition of the SPT against GRI.

3. Energy Consumption Intensity (in kWh/m²/yr; MJ/kWh; or kWh/revenue/year or kWh/units of goods sold/year)

Sector application and KPI category: Applicable KPI for the following sectors per ABCSG's Framework: Power & Utilities (excluding companies for which more than 10% of revenue is coming from fossil fuel trading, sale, transmission and distribution and nuclear energy); Industrial & Manufacturing; and Real Estate.

Objective: Climate change mitigation.

KPI definition: The KPI is defined as energy consumption per square meter per year, measured in kWh/m²/yr; energy consumption per energy production, measured in Megajoules consumed per kilowatt-hour produced (MJ/kWh); energy consumption per annual revenue measured in kWh per revenue per year (kWh/revenue/year); or energy consumption per units of goods sold per year, measured in kWh per units of goods sold per year (kwh/units of goods sold/year).

Relevant: The KPI is **relevant** to the borrower's business as it relates to a key or secondary issue faced by the above-mentioned industries according to key ESG standards for reporting and ISS ESG's assessment. Specifically, per the ICMA KPI Registry, power usage effectiveness or power usage efficiency is considered a secondary issue for Power & Utilities. According to the Sustainability Accounting Standards Board (SASB), Energy Management is a relevant issue to the Real Estate industry, Construction Materials industry,²⁵ Fuel Cells & Industrial Batteries,²⁶

²⁴ Targets to actively source renewable electricity at a rate consistent with 1.5°C scenarios are an acceptable alternative to scope 2 emission reduction targets over emissions from the generation of procured electricity. The SBTi has identified 80% renewable electricity procurement by 2025 and 100% by 2030 as thresholds; the RE100 initiative has set 60% of renewable energy by 2030, 90% by 2040 or 100% by 2050, and the NZE scenario defines a threshold of 90% in 2050.

²⁵ Corresponding to the Manufacture of cement listed in the Singapore-Asia Taxonomy.

²⁶ Corresponding to the Manufacture of batteries listed in the Singapore-Asia Taxonomy.

Chemical Industry,²⁷ Electrical & Electronic Equipment industry,²⁸ Industrial Machinery & Goods industry,²⁹ Auto Parts Industry,³⁰ Iron & Steel Producers,³¹ Metals & Mining industry.³²

Core: The KPI is deemed **moderately core** as ABCSG has defined several actionable items that can be implemented by borrowers that would affect the borrower's key processes and/or request moderate efforts from the borrowers, including measures defined for real estate energy efficiency within the Singapore-Asia Taxonomy,³³ or fuel switching, renewable energy integration, and smart grid deployment. However, it is unclear whether offset measures or Renewable Energy Certificates would be used to achieve the SPTs.

Additionally, when the borrower's action plan does not specify the actionable items listed above, please refer to the core assessment under the General Consideration section above.

Materiality: The Issuer confirms that the KPI will cover at least 2/3 of operations when defined at the group/guarantor level, and 100% of the assets and operations if defined at the borrower level.

However, it is to be noted that energy consumed is a proxy for the borrower's Scope 2 GHG emissions and part of Scope 1 GHG emissions. According to [CDP](#), it is estimated that Scope 1 & 2 GHG emission represents 50.96% of total GHG Emissions of Electric Utilities Sector; 6.59% of Real Estate Sector; 1.46% of Capital Goods Sector;³⁴ 23.95% of Chemical Sector;³⁵ 83.66% of Cement Sector;³⁶ 72.56% of Steel Sector;³⁷ 8.03% of Metal & Mining Sector;³⁸ and 1.96% of Transport OEMS Sector.

Given the definition of the KPI, only limited sources of Scope 1 GHG emissions, and Scope 2 GHG emissions are covered under this KPI. While a general assumption is drawn based on [CDP's Technical Note](#), ISS-Corporate has no visibility on how much GHG emissions the covered operation represents out of the eventual borrower's total GHG emissions, nor does ISS-Corporate have visibility on how much reduction will result in the decrease of energy usage measured by the metrics defined.

²⁷ Corresponding to Manufacture of basic chemicals, Manufacture of hydrogen, and Manufacture of plastics in primary form listed in the Singapore-Asia Taxonomy.

²⁸ Corresponding to Manufacture of renewable energy technologies, Manufacture of energy efficiency equipment for buildings and Manufacture of other low-carbon technologies for household sector listed in the Singapore-Asia Taxonomy.

²⁹ Corresponding to Manufacture of renewable energy technologies, Manufacture of equipment for the production of hydrogen through electrolysis listed in the Singapore-Asia Taxonomy.

³⁰ Corresponding to Manufacture of low-carbon technologies for transport listed in the Singapore-Asia Taxonomy.

³¹ Corresponding to Manufacture of basic iron and steel listed in the Singapore-Asia Taxonomy.

³² Corresponding to Manufacture of aluminium listed in the Singapore-Asia Taxonomy.

³³ ABCSG has made reference to the [Singapore-Asian Taxonomy](#), Activity 4.11 "Manufacture of Energy Efficiency Equipment for Buildings" – such as light sources / cooling and ventilation systems rated in the highest two classes of energy efficiency in accordance with local market standards, heat pumps, presence and daylight controls for lighting systems, etc, as actionable items for real estate sectors to achieve the KPI.

³⁴ Corresponding to Manufacture of batteries, Manufacture of equipment for the production of hydrogen through electrolysis, Manufacture of energy efficiency equipment for buildings, and Manufacture of other low-carbon technologies for household sector according to [CDP's Activity Classification System](#).

³⁵ Corresponding to Manufacture of basic chemicals, Manufacture of cement, Manufacture of hydrogen, and Manufacture of plastics in primary form according to [CDP's Activity Classification System](#).

³⁶ Corresponding to Manufacture of cement according to [CDP's Activity Classification System](#).

³⁷ Corresponding to Manufacture of basic iron and steel according to [CDP's Activity Classification System](#).

³⁸ Corresponding to Manufacture of low-carbon technologies for transport according to [CDP's Activity Classification System](#).

Therefore, KPI 3 is deemed **partially material** given that it only covers part of Scope 1 & 2 GHG Emissions. It should be noted that a reduction in energy consumption intensity may not result in absolute energy consumption reduction. Further, it should also be noted that one of the defined metrics uses revenue as a denominator. Using economic performance, such as revenue, as a denominator for intensity target may not accurately represent the GHG Emission Performance of the borrower as revenues could be affected by increase in price of the goods and services offered, decrease in business volume, or changes in the supply chain.

SPT ambition against international/national targets:

In the absence of defined quantitative targets at the international, regional or industry level, there is **limited information to assess** the ambition of the SPT against relevant external targets.

4. Water Usage (Absolute or Intensity) (in m³/m²/yr; m³/MT; m³)

Sector application and KPI category: Applicable KPI for the following sectors per ABCSG's Framework: Agri-Food; Industrial & Manufacturing (excluding companies for which more than 10% of revenue is coming from fossil fuel trading, sale, transmission and distribution and nuclear energy); Metals & Mining; Power & Utilities; and Real Estate.

Objective: Climate change mitigation, Sustainable use and protection of water and marine resources

KPI definition: The KPI is defined as Reducing water usage, measured in cubic meters (m³); water intensity measured in freshwater consumption per square meter per year (m³/m²/yr) or freshwater consumption per metric tonnes of end product (m³/MT); Volume of freshwater withdrawals measured in cubic meters (m³).

Relevant: The KPI is **relevant** to Agri-food sector as it relates to the key issue faced by the above-mentioned industries according to key ESG standards for reporting and ISS ESG's assessment. Specifically, per the ICMA KPI Registry, volume of fresh water withdrawn or consumed is considered a core issue for Agricultural products. The KPI is considered a secondary issue for metals and mining, power, real estate and construction, therefore is **relevant** to these sectors. According to the Sustainability Accounting Standards Board (SASB), Water & Wastewater Management is a **relevant** issue to the Construction Materials industry,³⁹ Chemical Industry,⁴⁰ Iron & Steel Producers,⁴¹ and Metals & Mining industry.⁴² For Fuel Cells & Industrial Batteries industry,⁴³ Electrical & Electronic Equipment industry,⁴⁴ Industrial

³⁹ Corresponding to the Manufacture of cement listed in the Singapore-Asia Taxonomy.

⁴⁰ Corresponding to Manufacture of basic chemicals, Manufacture of hydrogen, and Manufacture of plastics in primary form listed in the Singapore-Asia Taxonomy.

⁴¹ Corresponding to Manufacture of basic iron and steel listed in the Singapore-Asia Taxonomy.

⁴² Corresponding to Manufacture of aluminium listed in the Singapore-Asia Taxonomy.

⁴³ Corresponding to the Manufacture of batteries listed in the Singapore-Asia Taxonomy.

⁴⁴ Corresponding to Manufacture of renewable energy technologies, Manufacture of energy efficiency equipment for buildings and Manufacture of other low-carbon technologies for household sector listed in the Singapore-Asia Taxonomy.

Machinery & Goods industry,⁴⁵ and Auto Parts Industry,⁴⁶ water consumption is considered to be not relevant according to SASB Standards and ICMA KPI Registry. However, for those industries deemed not relevant,⁴⁷ ABCSG confirms that it will request borrowers to submit a Materiality Matrix confirming that water consumption is a material and relevant topic for their business. For a more robust evaluation, it would be recommended that ABCSG asks the borrower to receive an external opinion regarding the materiality assessment conducted. In the event a borrower from one those industries⁴⁸ would not provide such information, the KPI will be deemed as not relevant.

Core: The KPI is deemed **core** as ABCSG has defined actionable items that include installing water-efficient fittings, real-time flow sensors and automatic shut-off valves, switch to air-cooled condensers to reduce freshwater use, wastewater reuse from municipal or industrial sources for cooling, water recycling in the processing plant.

Additionally, when the borrower's action plan does not specify the actionable items listed above, please refer to the core assessment under the General Consideration section above.

Materiality: The Issuer confirms that the KPI will cover at least 2/3 of water consumption when defined at the group/guarantor level, and 100% of the assets and operations if defined at the borrower level. Further, ABCSG confirms that the KPI will take into consideration the water stress level of different location.

Therefore, KPI 4 is deemed **partially material** if the KPI covers at least 2/3 of water consumption of the group/guarantor level. If the KPI covers 100% of the assets and operations at the borrower level, it is deemed at **material**.

It should be noted that in case an intensity target is adopted, reduction in water usage intensity may not result in absolute water usage reduction. It is also to be noted that there is no visibility on the underlying absolute water consumption and future trajectory underlying the set intensity target.

SPT ambition against international/national targets:

In the absence of defined quantitative targets at the international, regional or industry level, there is **limited information to assess** the ambition of the SPT against relevant external targets.

5. Green Building Certification

Sector application and KPI category: Core KPI for the following sectors: Real Estate.

Objective: Climate change mitigation.

⁴⁵ Corresponding to Manufacture of renewable energy technologies, Manufacture of equipment for the production of hydrogen through electrolysis listed in the Singapore-Asia Taxonomy.

⁴⁶ Corresponding to Manufacture of low-carbon technologies for transport listed in the Singapore-Asia Taxonomy.

⁴⁷ Including Fuel Cells & Industrial Batteries industry, Electrical & Electronic Equipment industry, Industrial Machinery & Goods industry, and Auto Parts Industry.

⁴⁸ Fuel Cells & Industrial Batteries industry, Electrical & Electronic Equipment industry, Industrial Machinery & Goods industry, and Auto Parts Industry.

KPI definition: The KPI is defined as green building certifications on both real estate portfolio level and asset-specific level. Real estate portfolio level certification includes GRESB rating, while asset-specific level certification includes LEED, BREEAM, NABERS, Energy Star, EU EPC, CASBEE, EDGE, WELL, Singapore BCA Green Mark, Hong Kong BEAM Plus, and China Green Building Evaluation Label. This KPI is applicable to both new and existing residential, commercial, office and retail buildings, and integrated developments.

Relevant: The KPI is **relevant** to the borrower's business as it relates to the key issue faced by the real estate sector according to key ESG standards for reporting and ISS ESG's assessment.

Core: The KPI is deemed **moderately core** as ABCSG has defined several actionable items that can be implemented by borrowers that would affect the borrower's key processes and/or request moderate efforts from the borrowers, including installing high-efficiency HVAC systems with smart controls or WELS 3-tick/4-tick-rated fittings, implementing LED lightings with motion and daylight sensors, incorporating renewable energy adoption, and construction waste management plans.

Additionally, when the borrower's action plan does not specify the actionable items listed above, please refer to the core assessment under the General Consideration section above.

Materiality: The Issuer confirms that the KPI will require green building certifications to achieve GRESB 4-star rating for better for entire portfolio level certification,⁴⁹ while for asset-specific level, at least 40% of Gross Floor Area (GFA) is covered by green certifications, or 90% or more of the borrower's new developments are certified.

It should be noted that green building certifications encompass various aspects of aspects of a building's lifecycle, or the management of a real estate portfolio. Typically, green building certifications do not require applicants to fulfill all credits to receive a result that meets the KPI requirements. This indicates that a borrower can achieve its KPI even if certain aspects of a green building certification are absent.

Furthermore, given that certification methodologies are not always fully disclosed to the general public, there is a lack of visibility on the comparability between different certifications. A study suggests that [the correlation between ESG ratings provided by different rating agencies ranges from 0.38 to 0.71](#), implying potential significant variance between ratings due to differences in measurement, scope and weighting.

Given such, KPI 5 is deemed to be **partially material**.

SPT ambition against international/national targets: There are multiple green building certification providers in the market with different certification methodologies that can lead to different certification levels for the same company or project. Given that certification methodologies are not always fully disclosed to the general public, there is a lack of visibility on the comparability between different certifications. A study suggests that [the correlation between ESG ratings provided by different rating agencies ranges from 0.38 to 0.71](#), implying potential significant variance between ratings due to differences in measurement, scope and

⁴⁹ The Bank states that an alternative equivalent to this requirement is where business units of the group represent at least 50% of the group's total property assets maintaining a 5-star GRESB rating for its GRESB report.

weighting. In the same vein, green building certifications may also have significant variance due to their certification scope, weighting, and interpretation for measurements. While this is deliberate due to different providers holding different perspectives on certification methodologies and where the certification places its emphasis on, with each provider seeking the best way to provide the most holistic view on the sustainability performance of a company, building, or infrastructure, the differences mean that there is no internationally recognized harmonized standard to benchmark green building certifications with setting a target. Therefore, there is **limited information to assess** the level of ambition of the SPT against international targets.

PART III: LINKING THE TRANSACTION(S) TO ABCSG'S ESG PROFILE

Key sustainability objectives and priorities defined by the Issuer

TOPIC	ISSUER APPROACH
Strategic ESG topics	<p>The Bank's strategic ESG topics place focus on its development regarding green finance, and has four basic principles to its strategic development, including:</p> <p>Strategic guidance: Implement the green financial strategy, promote green financial development for the purpose of corporate governance, and practice the green development philosophy and requirements in all areas and throughout the process of business management.</p> <p>Innovation-driven: Follow the development trend of green finance at home and abroad, actively explore new areas of green finance, upgrade green finance systems, and stimulate the endogenous power to develop green finance.</p> <p>Group synergy: Give full play to the integrated and urban-rural coverage banking advantages, and take advantage of equity, debt, loan, investment and other instruments to enhance the green customer financial service capability and group synthesis capability.</p> <p>Sustainable development: Consider both economic and social benefits under the guidance of market demands, take effective measures to seek a balance between accelerating business development, preventing financial risks and realizing commercial sustainability, and continue to improve ABC's market competitiveness and risk prevention and control capability.</p>
ESG goals/targets	<p>Regarding the Bank's key strategic ESG topic of green finance development, the Bank has several development goals, including:</p> <p>Growing business scale: Boost rapid growth in the scale and improvement of the structure of green financial services such</p>

TOPIC	ISSUER APPROACH
	<p>as green credit, green bonds, green leasing, green funds and green finance.</p> <p>Prominent brand advantages: Build a multi-level and three-dimensional green finance business system, significantly enhance the green finance innovation capability, and develop more service models.</p> <p>Sound system and mechanism: Establish an effective mechanism in compliance with green finance development and fully activate and release endogenous power.</p> <p>Higher risk control capability: Maintain high quality of green financial assets, and continue to improve the environmental, social and governance risk identification, assessment and management level.</p> <p>It should be noted that there are no publicly available quantitative targets regarding decarbonization.</p>
Action plan	<p>With respect to its targets regarding green finance development, the Bank places its focus in increasing the volume and improving the quality of its green financing, with a primary target audience of the agricultural value chain, agriculture modernization, and rural area living condition area improvement. Notably, the Bank has increased its green credit facilities by 22.9% in 2024. The Bank is also looking to develop a diverse portfolio of green finance products and prioritize the promotion of green finance products. Furthermore, the Bank states that it looks to expedite its progress in reducing energy consumption and emissions in its operations, through implementing green procurement measures, and upgrading its operating locations through digitization. The Bank also states that it looks to enhance its collaborations with both Chinese and overseas parties by joining various summits, conferences and working groups to provide its support on promoting the economy's green transition.</p>
Climate transition strategy	<p>The Bank climate transition strategy is directly linked to its strategy to develop green finance, specifying that it looks to address climate-related challenges via the development of green, low carbon products and services, while progressing the Bank's own sustainable development. The Bank places its</p>

TOPIC	ISSUER APPROACH
	<p>emphasis on several aspects for its climate transition strategy, including:</p> <p>Sectoral development: Focus on the development and growth of green industries and the low-carbon transformation and upgrading of traditional industries; increase support for key areas such as clean energy, energy conservation and environmental protection, and carbon emission reduction technologies; build a diversified product system covering green credit, green bonds, green insurance, and green funds; meet market demand; and promote the green transformation of asset structure.</p> <p>Brand building: Promote the implementation of green development concepts in all processes, businesses and scenarios; improve the level of green bank evaluation and ESG ratings; establish a good image of social responsibility; and create a green bank brand with a distinctive background and wide recognition.</p> <p>Climate risk management system development: Build analysis framework for environmental and climate-related risks, analyze the physical risks and transition risks faced by asset portfolios for industries such as agriculture that are greatly affected by chronic physical and transition risks; and conduct risk assessments, implement early warning monitoring and emergency drills in a timely manner; establish an environmental and climate-related risk management framework, and incorporate environmental and climate-related risks into the entire process of business strategy and preference management, medium- and long-term development planning, and investment and financing business.; strengthen tracking and research on traditional energy and high-carbon industries; and adjust and optimize credit policies for traditional energy, high-carbon, and key green development areas, and improve the level of refined policy management.</p> <p>Digitalization: Promote digital business strategies, innovate and promote online products and services, improve service</p>

TOPIC	ISSUER APPROACH
	<p>quality and efficiency, reduce operating costs, and enhance market competitiveness.</p> <p>Green operations: Formulate a "dual carbon" work plan and steadily and orderly promote the group's "carbon inventory" work; promote green office, green procurement and green travel to reduce energy consumption and operating costs.</p> <p>Improve emergency response capabilities: Formulate emergency response plans for environmental and climate-related risks. Improve the emergency response plan system for operational business, clarify the emergency management requirements for natural disasters, establish and improve mechanisms such as material reserves, disaster prevention inspections, and duty reports to ensure the safety of customers and employees and ensure smooth and continuous financial services; organize business continuity training and emergency drills to improve the ability to respond to and deal with emergencies; strengthen the construction of multiple data centers to improve the ability to ensure stable business operations.</p>
<p>ESG Risk and Sustainability Strategy Management</p>	<p>The Bank employs a top-down structure of sustainable development governance. The Board leverages its role in strategic planning and decision-making, and established the Strategic Planning and Sustainable Development Committee. The Sustainable Development Working Group is established under the Board's Strategic Planning and Sustainable Development Committee, with the Board Secretary serving as the Group Leader, to enhance support for the Board's decision-making in sustainable development governance. The Board of Supervisors oversees the performance of Board of Directors and senior management in sustainable development. The senior management undertakes the management of key sustainable development issues to ensure the efficient implementation of decisions and objectives related to sustainable development.</p> <p>ABC incorporates climate-related risk factors into the ESG risk management system to enhance the identification, assessment, management and process control of ESG risks and continuously improve the effectiveness of ESG risk management. This covers credit (including corporate and</p>

TOPIC	ISSUER APPROACH
	<p>project financing) and investment banking businesses. ABC implemented the Measures of Agricultural Bank of China for the Environmental, Social and Governance Risk Management of Credit Business to implement thorough, full-process ESG risk management for its credit business on a category-by-category basis. ESG risk management requirements are incorporated into the whole process of our credit business, such as due diligence, review, approval, and duration management, to improve the management of ESG risks and strengthen the binding policies such as “one-vote veto” system for the management of ESG risks. With respect to industries greatly affected by long-term climate impacts such as average temperature rise, desertification and sea level rise, as well as traditional energy industries and high-carbon industries considerably impacted by transition risks, the Bank conducts risk assessment and monitoring and issued early warning in a timely manner.</p> <p>In terms of risk appetite, ABC has put in place requirements of the Green Finance Guidelines for the Banking and Insurance Industries, optimized description on the “credit risk appetite of green finance business”, and monitored indicators such as “non-performing rate of green loans”, to coordinate the development and security of its green credit business. In terms of risk management strategy, ABC clarified the requirements for the risk management of green finance business and enhanced the identification and management of ESG risks for bond underwriting and investment business, small and micro enterprises, and online products.</p> <p>ABC also has an emergency plan system for operations, which defines the emergency management requirements for rainstorm, flood, typhoon and other natural disasters, and established sound material reserve, disaster prevention patrol and on-duty reporting mechanisms, to ensure the safety of clients and employees and the continuity of ABC’s financial services.</p>
<p>Sustainability reporting</p>	<p>The Issuer reports on its ESG performance and initiatives annually. The report is prepared in line with Enterprise Sustainability Disclosure Standards - Basic Standards (Trial) jointly issued by the Ministry of Finance, and other eight ministries or administrations; Guidelines No. 14 of Shanghai</p>

TOPIC	ISSUER APPROACH
	<p>Stock Exchange for Self-regulation of Listed Companies—Sustainability Report (Trial); the Self-regulation Guidelines No. 4 of Shanghai Stock Exchange for Listed Companies - Preparation of Sustainability Report; and the Appendix C2 ESG Reporting Code to the Main Board Listing Rules of the Stock Exchange of Hong Kong Limited.</p> <p>It also makes reference to the Global Reporting Initiative Standards (GRI Standards) of the Global Sustainability Standards Board (GSSB), and the Sustainable Development Goals (SDGs) of the United Nations.</p>
Industry associations, collective commitments	The Issuer is a Signatory of UN Principles for Responsible Banking.
Previous sustainable/sustainability-linked issuances or transactions and publication of sustainable financing framework	ABC's London Branch has issued the most recent green bond of ABC, which is a green bond of USD 300 million in December 2023, with eight major categories including renewable energy, clean transportation, pollution prevention and control, environmentally sustainable management of living natural resources and land use, sustainable water and wastewater management, green buildings, energy efficiency, and circular economy adapted products. Beyond this, ABCSG has supported and participated in the issuance of green bonds by financial institutions, totaling approximately USD 11 billion.

Rationale for issuance

In recent years, Sustainability-Linked Loans have increased their market share in relative to traditional loans and are increasingly becoming integral to corporate strategies aimed at decarbonization and enhanced ESG commitments from stakeholders. By leveraging this Framework, ABC Singapore Branch aims to provide investors with the opportunity to support companies that have set ambitious and significant sustainability goals, alongside supporting clients in achieving their sustainability targets and drive market innovation and growth, as well as advancing the Branch's sustainable finance development.

Opinion: *The key sustainability objectives and the rationale for issuing Sustainability-Linked Loans financing Bonds are clearly described by the Issuer.*

DISCLAIMER

1. Validity of the External Review: Valid as long as the cited Framework remains unchanged.
2. ISS-Corporate, a wholly owned subsidiary of Institutional Shareholder Services Inc. ("ISS"), sells, prepares, and issues External Reviews, on the basis of ISS-Corporate's proprietary methodology. In doing so, ISS-Corporate adheres to standardized procedures designed to ensure consistent quality.
3. External Reviews are based on data provided to ISS-Corporate by the contracting party and may change in the future, depending in part on the development of market benchmarks and ISS-Corporate's methodology. ISS-Corporate does not warrant that the information presented in this External Review is complete, accurate or up to date. ISS-Corporate will not have any liability in connection with the use of these External Reviews, or any information provided therein. If the External Review is provided in English and other languages, in case of conflicts, the English version shall prevail.
4. Statements of opinion and value judgments given by ISS-Corporate are not investment recommendations and do not in any way constitute a recommendation for the purchase or sale of any financial instrument or asset. In particular, the External Review is not an assessment of the economic profitability and creditworthiness of a financial instrument, but refers exclusively to social and environmental criteria.
5. This External Review, certain images, text, and graphics contained therein, and the layout and company logo of ISS-Corporate, are the property of ISS-Corporate (or its licensors) and are protected under copyright and trademark law. Any use of such ISS-Corporate property requires the express prior written consent of ISS-Corporate. The use shall be deemed to refer in particular to the copying or duplication of the External Review wholly or in part, the distribution of the External Review, either free of charge or against payment, or the exploitation of this External Review in any other conceivable manner.

© 2025 | ISS Corporate Solutions, Inc. All Rights Reserved

ANNEX 1: METHODOLOGY

The ISS-Corporate SPO provides an assessment of labeled transactions against international standards using ISS-Corporate's proprietary [methodology](#).

ANNEX 2: QUALITY MANAGEMENT PROCESSES

SCOPE

ABCSG commissioned ISS-Corporate to compile a SLF Facilities Framework External Review. The second-party opinion process includes verifying whether the Sustainability-Linked Finance Facilities Financing Framework aligns with ICMA's SLLBG (as of June 2024) and assessing the sustainability credentials of its sustainability-linked finance instruments, as well as the Issuer's sustainability strategy.

CRITERIA

Relevant standards for this second-party opinion:

- Guidelines for Sustainability-Linked Loans financing Bonds, ICMA, June 2024

ISSUER'S RESPONSIBILITY

ABCSG's responsibility was to provide information and documentation on:

- Framework
- Sustainability-Linked Financing Facilities' KPIs and SPTs
- Documentation of ESG risk management at the asset level

ISS-CORPORATE'S VERIFICATION PROCESS

Since 2014, ISS Group, which ISS-Corporate is part of, has built up a reputation as a highly reputed thought leader in the green and social bond market and has become one of the first CBI-approved verifiers.

This independent second-party opinion of the sustainability-linked finance instruments to be issued by ABCSG has been conducted based on proprietary methodology and in line with the SLLBG.

The engagement with ABCSG took place between March and June 2025.

ISS-CORPORATE'S BUSINESS PRACTICES

ISS-Corporate has conducted this verification in strict compliance with the ISS Group Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behavior and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

About this External Review

Companies turn to ISS-Corporate for expertise in designing and managing governance, compensation, sustainability and cyber risk programs that align with company goals, reduce risk and manage the needs of a diverse shareholder base by delivering best-in-class data, tools and advisory services.

ISS-Corporate assesses alignment with external principles (e.g., the Green/Social Bond Principles), analyzes the sustainability quality of the assets and reviews the sustainability performance of the Issuer itself. Following these three steps, we draw up an independent SPO so investors are as well-informed as possible about the quality of the bond/loan from a sustainability perspective.

Please visit ISS-Corporate's [website](#) to learn more about our services for bond issuers.

For more information on SPO services, please contact SPOsales@iss-corporate.com.

Project team

Project lead

Jason Yu
Associate
Sustainable Finance Research

Project support

Masaki Kadowaki
Associate
Sustainable Finance Research

Project supervision

Marie-Bénédicte Beaudoin
Executive Director
Head of Sustainable Finance
Research

Project support

Marika Peressoni
Associate
Sustainable Finance Research