Second-Party Opinion

Agricultural Bank of China Limited, Singapore Branch Sustainable Financing Framework

Evaluation Summary

Sustainalytics is of the opinion that the Agricultural Bank of China Limited (ABC), Singapore Branch Sustainable Financing Framework is credible and impactful and aligns with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, Social Bond Principles 2021, Green Loan Principles 2021, ASEAN Sustainability Bond Standards 2018 and Social Loan Principles 2021. This assessment is based on the following:

USE OF PROCEEDS The eligible categories for the use of proceeds – Renewable Energy, Energy Efficiency, Pollution Prevention and Control, Environmentally Sustainable Management of Living Natural Resources and Land Use, Clean Transportation, Green Buildings, Climate Change Adaptation, Sustainable Water and Wastewater Management, Access to Essential Services, Affordable Housing, Employment Generation – are aligned with those recognized by the Green Bond Principles, Social Bond Principles, ASEAN Sustainability Bond Standards, Green Loan Principles, and Social Loan Principles. Sustainalytics considers that investments in the eligible categories will lead to positive environmental or social impacts and advance the UN Sustainable Development Goals, specifically SDG 3, 4, 6, 7, 8, 9, 11, 12, and 15.

PROJECT EVALUATION / SELECTION ABC Singapore Branch's Credit Committee has formed a Sustainable Financing Working Group chaired by the Deputy General Manager which is responsible for reviewing, selecting and validating eligible assets under the Framework. ABC Singapore Branch's environmental and social risk management systems are applicable for all allocation decisions in the Framework. Sustainalytics considers the risk management systems to be adequate and the project selection process in line with market practice.

MANAGEMENT OF PROCEEDS ABC Singapore Branch will establish a register to record proceeds allocation through its internal system. ABC Singapore Branch intends to reach full allocation within 24 months of the respective issuance. Pending allocation, proceeds may be held in cash or cash equivalents instruments following local liquidity management guidelines. This is in line with market practice.

REPORTING ABC Singapore Branch intends to report on allocation of proceeds on its website on an annual basis until full allocation. The allocation report will contain information about the amount of net proceeds allocated to eligible assets, share of financing versus refinancing and the balance of unallocated proceeds. In addition, ABC Singapore Branch is committed to reporting on relevant impact metrics. Sustainalytics views Agricultural Bank of China Limited, Singapore Branch's allocation and impact reporting as aligned with market practice.

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Issuer Location	Singapore

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Alignment with the ASEAN Sustainability Bond Standards

The ASEAN Sustainability Bond Standards provide guidance to issuers and communicate more specifically what an issuer should do to issue a credible sustainable bond within Southeast Asia. Sustainalytics is of the opinion that the green and social categories under the Framework align with the ASEAN Sustainability Bond Standards.

Introduction

Agricultural Bank of China Limited, Singapore Branch ("ABC Singapore Branch", the "Bank" or the "Branch") is a branch of Agricultural Bank of China located in Singapore. Agricultural Bank of China is a Chinese commercial bank running four business segments, Corporate Finance, Personal Finance, Treasury and Asset Management, with 22,938 branches in China and 13 branches overseas with total assets of RMB 27,205,047 million (USD 4,271,192 million) by the end of 2020. It was founded in 1951 and it is headquartered in Beijing, China. The ABC Singapore Branch was established in 1995 and provide financial services including corporate lending, foreign exchange, investment securities, trade financing, international trade settlement and investment banking inquiry services in Singapore, China as well as south-east Asia region.

ABC Singapore Branch has developed the Agricultural Bank of China Limited, Singapore Branch Sustainable Financing Framework (the "Framework") under which it intends to issue sustainability bonds, loans and other financial instruments[1], and use the proceeds to finance and/or refinance, in whole or in part, existing and/or future projects that are expected to reduce GHG emissions, promote the sustainable management of waste and natural resources, and improve access to essential services and basic infrastructure among vulnerable populations primarily in China and Singapore.

The Framework defines eligibility eligible green categories in the following eight areas:

1. Renewable Energy
2. Energy Efficiency
3. Pollution Prevention and Control
4. Environmentally Sustainable Management of Living Natural Resources and Land Use
5. Clean Transportation
6. Green Buildings
7. Climate Change Adaptation
8. Sustainable Water and Wastewater Management

The Framework defines eligible social categories in the following three areas:

1. Access to Essential Services
2. Affordable Housing
3. Employment Generation including Through SME Financing/Microfinance

ABC Singapore Branch engaged Sustainalytics to review the Agricultural Bank of China Limited, Singapore Branch Sustainable Financing Framework, dated December 2021, and provide a Second-Party Opinion on the Framework's environmental and social credentials and its alignment with the Sustainability Bond Guidelines 2021 (SBG), Green Bond Principles 2021 (GBP), Social Bond Principles 2021 (SBP),[2] Green Loan Principles 2021 (GLP), Social Loan Principles 2021 (SLP)[3] and ASEAN Sustainability Bond Standards (ASEAN SUS).[4] This Framework has been published in a separate document.[5]

Scope of work and limitations of Sustainalytics' Second-Party Opinion

Sustainalytics' Second-Party Opinion reflects Sustainalytics' independent[6] opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework's alignment with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, and Social Bond Principles 2021, as administered by ICMA, and the Green Loan Principles 2021

[1] Sustainalytics Opinion is limited to bonds and loans issued under the Framework and does not cover other financial instruments

[2] The Sustainability Bond Guidelines, Green Bond Principles, and Social Bond Principles are administered by the International Capital Market Association and are available at https://www.icmagroup.org/green-social-and-sustainability-bonds/sustainability-bond-guidelines-sbg/

[3] The Green Loan Principles and Social Loan Principles are administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications & Trading Association and are available at: https://www.lsta.org/content/green-loan-principles/# and https://www.lsta.org/content/social-loan-principles-slp/

[4] The ASEAN Sustainability Bond Standards are administered by the ASEAN Capital Markets Forum and are available at: https://www.mof.gov.my/en/. https://www.theacmf.org/initiatives/sustainable-finance/asean-sustainability-bond-standards

[5] The Agricultural Bank of China Limited, Singapore Branch Sustainable Finance Framework is available on Agricultural Bank of China Limited, Singapore Branch's website at: http://www.sg.abchina.com/en/news/

[6] When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics' hallmarks is integrity, another is transparency.

and Social Loan Principles 2021, as administered by LMA, APLMA, and LSTA and ASEAN Sustainability Bond Standards as administered by ACMF;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer's sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.11, which is informed by market practice and Sustainalytics' expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of ABC Singapore Branch's management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. ABC Singapore Branch representatives have confirmed (1) they understand it is the sole responsibility of ABC Singapore Branch to ensure that the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and ABC Singapore Branch.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond and loan proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner. The Second-Party Opinion is valid for issuances aligned with the respective Framework for which the Second-Party Opinion was written for a period of twenty-four (24) months from the evaluation date stated herein.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realised allocation of the bond and loan proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that ABC Singapore Branch has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Agricultural Bank of China Limited, Singapore Branch Sustainable Financing Framework

Sustainalytics is of the opinion that the Agricultural Bank of China Limited, Singapore Branch Sustainable Financing Framework is credible, impactful and aligns with the four core components of the GBP, SBP, GLP, SLP and the ASEAN Sustainability Bond Standards 2018 (ASEAN SUS). Sustainalytics highlights the following elements of ABC Singapore Branch's Sustainability Financing Framework:

- The Framework defines a look-back period of no more than three years for the refinancing of OPEX, which is aligned with market practice.
- Use of Proceeds:
  - The eligible categories – Renewable Energy, Energy Efficiency, Pollution Prevention and Control, Environmentally Sustainable Management of Living Natural Resources and Land Use, Clean Transportation, Green Buildings, Climate Change Adaptation, Sustainable Water and Wastewater Management, Access to Essential Services, Affordable Housing, and Employment Generation – are aligned with those recognized by the GBP, SBP, GLP, SLP and ASEAN SUS.
  - Under the Framework, ABC Singapore Branch intends to use part of the proceeds for project-based lending and part for general purpose loans for pure-play businesses that derive at least 90% of revenues from activities identified in the eligible categories. While Sustainalytics recognizes that the GBP, SBP and SBG prefer project-based lending and financing, and that there is, in general less transparency with non-project-based lending, nevertheless, Sustainalytics

notes that the financing of pure-play companies through green/social bonds is commonly accepted as an approach which can generate positive impact.

- Under the Renewable Energy category, the Branch may finance the production and transmission of renewable energy including wind, solar photovoltaic, concentrated solar power (CSP) plants, solar thermal utilization, hydropower, biomass energy, geothermal, ocean energy and electric air source heat energy and green hydrogen. In addition, Framework defines eligible expenses of infrastructure construction and equipment manufacturing including wind turbines, solar panels, battery storage, construction of transmission networks and base station as well as the purchase of renewable energy. Sustainalytics notes the following thresholds and requirements:
    - Regarding CSP, a large majority of electricity (greater than 85%) will be generated from solar energy sources,
    - Hydropower projects will be limited to the financing of new hydropower plants with i) life-cycle carbon intensity below 100gCO_2e/kWh, or ii) power density greater than 5W/m_2, or iii) capacity of less than 25 MW. However, considering the longevity of hydropower assets, newly constructed facilities effectively lock in energy generation for a very extended period, and it is desirable to have a threshold lower than 100gCO_2e/kWh for new facilities. Sustainalytics encourages ABC Singapore Branch to favour projects with emissions intensity below the threshold of 50g CO_2e/kWh. Furthermore, ABC Singapore Branch has confirmed to Sustainalytics that, for all new hydropower projects, an environmental and social impact assessment will be carried out by a credible external body. Additionally, the Bank has confirmed to Sustainalytics that ABC Singapore Branch will ensure that there is no significant risk or expected negative impact identified in an Environmental Impact Assessment, and there won't be any investments in projects with significant controversy.
    - For geothermal energy projects, direct emissions intensity will be under 100g CO_2/kWh.
    - Regarding ocean energy, the Branch will finance R&D and demonstration of ocean thermal energy conversion systems including tidal and wave energy. Fossil fuel back up will be limited to power monitoring, operating and maintenance equipment, and resilience or protection measures.
    - Bioenergy projects may use waste feedstock, including forestry and agricultural residues, and palm kernels shells from Roundtable on Sustainable Palm Oil (RSPO) certified palm oil operations[7], and International Sustainability & Carbon Certification (ISCC) certified non-waste feedstock. Bioenergy projects will be limited to those with a lifecycle GHG emission intensity lower than 100g CO_2e/kWh. Sustainalytics notes in relation to non-waste biomass that ABC Singapore Branch will pursue credible third-party certification such as ISCC in order to meet adequate sustainability requirements, including GHG emissions reduction and food security related to biomass production. Refer to Appendix 1 for Sustainalytics' assessment of these certification schemes.
    - In relation to air-source heatpumps Sustainalytics notes that heat pumps offer an energy-efficient heat transfer alternative to conventional systems. Nevertheless, Sustainalytics recommends ABC Singapore Branch to exclude financing of heat pumps with high-GWP refrigerants, and promoting robust refrigerant leak control, detection and monitoring, while ensuring recovery, reclamation/recycling, or destruction of refrigerants at end of life.
    - Hydrogen production must be done through water electrolysis powered by renewable energy sources.
    - Related to infrastructure to support integration of renewable energy into the grid and transmission and distribution networks, the Framework defines that in order to be eligible, i) at least 90% of the energy transmitted must be derived from renewable sources or ii) financed assets must be dedicated to the connection of renewables to the power grid.
    - Regarding the procurement of renewable energy, ABC Singapore Branch has communicated to Sustainalytics that the Bank intends to procure electricity via long-term (> 5 years) bundled renewable energy certificates (RECs) and that these will be claimed and not be resold to another party.
    - Sustainalytics considers the aformenetioned projects and criteria to be in line with market practice.
- Under the Energy Efficiency category, ABC Singapore Branch may finance products or technologies that enable energy efficiency improvements, including the following:

[7] Sustainalytics notes that bioenergy projects from RSPO certified plantations are limited to waste biomass.

    - LED lights and energy-efficient HVAC systems, as well as battery storage to reduce energy consumption in commercial, public and residential buildings.
    - For smart grids, while noting the variety of definitions and applications of "smart grid" technology, Sustainalytics views positively investments that are designed to improve grid efficiency and encourages the Bank to select projects that are clearly anticipated to deliver tangible efficiency improvements.
- Financing of energy efficiency in farming solutions, and manufacturing operations will be limited to the development, manufacture, installation, maintenance of or upgrades to energy-efficient technologies, products or equipment excluding those are fossil fuel powered. Sustainalytics encourages ABC Singapore Branch to report on estimated or achieved energy efficiency gains, where feasible.
- Within the Pollution Prevention and Control category, ABC Singapore Branch may finance municipal and commercial waste collection, recycling and diversion from landfills. In addition, the Bank may finance liquid and hazardous waste treatment including water and wastewater treatment, recycling, and reuse.[8] ABC Singapore Branch may also finance carbon sequestration projects including nature-based Carbon Capture Utilization/Storage (CCU/CCS). Sustainalytics notes the following eligibility criteria and additional projects within the category:
    - ABC Singapore Branch has confirmed that waste collection projects will support the source segregation of waste. In addition, waste diversion programs exclude landfills and incineration without energy recovery. Regarding energy recovery, ABC Singapore Branch has confirmed eligible waste will be limited to Municipal Solid Waste (MSW) and industrial solid waste, excluding waste from carbon-intensive industries. The Bank is committed to ensuring proper waste segregation before recovery. Eligible facilities must observe an emission threshold below 100gCO_2/kWh generated.
    - Regarding electronic waste, the Branch will ensure the presence of management systems and standard operation procedure for handling hazardous e-waste.
    - ABC Singapore Branch may also finance soil remediation projects, unrelated to the operations of the borrowers.
    - ABC Singapore Branch has confirmed to Sustainalytics that CCU/CCS projects will be limited to nature-based solutions, such as habitat restoration and conservation of coastal and marine habitats, and afforestation or reforestation projects.
    - Sustainalytics notes that these investments are aligned with market practice.
- Under the Environmentally Sustainable Management of Living Natural Resources and Land use category, ABC Singapore Branch may finance the following activities:
    - Agricultural production certified under the following certification schemes: UTZ Certification, Rainforest Alliance's Sustainable Agriculture Certification Scheme, China National Organic Standard Certification, ISCC[9], USDA organic, Forest Stewardship Council, and Global G.A.P.[10] With the exception of Global G.A.P, Sustainalytics considers the certification schemes to be credible and aligned with market expectations. For additional information, please refer to Appendix 1. While Sustainalytics recognizes Global G.A.P addresses relevant sustainability issues in agricultural production, Sustainalytics notes that the scheme does not include sustainable land management practices[11] as identified by other credible sustainable agriculture Standards and Organizations.[12] In addition, Global G.A.P. criteria is based on internal self-assessments and corrective actions and lacks rigorous guidance through which compliance and improvements can be tracked over time. As such, Sustainalytics considers the use of Global G.A.P. Integrated Farm Assurance - Crops Base to be a limitation to the Framework.
    - Equipment, systems or technologies to improve supply chains' sustainability, including deforestation monitoring, fire and haze management systems, limited to agricultural production certified against the schemes listed above.

[8] Excluding waste and wastewater treatment from fossil fuel operation.
[9] ABC SG intends to finance ISCC certified non-waste or organic/inorganic waste to energy projects as included under the Reneweable Energy category.
[10] Livestock/poultry production is not eligible under this category.
[11] Examples of core indicators for sustainable land management are no-deforestation, natural ecosystem conversion, protected habitat, sustainable use, conservation and restoration of biodiversity practices.
[12] Guidance on core indicators for agrifood systems – Measuring the private sector's contribution to the Sustainable Development Goals https://www.fao.org/3/cb6526en/cb6526en.pdf

- The implementation of conservation and sustainable agriculture techniques, including climate-smart[13] and conservation agriculture.[14] Examples of techniques and practices include biological crop protection and drip irrigation and storage, as well as organic fertilizers. Sustainalytics encourages the Branch to promote the holistic deployment of conservation agriculture practices[15] through its lending criteria for agriculture projects.
- In addition, ABC Singapore Branch may finance environmentally sustainable fishery certified under the Marine Stewardship Council (MSC), Best Aquaculture Practices (two stars or above), Aquaculture Stewardship Council, and Global G.A.P. for Aquaculture. Please refer to Appendix 2 for further information on the referenced aquaculture certificates.
- Environmentally sustainable forestry under the Forest Stewardship Council (FSC), Sustainable Forestry Initiative (SFI), the Programme for the Endorsement of Forest Certification (PEFC), American Tree Farm System, and China Forest Certification. Please refer to Appendix 3 for Sustainalytics' assessment of these certifications.
- Urban green development project examples include the restoration of urban parks and green roofing.
- The Bank may also finance pasture-based livestock management i.e. agroforestry projects of smallholder farmers[16] whose main purpose is not meat production.
- Sustainalytics notes that these investments are aligned with market practice.

– Under the Clean Transportation program, ABC Singapore Branch may finance the following eligible projects related to private or public transportation.
  - Electric, fuel cell, and hybrid vehicles and other low-carbon non-electric vehicles with emissions below 75g CO_2/km/passenger. Sustainalytics considers this threshold to be in line with market expectations for low-carbon light-duty passenger vehicles (LDVs). Zero direct emission buses and trucks or other public transportation assets with emissions below 50 gCO_2/passenger-kilometer.[17]
  - Development of private or public infrastructure including electric vehicle charging stations, hydrogen fueling infrastructure, and technologies and infrastructures that promote car-sharing or other forms of public transport meeting the above-mentioned emission thresholds for electric and hybrid vehicles, such as road charging systems. In addition, the Bank may finance the conversion of thermal engines to fully electric or hydrogen power
  - The Bank may also finance low-carbon-fuel ships, such as fully electric, biofuel- or hydrogen-powered ships.
  - Sustainalytics notes that these investments are aligned with market practice.
– Under the Green Buildings category, expenditures may include:
  - Financing for the development of new or retrofitting of existing green buildings. Eligible assets are those that have or are expected to receive the following minimum green building certification level or above: Singapore Green Mark" Gold", LEED "Gold", China Green Building Evaluation Standard "Two Star", Hong Kong BEAM Plus "Gold", EDGE, BREEAM "Excellent", Green Star "Five Stars". For building retrofits, the Branch has established a criterion requiring that renovations result in a minimum of 20% energy performance improvement or achieve an eligible level of certification. Sustainalytics views the schemes specified in the Framework to be credible and the levels selected as aligned with market practice. Please refer to Appendix 4 for further information on the referenced building standards.
– For the Climate Change Adaptation category, the Framework defines eligible expenditures as those related to activities increase the resilience of eco-systems through protection and restoration, conservation of terrestrial and marine natural habitats, land remediation and using

[13] The FAO describes climate-smart agriculture as an "an approach that helps guide actions to transform agri-food systems towards green and climate resilient practices" by "sustainably increasing agricultural productivity and incomes; adapting and building resilience to climate change; and reducing and/or removing greenhouse gas emissions, where possible."
Food and Agriculture Organization of the United Nations (FAO), Climate-Smart Agriculture: https://www.fao.org/climate-smart-agriculture/en/

[14] Conservation Agriculture is a set of management practices that helps maintaining the soil health, enhance biodiversity and natural biological processes above and below the ground surface, such as through conservation tillage; sowing of diverse cover crops; multiple crop rotation; soil restoration and management; nutrient and waste management; and no or minimal pesticides or synthetic fertilizers. FAO promotes the adoption of CA principles "that are universally applicable in all agricultural landscapes and cropping systems."
FAO, Conservation Agriculture: http://www.fao.org/conservation-agriculture/en/

[1515] Conservation Agriculture is a set of management practices that helps maintaining the soil health, enhance biodiversity and natural biological processes above and below the ground surface, such as through conservation tillage; sowing of diverse cover crops; multiple crop rotation; soil restoration and management; nutrient and waste management; and no or minimal pesticides or synthetic fertilizers. FAO promotes the adoption of CA principles "that are universally applicable in all agricultural landscapes and cropping systems." Food and Agriculture Organization of the United Nations (FAO), Conservation Agriculture: http://www.fao.org/conservation-agriculture/en/

[16] Smallholder farmers are defined as those with less than 5 hectares of land in China.

[17] Based on regional passenger load, or global passenger load ~15.46 for 2020.

remote sensors on monitoring biodiversity, and infrastructure to adapt to weather events, such as flood defense mechanisms, including relevant feasibility studies. ABC Singapore Branch has communicated to Sustainalytics that climate change adaptation studies and vulnerability assessment will be performed for the above-mentioned projects. This is in line with market practice.

- Under the Sustainable Water and Waste Management category, the Framework defines expenditure for the construction and development of infrastructure, facilities or technologies including water collection, treatment, recycling as well as water pipes as well as wastewater treatment plants. ABC Singapore Branch has confirmed that wastewater treatment projects will not relate to fossil fuel operations. Sustainalytics views these expenditures as aligned with market practice.
- Under the Access to Essential Services category, the Framework defines investments in the areas of public healthcare, education and infrastructure. Intended project examples and eligibility criteria includes the following:
    - Development of roads, railways and public transportation infrastructure systems targeted specifically in areas that lack road and public transportation connectivity. Sustainalytics further notes that financing will be limited to underdeveloped regions in OECD DAC countries.[18]
    - Public or not-for-profit healthcare services and centers for the provision of healthcare services, medicines and vaccines. ABC Singapore Branch has confirmed that the facilities, services, medicines and vaccines will be accessible to all regardless of the ability to pay.
    - Investment in public education infrastructure such as schools and training centers. The Bank confirmed that education infrastructure will be accessible to all regardless of their ability to pay.
    - Sustainalytics considers enhancing access to free or subsidized essential services for the general public and/or vulnerable groups, as bringing significant positive societal benefits and aligned with market practice.
- Within the Affordable Housing category, ABC Singapore Branch may finance the development and purchase of social housing units that follow the requirement of both local and national jurisdictions.[19] In China, municipalities are responsible to ensure the affordability of the housing units. Sustainalytics notes that to do so, municipalities provide subsidies and rent allocations to eligible households. Regarding the latter, the Bank targets low-income households and underserved communities, as defined by the responsible authorities. Sustainalytics considers the expenditures to be aligned with market practice.
- Under the Employment Generation Including through SME Financing/Microfinance category, ABC Singapore Branch may finance SMEs[20] in underdeveloped areas[21] and other targeted financial services, as followed:
    - The Bank excludes SMEs involved in negative-impact activities, such as mining, electricity production from fossil fuels, or gas production and supply.
    - The Bank may provide microcredits with favourable rates and repayment terms to low-income groups. Please refer to Section 2 for Sustainalytics assessment of the Issuer's credit practices to avoid over-indebtedness and predatory lending for the borrowers.
    - In addition, ABC Singapore Branch may finance loans to smallholder farmers to promote technology network connectivity. While the financing will not be limited to areas with explicit need to tackle food security, Sustainalytics recognizes the importance of increasing access to market for targeted farmers in developing countries, as supported by the FAO.[22]
    - Sustainalytics considers the aforementioned projects and eligibility criteria in line with market practice.

- Project Evaluation and Selection:

[18] OECD, "DAC List of ODA Recipients", at: https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/daclist.htm

[19] The Central People's Government of the People's Republic of China, "Affordable Housing Assurance Policy", at: http://www.gov.cn/flfg/2007-11/27/content_816644.htm

[20] MSMEs are defined in accordance with the International Finance Corporation's definition, which is determined based on assessment of an enterprise's employee count, total assets, and annual sales. For details, see:
https://www.ifc.org/wps/wcm/connect/industry_ext_content/ifc_external_corporate_site/financial+institutions/priorities/ifcs+definitions+of+targeted+sectors

[21] The Branch defines underdeveloped areas as (i) developing countries i.e., low- and middle-income countries defined by the OECD within the DAC List of ODA Recipients, and (ii) regions in the bottom quarter of GDP compared to average GDP of the country. For a list of eligible countries according to criterion (i), please refer to the DAC List of ODA Recipients, at: https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/DAC-List-ODA-Recipients-for-reporting-2021-flows.pdf

[22] The positive expected social impacts include activating entrepreneurship and creating employment, advancing poverty alleviation, and supporting rural skills and cultivating new farmers (non-exhaustive).
FAO, "Rural E-Commerce Development, Experience from China", (2021), at: https://www.fao.org/3/cb4960en/cb4960en.pdf

- ABC Singapore Branch's Credit Committee has formed a Sustainable Financing Working Group chaired by the Deputy General Manager and comprised of members from the Bank's deputy general managers, head of Risk Management, head of Front and Back Office. The Working Group is responsible for reviewing, selecting and validating eligible assets under the Framework.
- Environmental and social risks associated with the projects are categorized based on the level of impact from low to high. ABC Singapore Branch will conduct due diligence on medium and high impact categories to manage its environmental and social impacts. Sustainalytics considers these environmental and social risk management systems to be adequate and aligned with the market expectation. For additional details, see Section 2.
- Based on a clear governance structure and environmental and social risk management process, Sustainalytics considers this process to be in line with market practice.

- Management of Proceeds:
  - Proceeds from the issuance will be tracked and recorded by the Branch's register under Investment Banking Division through an internal system. The Branch's Sustainable Financing Working Group will be responsible for overseeing this process.
  - ABC Singapore Branch intends to reach full allocation within 24 months of the respective issuance. Pending allocation, proceeds may be held in cash or cash equivalent instruments following local liquidity management guidelines.
  - Based on clear definitions of how proceeds will be tracked, held, and disbursed, Sustainalytics considers this process to be in line with market practice.
- Reporting:
  - ABC Singapore Branch will provide publicly available allocation and impact reporting on an annual basis and until the full allocation as a part of the Branch's annual report or in a Sustainable Financing Report. The allocation report will contain information about the amount of net proceeds allocated to eligible assets, information on the split between new financing and refinancing and the balance of unallocated proceeds.
  - The impact reporting will include environmental and social impact metrics, where feasible, such as amount of renewable energy generated (kWh), estimation of GHG emissions avoided (tCO_2e), amount of water saved (m^3), number of beneficiaries and number of loans provided. For a full list of impact indicators please see Appendix 6, External Review Form.
  - Based on the commitment to both allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment with Sustainability Bond Guidelines 2021

Sustainalytics has determined that the Agricultural Bank of China Limited, Singapore Branch Sustainable Financing Framework aligns with the four core components of the GBP, SBP, GLP, SLP and ASEAN SUS. For detailed information please refer to Appendix 5 and 6: Sustainability Bond/ Sustainability Bond Programme External Review Form.

Section 2: Sustainability Performance of ABC Singapore Branch

Contribution of Framework to ABC Singapore Branch's sustainability strategy

Agricultural Bank of China's ("ABC") commitment to sustainability is reported in its 2020 CSR Report, the scope of which covers its Head Office, domestic and overseas branches.[23] In this context, Sustainalytics assessed ABC's company-wide sustainability performance.

ABC is committed to facilitating low carbon development through green financing. At the end of 2020, ABC has a balance of loans of RMB 1.51 trillion (USD 236 billion) in green credit business and issued four green bonds with a total value of RMB 2.78 billion (USD 435 million).[24] To complement these activities, ABC participates in international initiatives related to environmental and social sustainability. In 2021, ABC became a member of the United Nations Environment Programme Finance Initiative (UNEP FI) and signed the UN Principles for Responsible Banking (PRB), which guides the banking industry to internally embed sustainability principles for responsible banking operations.[25]

In addition to green financing, ABC provides financing for socio-economic improvement, such as supporting poverty alleviation, rural agricultural development, and micro and small enterprises (MSMEs). At the end of 2020, ABC issued RMB 483 billion (USD 75.6 billion) in poverty alleviation loans, which benefitted 16 million

[23] Agricultural Bank of China, "Corporate Social Responsibility Report 2020", at: https://www.abchina.com/en/AboutUs/csr-report/202103/P020210330724856060672.pdf
[24] *Ibid.*
[25] ABC News, "Agricultural Bank of China Signed the UN Principles for Responsible Banking" (2021), at: https://www.abchina.com/en/AboutUs/news/202110/t20211025_2054714.htm

people previously living below the poverty line. Additionally, ABC increased its focus on product offerings for rural agricultural development, including commodity-specific loans for Fruit, Tea and Chinese Medicinal Herb, and loans targeting agricultural industrial enterprises and specialized agricultural family operations. By the end of 2020, ABC issued RMB 350 billion (USD 54.8 billion) in rural agricultural development loans, which positively impacted 2.76 million rural households. Considering the unprecedented socio-economic impacts from the COVID-19 pandemic, ABC prioritized inclusive finance and created differentiated micro-credit loan policies to support MSMEs financing. These included fee reductions and concessions, and deferred repayments of principal and interest. The result was RMB 961 billion (USD 150 billion) in micro and small loans issued, which benefited over 300,000 MSMEs at the end of 2020.

Sustainalytics is of the opinion that ABC Singapore Branch Sustainable Financing Framework is aligned with ABC's overall sustainability efforts and initiatives and will further ABC's action on its key environmental and social priorities. Sustainalytics encourages ABC Singapore Branch to establish a sustainability strategy and quantitative time-bound targets on its key environmental and social initiatives.

Well positioned to address common environmental and social risks associated with the projects

While Sustainalytics recognizes that the use of proceeds from the Framework will be directed towards eligible projects that are expected to have positive environmental and social impact, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks associated with the eligible projects, could include occupational health and safety, land use and biodiversity issues associated with large-scale infrastructure development, waste generated in construction, community relations and predatory lending or over-indebtedness for financially vulnerable individuals. Furthermore, financial institutions are exposed to risks of financing environmentally and socially harmful activities while offering lending services.

Sustainalytics is of the opinion that ABC Singapore Branch is able to manage and/or mitigate potential risks through implementation of the following:

- According to China's Environmental Impact Assessment Act[26], companies must perform an environmental risk assessment for all construction, reconstruction, expansion or refurbishment projects during the initial phase of project design and feasibility analysis. The same Chinese law also mandates that companies undergo an independent and certified environmental impact assessment by an external agency to avoid a potential conflict of interest, including the interest of local communities.
- The Branch confirmed to Sustainalytics that it only engages with contractors that adopt an Extended Producer Responsibility policy approach[27] and have a robust electronic waste management system in place, that includes health and safety standards when handling hazardous electronic waste.
- ABC Singapore Branch has integrated ESG considerations into the whole credit application, evaluation, approval and post-lending process. Under ABC Singapore Branch's Credit Management Policy, all existing and potential customers will undergo an evaluation process to determine the environmental and social impact associated with their business activities. Customers in the low impact category are subject to a simplified due diligence checklist for ESG related risks in the financing process, including checks on health and safety, environmental protection and waste management.[28] Customers in the medium to high impact categories are subject to enhanced due diligence, following ABC's sector-specific guidelines.[29] Additionally, these medium to high-risk customers are subject to differential internal financial hurdles to better manage and mitigate any social or environmental risks associated with the projects being financed.
- ABC is a member of the UNEP FI and a signatory to the UN PRB, which requires signatories to conduct an impact analysis to evaluate the social, environmental and economic impacts and risks associated with their activities, and identify how to maximize positive impacts and reduce major negative impacts.
- ABG Singapore Branch is committed to safeguarding the rights and interests of its consumers.[30] ABC Singapore Branch conducts credit risk assessments as part of its credit internal policies to ensure that borrowers are not excessively indebted, and loans are only provided to borrowers that can demonstrate their ability to repay loans through disposable income.

[26] Law of the People's Republic of China on Environmental Impact Assessment, at: https://www.waizi.org.cn/law/11686.html
[27] Extended Producer Responsibility is a policy approach under which producers are given a significant responsibility – financial and/or physical – for the treatment or disposal of post-consumer products.
[28] Based on an internal document shared by ABC SG regarding the Bank's ESG Risk Management Policy
[29] Based on ABC Singapore Branch Sustainable Finance Framework
[30] Agricultural Bank of China, "Corporate Social Responsibility Report 2020", p. 112, at: https://www.abchina.com/en/AboutUs/csr-report/202103/P020210330724856060672.pdf

- Under the Framework, ABC Singapore Branch excludes any loans or expenditures associated with (i) fossil fuel generation, (ii) nuclear energy, (iii) agricultural or afforestation operations on land designated as primary forest, high conservation value areas or protected areas, (iv) untraceable and non-RSPO certified palm oil, (v) child labour and (vii) forced labour.

Based on these policies, standards and assessments, Sustainalytics is of the opinion that ABC Singapore Branch has implemented adequate measures and is well-positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

All eleven use of proceeds categories are aligned with those recognized by GBP, SBP, GLP, SLP and ASEAN SUS, Sustainalytics has focused on three below where the impact is specifically relevant in the local context.

Role of renewable energy in achieving emissions reductions in China and Southeast Asia

In 2021, China was the largest renewable electricity producer in the world, largely from wind and solar power.[31] In 2020, renewables accounted for 41% of China's total installed electric power capacity and 27% of total power generation.[32] Nevertheless, fossil fuel sources accounted for the vast majority of the power generated in China in 2020, standing at 66.5% of the total.[33] Given that emissions associated with heat and electricity production remain the main source of GHG emissions in the country[34], investments in renewable energy is expected to play a fundamental role in achieving China's climate neutrality target before 2060.[35] To facilitate the road to climate neutrality, China has set an interim target to peak CO_2 emissions before 2030 under its updated Nationally Determined Contribution (NDC).[36] In that regard, China has committed to increasing the share of non-fossil fuels in primary energy consumption to around 25% by 2030, and raising the total installed capacity of wind and solar power to over 1,200 gigawatts (GW) by 2030.[37]

Singapore has limited renewable energy options to reduce GHG emissions as a small island city-state, with high urban density, low wind speeds, relatively flat land, and lack of geothermal resources.[38] Plans to generate renewable energy locally through rooftop and floating solar installations would best fulfil 4% of Singapore's electricity needs by 2030.[39] Nevertheless, Singapore aims to deploy at least 2 GW-peak of solar energy by 2030, the equivalent of powering about 350,000 households for a year.[40] To meet the country's NDC of peaking absolute emissions at 65 $MtCO_2e$ by 2030 and halving them by 2050[41], Singapore also intends to import up to 4 GW of low-carbon electricity by 2035, which will make up close to 30% of its electricity supply in that year.[42]

Within this context, Sustainalytics is of the opinion that ABC Singapore Branch's investment in the production and transmission of renewable energy is expected to support and advance efforts towards achieving China and Singapore's NDC goals.

Contribution of green buildings and energy efficiency to a low-carbon economy in China and Southeast Asia

The construction and operations of buildings were responsible for 36% of global energy demand and 37% of global energy-related CO_2 emissions in 2020.[43] In China, buildings contributed to 20% of national GHG

[31] IEA, "Global Energy Review 2021 – Renewables", at: https://www.iea.org/reports/global-energy-review-2021/renewables
[32] China Energy Portal, "2020 Electricity and Other Energy Statistics (preliminary)" (2021), at: https://chinaenergyportal.org/en/2020-electricity-other-energy-statistics-preliminary/
[33] BP, "Statistical Review of World Energy 2021", (2021), at: https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/energy-economics/statistical-review/bp-stats-review-2021-full-report.pdf
[34] China Power, "How is China Managing its Green House Gas Emissions", at: https://chinapower.csis.org/china-greenhouse-gas-emissions/
[35] UNFCCC, "China's Achievements, New Goals and New Measures for Nationally Determined Contributions" (2021), at: https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/China%20First/China%E2%80%99s%20Achievements,%20New%20Goals%20and%20New%20Measures%20for%20Nationally%20Determined%20Contributions.pdf
[36] *Ibid.*
[37] *Ibid.*
[38] NCCS, "Singapore's Approach To Alternative Energy", at: https://www.nccs.gov.sg/singapores-climate-action/singapore-approach-to-alternative-energy/
[39] CNA, "Commentary: Singapore's plans to import clean electricity could meet resistance abroad" (2021), at: https://www.channelnewsasia.com/commentary/singapore-energy-electricity-trade-renewable-solar-malaysia-indonesia-australia-net-zero-2274791
[40] NCCS, "Singapore's Approach To Alternative Energy", at: https://www.nccs.gov.sg/singapores-climate-action/singapore-approach-to-alternative-energy/
[41] UNFCCC NDC Registry, "Singapore", at: https://www4.unfccc.int/sites/ndcstaging/Pages/Party.aspx?party=SGP&prototype=1
[42] CNA,"Singapore intends to import 30% of its electricity supply from low-carbon sources by 2035" (2021), at: https://www.channelnewsasia.com/singapore/electricity-imports-singapore-low-carbon-sources-2035-2266036
[43] Global Aliance for Buildings and Construction, "2021 Global status Report for Buildings and Construction", at: https://globalabc.org/sites/default/files/2021-10/GABC_Buildings-GSR-2021_BOOK.pdf

emissions in 2018.[44] Estimates predict that the urban population in China will reach 1 billion by 2030.[45] This entails expected growth in the country's urban real estate sector, making the sector an important player in controlling carbon emissions and energy consumption. According to the IEA, China accounted for 22% of global energy consumption and 29% of total CO_2 emissions from fuel combustion in 2020. As China is the world's largest energy consumer, its efforts to improve energy efficiency are key to global energy and climate targets.[46]

Under China's 14th Five Year Plan (FYP) (2021-2025), which sets out national socio-economic and political priorities for the next half-decade, the central Chinese Government set a target of reducing the nation's energy intensity by 13.5% from the 2020 levels.[47] Furthermore, the 14th FYP includes a commitment to design clean and efficient buildings and infrastructure, and retrofit buildings to improve energy efficiency performance.[48] This is supported by legislation by the central Chinese Government that requires local government agencies to green their buildings, and implement standards and regulations for residential and commercial buildings.[49]

In Singapore, buildings were responsible for 14.6% of the country's GHG emissions in 2018.[50] In recognizing the importance of buildings as a key sector for decarbonization, the Singapore Government introduced the Green Mark Scheme, a green building rating system in 2005[51], and has set the target of certifying 80% of all buildings to a green standard by 2030.[52] At the end of 2020, 43% of Singapore's buildings have been greened[53], suggesting that the financing of green buildings will be required for Singapore to meet its 80% by 2030 target. Furthermore, given the above-mentioned challenges that Singapore faces in pursuing alternative energy options to reduce GHG emissions within energy generation, the country identifies improving energy efficiency as a key reduction measure to meet its climate targets.[54]

Sustainalytics recognizes the importance of promoting green buildings and energy efficiency in the reduction of GHG emissions in China and Singapore. Sustainalytics is of the opinion that green building projects funded under the Framework are expected to generate positive environmental impacts in China and Singapore.

The social impact of SME financing in China and Southeast Asia

Small and medium-sized enterprises (SMEs) are the backbone of the Asian economy. In China, SMEs accounted for more than 98% of all business, contributing to over 60% of the nation's GDP and three-quarters of jobs in 2018.[55] Similarly, 99% of all businesses in Singapore are SMEs, contributing to 43% of the island city-state's GDP and 70% of jobs in 2020.[56] Given that SMEs are a significant driver for job creation and face challenges from limited access to finance, low levels of financial inclusion and little expenditure on research and development[57], governments like China and Singapore promote financing to SMEs through various channels.

In 2021, China's Ministry of Finance announced that the central Chinese Government will allocate more than RMB 10 billion (USD 1.5 billion) from 2021 to 2025 to support the growth of more than 1,000 SMEs.[58] Furthermore, the central Government has promoted several policies to strengthen financial access for SMEs over the years, including subsidies from fiscal authorities in micro-credit programs to reduce lending rates and relaxed risk weightings for SME loans less than RMB 5 million (USD 0.78 million).[59] In Singapore, the

[44] THUBERC, "2020 Annual Report on China Building Energy Efficiency", at: https://www.sciencedirect.com/science/article/pii/S1674927821000939#bib33
[45] International Finance Corporation, "Climate Investment Opportunities in Emerging Markets" (2016), at: https://www.ifc.org/wps/wcm/connect/59260145-ec2e-40de-97e6-3aa78b82b3c9/3503-IFC-Climate_Investment_Opportunity-Report-Dec-FINAL.pdf?MOD=AJPERES&CVID=lBLd6Xq
[46] International Energy Agency, "E4 Country Profile: Energy Efficiency in China" (2021), at: https://www.iea.org/articles/e4-country-profile-energy-efficiency-in-china
[47] Asian Development Bank," The 14th Five-Year Plan of the People's Republic of China – Fostering High-Quality Development" (2021), at: https://www.adb.org/sites/default/files/publication/705886/14th-five-year-plan-high-quality-development-prc.pdf
[48] Hepburn, C. et al. (2021), "Towards carbon neutrality and China's 14th Five-Year Plan: Green COVID-19 recovery, sustainable urban development and clean energy transition", https://www.lse.ac.uk/granthaminstitute/wp-content/uploads/2021/02/Towards-carbon-neutrality-and-Chinas-14th-Five-Year-Plan.pdf
[49] Shen, Y. et al. (2020), "Green building in China", International Environmental Agreements: Politics, Law and Economics, at: https://link.springer.com/article/10.1007/s10784-020-09495-3
[50] NCCS, "Singapore Emissions Profile" (2018), at: https://www.nccs.gov.sg/singapores-climate-action/singapore-emissions-profile/
[51] Building and Construction Authority, "Green Mark Certification Scheme", at: https://www1.bca.gov.sg/buildsg/sustainability/green-mark-certificationscheme
[52] Singapore Green Plan 2030, "Key Programmes of the Green Plan", at: https://www.greenplan.gov.sg/key-focus-areas/overview#city-in-nature
[53] Building and Construction Authority, "About the Green Building Masterplan", at: https://www1.bca.gov.sg/buildsg/sustainability/green-building-masterplans
[54] Singapore Green Plan 2030, "Key Programmes of the Green Plan", at: https://www.greenplan.gov.sg/key-focus-areas/overview#city-in-nature
[55] OECD iLibrary, "Financing SMEs and Entrepreneurs 2020: An OECD Scoreboard – People's Republic of China" (2018), at: https://www.oecd-ilibrary.org/sites/31f5c0a1-en/index.html?itemId=/content/component/31f5c0a1-en
[56] Department of Statistics Singapore, "Singapore Economy" (2020), at: https://www.singstat.gov.sg/modules/infographics/economy
[57] Asian Development Bank, "Major Challenges Facing Small and Medium-sized Enterprises in Asia and Solutions for Mitigating Them"(2016), at: https://www.adb.org/publications/major-challenges-facing-small-and-medium-sized-enterprises-asia-and-solutions
[58] China Daily, "Innovative SMEs to get policy boost in financing" (2021), at: http://www.china.org.cn/business/2021-02/04/content_77187236.htm
[59] Lam, W. et al. (2020), "Tackling Small and Medium-Sized Enterprises (SMEs) Financing in China", Annals of Economics and Finance, at: http://aeconf.com/Articles/May2020/aef210110.pdf

government has administered a multitude of financing schemes to support the growth and development of Singapore SMEs both domestically and in overseas markets. These include the Enterprise Development Grant, Land Productivity Grant and Market Readiness Assistance Grant.[60]

Given that banks are an important source of financing for SMEs, Sustainalytics is of the opinion that ABC Singapore Branch's financing of SME's projects is expected to foster the growth and development of SMEs in China and Singapore, and in turn, support employment generation in these countries.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 by the United Nations General Assembly to form an agenda for achieving sustainable development by the year 2030. The bond(s) issued under the Agricultural Bank of China Limited, Singapore Branch Sustainable Financing Framework advances the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
Energy Efficiency	7. Affordable and Clean	7.3 By 2030, double the global rate of improvement in energy efficiency
Pollution Prevention and Control	12. Responsible Consumption and production patterns	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
Environmentally Sustainable Management of Living Natural Resources and Land Use	15. Life on Land	15.a Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems
Clean Transportation	11. Sustainable Cities and Communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons
Green Buildings	9. Industry, Innovation and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
Climate Change Adaptation	15. Life on Land	15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.
Sustainable Water and Wastewater Management	6. Clean Water and Sanitation	6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally
Access to Essential Services	3. Good Health and Well-Being4. Quality Education	3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all

[60] Enterprise Singapore, "Grants", at: https://www.enterprisesg.gov.sg/financial-assistance/grants#for-local-companies-

		4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes
Affordable Housing	11. Sustainable Cities and Communities	11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums
Employment Generation Including Through SME Financing/Microfinance	8. Decent Work and Economic Growth	8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services

Conclusion

ABC Singapore Branch has developed the Agricultural Bank of China Limited, Singapore Branch Sustainable Financing Framework under which it may issue sustainability bonds and/or loans and other debt-financing instruments and use the proceeds to finance or refinance a broad range of projects. Sustainalytics considers that the projects funded by the proceeds are expected to provide positive environmental and social impacts in China, Singapore and Southeast Asia.

The Agricultural Bank of China Limited, Singapore Branch Sustainable Financing Framework outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that Agricultural Bank of China Limited, Singapore Branch Sustainable Financing Framework is aligned with the overall sustainability strategy of the company and that the use of proceeds categories will contribute to the advancement of the UN Sustainable Development Goals 3, 4, 6, 7, 8, 9, 11, 12 and 15. Additionally, Sustainalytics is of the opinion that ABC Singapore Branch has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the proceeds.

Based on the above, Sustainalytics is confident that Agricultural Bank of China Limited, Singapore Branch is well-positioned to issue sustainability bonds and that that Agricultural Bank of China Limited, Singapore Branch Sustainable Financing Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles (2021), Social Bond Principles (2021), Green Loan Principles (2021), and Social Loan Principles (2021) and ASEAN Sustainability Bond Standards.

Appendices

Appendix 1: Overview and Assessment of Agriculture Certification Schemes

	UTZ[61]	Rainforest Alliance[62]	China National Organic Standard	ISCC[63]	USDA Organic[64]	Global G.A.P. Agriculture[65]
Background	The UTZ Label is a global certification system for coffee, cocoa, tea and hazelnuts. The UTZ certification incorporates environmental, social, farm management and farming practices considerations. UTZ merged with Rainforest Alliance in January 2018.	The Rainforest Alliance Seal is a global certification system for Agriculture, Forestry and Tourism. The Rainforest Alliance certification indicates compliance with the organization's standards for environmental, social and economic sustainability. Rainforest Alliance merged with UTZ in January 2018.	The China Organic Product Certification is a governmental program carried out according to the National Organic Standard GB/T19630-2019. The standard is aimed at regulating the production and trade of organic products intended for the Chinese market. It is applicable to both domestic and imported products.	International Sustainability and Carbon Certification ("ISCC") is a German certification system that provides sustainability solutions for traceable and deforestation-free supply chains of agricultural, forestry, waste and/or residue raw materials, non-bio renewables and recycled carbon materials and fuels.	The USDA Organic label is a US certification system overseen, administered and enforced by the National Organic Program of the United States Department of Agriculture. The US Organic label is regulated by the US Organic Foods Production Act of 1990 and involves input from the National Organic Standards Board (a Federal Advisory Committee made up of 15 members of the public) and the public.	The GLOBAL G.A.P. (Global Good Agricultural Practice) is a global organization that promotes safe, sustainable agriculture worldwide
Clear positive impact	Promoting sustainable practices in coffee, cocoa tea and hazelnut farming and trading.	Promoting sustainable practices in agriculture, forestry and tourism.	Promoting sustainable agriculture practices	Promoting sustainable supply chain practices.	Promoting sustainable farming practices that improve water quality, conserve	Promoting sustainable agriculture practices.

[61] UTZ Certification, The UTZ Standard: https://utz.org/
[62] Rainforest Alliance, Sustainable Agriculture Certification, at: https://www.rainforest-alliance.org/business/certification/
[63] International Sustainability Carbon Certification (ISCC): https://www.iscc-system.org/
[64] GLOBAL G.A.P. Agriculture certification, at: https://www.globalgap.org/uk_en/what-we-do/globalg.a.p.-certification/

					energy, increase biodiversity and contribute to soil health.	
Minimum standards	UTZ establishes a minimum threshold for impact through mandatory points and additional points, and requires farmers to go beyond by demonstrating compliance with an increasingly large proportion of both mandatory and additional points.	Rainforest Alliance establishes a minimum threshold for impact through critical criteria, and requires farmers to go beyond by demonstrating improved sustainability on 14 continuous improvement criteria.	The China National Organic Standard sets requirements for the production, processing, labeling and management system of organic products, and certified facilities.	The ISCC system has core sustainability criteria requirements that must be met. In addition to the core requirements of ISCC PLUS, voluntary add-ons can be added to adapt ISCC PLUS certificates to meet specific market requirements. Verification of GHG emissions is considered voluntary and can be added by applying as an add-on.	The USDA Organic seal sets strict production and labeling requirements: • produced without genetic engineering, ionizing radiation or sewage sludge • produced using allowed substances based on a comprehensive list of authorized synthetic and non-synthetic substances overseen by a USDA NOP authorized agent	The GLOBAL G.A.P. standard places a high degree of emphasis on the implementation of management plans and procedures, with a correspondingly lower focus on quantitative targets. Compliance Criteria consists of 3 types of control points. To obtain certification the following are required: Major Musts: 100% compliance is compulsory Minor Musts: 95% compliance is required Recommendations: no minimum % required
Scope of certification or programme	UTZ addresses key risks such as human rights, child labour, pesticide use and biodiversity use through its criteria.	Rainforest Alliance addresses key risks such as human rights, child labour, pesticide use and biodiversity use through its criteria.	The China National Organic Standard addresses key issues including: • climate and environmental protection • conservation of soil fertility • air, water and soil pollution • respect of natural cycles and animal welfare • absence of GMO	Different certifications are available (ISCC PLUS, ISCC EU, ISCC Solid Biomass NL and ISCC Non-GMO) depending on the type of market suppliers are targeting; food, bio-based products, feed and energy. Within each specific certification, different types of agricultural materials are covered.	The USDA Organic system addresses key risks such as substance use through the regulation of synthetic and non-synthetic substances to preserve soil quality and in line with federal guidelines on animal raising practices, pest and weed control and the use of additives.	1. Applies to farm crop base: (i) fruit and vegetables, (ii) flowers and ornamentals, (iii) combinable crops, (iv) tea, (v) plant propagation material, (v) hop. 2. Covers the certification of the whole agricultural production process of the product, from before the plant is in the ground (origin and propagation material control points) to non-

			• presence of a strict organic management system • transparent labelling for consumers and full product traceability	ISCC PLUS includes all types of agricultural and forestry raw materials, waste and residues, non-bio renewables, recycled carbon materials and fuels.		processes product. - Food safety and traceability; Environment (including biodiversity); Workers' health, safety and welfare; Animal welfare; Includes Integrated Crop Management (ICM), Integrated Pest Control (IPC), Quality Management System (QMS), and Hazard Analysis and Critical Control Points (HACCP) 3. Waste, conservation (weak), water
Verification of standards and risk mitigation	Certified entities undergo third party verification to ensure compliance with criteria and continuous improvement.	Certified entities undergo third party verification to ensure compliance with criteria and continuous improvement.	Certified entities undergo third party verification to ensure compliance with criteria. Certification is valid for one year.	Certified entities undergo third party verifications audits to ensure compliance with the sustainability requirements existing based on legal requirements or voluntary agreements.	The USDA seal has a twofold enforcement mechanism, one by Organic Certifiers and one by the USDA Agricultural Marketing Services. The two bodies undergo audits to ensure compliance with criteria and continuous improvement at least once a year or unannounced.	Global G.A.P. approves certification bodies, which can then in turn carry out audits and verification. Certification is valid for one year.
Third party expertise and multi-stakeholder process	Standard setting is aligned with the ISEAL Standard Setting Code.	Standard setting is aligned with the ISEAL Standard Setting Code.		Standard setting is aligned with the UN Global Compact, the ISEAL Standard Setting Code and ISAE 3000.	The USDA Organic seal is organized by the National Organic Program which develops the rules and regulations for the production, handling, labeling and	The standards are informed by FAO guidelines.

					enforcement of all USDA organic products. This process receives input from the national Organic Standards Board (a Federal Advisory Committee made of 15 members of the public) and the general public.	
Performance Display						
Qualitative considerations	Global recognition across 131 countries around the world. There are 987,000 UTZ Certified farmers in the UTZ programme with more than 368,000 workers on the UTZ certified farms in 41 producing countries and more than 3.4 million hectares of UTZ certified crops. The UTZ name or label is present on more than 15,000 products in 131 countries worlwide. Rigorous on the enforcement of minimum standards and strong governance over the implementaton of social and environmental mitigation processes.	Global recognition across 76 countries around the world. There are 763 Rainforest Alliance certified products and more than 1,354,057 people who have conducted training, certification and verification under the Rainforest Alliance standard. Rigorous on the enforcement of minimum standards and strong governance over the implementaton of social and environmental mitigation processes.		Global recognition across more than 100 countries. There are over 23,000 ISCC certified supply chains with approximately 3,500 system users. For ISCC PLUS, no certification schemes other than ISCC are currently accepted which means that all economic operators along the supply chain must demonstrate that the ISCC sustainability criteria have been fulfilled. ISCC focuses on Stage 1 of the biofuel product life cycle; feedstock production and collection.	Under the USDA Organic seal, the US federal legislation allows three levels of organic foods, namely: purely organic products made entirely with certified organic ingredients and labeled 100% organic, products with at least 95% organic ingredients. Both categories are allowed to be certified USDA Organic. A third category with at least 70% organic ingredients may be labeled as “made with organic ingredients”, but cannot display the USDA Organic seal.	Widely recognized internationally, and strong assurance of overall quality. However, the environmental dimension, G.A.P. does not prohibit the use of pesticides beyond those permitted by national regulations. Furthermore, the certification includes no requirements for reducing, minimizing or substituting pesticides.

Appendix 2: Overview and Assessment of Aquaculture Certification Schemes

	Marine Stewardship Council[66]	Aquaculture Stewardship Council[67]	Best Aquaculture Practices[68]	Global G.A.P. Aquaculture[69]
Background	Marine Stewardship Council (MSC) is a non-profit organization founded in 1996, that issues eco-label certifications for fisheries which are sustainable and well-managed.	The Aquaculture Stewardship Council (ASC) is an independent, international NGO that manages the ASC certification and labelling program for responsible aquaculture.	The BAP certification is administered by the Global Aquaculture Alliance (GAA), a non-profit organization focused on advocacy, the education and leadership of on responsible aquaculture matters.	GLOBAL G.A.P. is a trademark and a set of standards for good agricultural practices (G.A.P.). They are a global organization with the objective to ensure: safe, sustainable agriculture worldwide. They set voluntary standards for the certification of agricultural products around the globe.
Clear positive impact	Promoting sustainable fisheries practices.	Promoting sustainable aquaculture practices.	Promoting sustainable aquaculture practices.	Promoting sustainable aquaculture practices.
Minimum standards	A minimum score must be met across each of the performance indicators. As a condition to certification, low-scoring indicators must be accompanied by action plans for improvement.	Quantiative and qualitative thresholds which are designed to be measurable, metric- and performance-based. Certification may be granted with a "variance" to certain requirements of the standard. This variance is designed to allow the standard to adapt to local conditions but has been criticized for weakening the standard and overriding the consultations involved in the standard-setting process.	The BAP assessment has mandatory minimums, but also includes indicators which allow the proponent to define individual targets. As the certification process is fishery-specific, the standard may be more robust for some species. For example, the Monterey Bay Aquarium's Seafood Watch programme recommends BAP as a reputable label for freshwater fish, mussels, and shrimp, but not salmon, scallops, or clams. [4]	Regarding aquaculture, the Control Points and Compliance Criteria document consists of 3 types of control points: Major Musts, Minor Musts and Recommendations. To obtain Global GAP certification, 100% of Major Musts are compulsory, 95% of Minor musts are compulsory and Recommendations are not required.
Scope of certification or programme	The MSC standard consists of a fisheries standard and a chain of custody standard. The Fishery Standard assesses three core principles: sustainable fish stocks, minimising environmental impact, and effective fisheries management; collectively these account for the	ASC encompasses nine farm standards, covering 15 fish species as well as the harvest of seaweed. These farm standards lay out minimum requirements regarding both environmental and social performance. Additionally, a Chain of Custody Standard is mandatory for all supply	Different certifications are available for different parts of the supply chain: farms, processing plants, hatcheries, feed mills. In practice, that means that a processing plant that does not necessarily source all of its fish from certified farms can still be certified (a star rating display on the label provides this information).	The standard covers aquaculture compound feed production, hatcheries and farms and chain of custody

[66] Marine Stewardship Council, at: https://www.msc.org/standards-and-certification/fisheries-standard.
[67] Aquaculture Stewardship Council, at: https://www.asc-aqua.org/what-we-do/our-standards/farm-standards/.
[68] Best Aquaculture Practices, at: https://www.bapcertification.org/About.
[69] Global GAP Aquaculture certification, at: https://www.globalgap.org/uk_en/for-producers/globalg.a.p./integrated-farm-assurance-ifa/aquaculture/

	major environmental and social impacts. The Chain of Custody standard addresses certified purchasing, product identification, separation, traceability and records, and good management.	chain actors in order to ensure traceablity.	Within each fishery-specific standard there are requirements and recommendations which apply to social, environmental, animal health & welfare, and food safety issues.	
Verification of standards and risk mitigation	Third-party conformity assessment bodies (CABs), certified by Accreditation Service International (ASI) carry out assessments in line with the MSC standard and ISO 17065. Certification is valid for up to five years.	Third-party conformity assessment bodies (CABs), certified by Accreditation Service International (ASI) carry out assessments in line with the ASC standard and ISO 17065. Major non-compliances must be remedied within three months.	Third-party certification bodies such as Global Trust, Bureau Veritas, Control Union, Lloyd's Register, NSF, SGS assess compliance against the standard. Non-compliance precludes recertification until the violation is remedied.	Certification process requires an initial assessment and ongoing annual third-party audits. 10% of all audits carried out annually by certification bodies must be unannounced.
Third party expertise and multi-stakeholder process	Aligned with the UN Code of Conduct for Responsible Fishing, and further informed by the Global Sustainable Seafood Initiative (GSSI), World Trade Organization (WTO), and International Social and Environmental Accreditation and Labelling (ISEAL)	Developed in line with United Nation's Food and Agriculture Organization) UN FAO) and International Labour Organization (ILO) principles. Managed in accordance with the International Social and Environmental Accreditation and Labelling (ISEAL) Codes of Good Practice.	The standard is managed by an oversight committee, which takes development input from a technical committee as well as public comments. Aligned with Global Food Safety Initiative (GFSI), Global Social Compliance Programme (GSCP) and Global Sustainable Seafood Initiative (GSSI).	GLOBALG.A.P. standards and implementation are developed and defined by various Technical Committees, Focus Groups and the Certification Body Committee. National Technical Working Groups support the work of the committees on a local level. The Integrity Surveillance Committee (ISC) assesses integrity issues and certification body non-conformances, defines correctional measures and proposes sanctions.
Performance display	CERTIFIED SUSTAINABLE SEAFOOD MSC www.msc.org	FARMED RESPONSIBLY asc CERTIFIED ASC-AQUA.ORG	BEST AQUACULTURE PRACTICES CERTIFIED	GLOBALG.A.P.
Qualitative considerations	The MSC label is the most widely recognized sustainable fisheries label worldwide and is generally accepted to have positive impacts on marine environments. Proponents of the label cite the transparent science-based process for approval and its successful engagement with industry groups. Criticism from various observers include lack of focus on preventing by-catch, protecting marine	Widely recognized and modeled on the successful MSC certification. Some criticism has been focused on the ability to certify with a "variance", in which certain aspects of the standard can be interpreted or waived during the audit procedure. While a reputable certification overall, the standard does not fully mitigate all the risks	Widely recognized within the industry. As the certification process is fishery-specific, the standard may be more robust for some species than for others. While a reputable certification overall, the standard does not fully mitigate all the risks associated with aquaculture.	On 20 April 2018 The Global Sustainable Seafood Initiative has provided formal recognition of the GLOBALG.A.P. Aquaculture Certification System for the scope of Aquaculture. GSSI's recognition shows that the GLOBALG.A.P. Aquaculture Certification System, for their GLOBALG.A.P. Integrated Farm Assurance System is in alignment with all applicable Essential

	mammals and endangered species, follow-up on conditions, crew safety, and live tracking of supply chains.	associated with aquaculture.		Components of the GSSI Global Benchmark Tool.

Appendix 3: Overview and Assessment of Forestry Certification Schemes

	Forest Stewardship Council (FSC)[70]	Programme for the Endorsement of Forest Certification (PEFC)[71]	American Tree Farm System	China Forest Certification Scheme
Background	The Forest Stewardship (FSC) is a non-profit organization established in 1993 that aims to promote sustainable forest management practice by evaluating forest management planning and practices independently against FSC's standards.	Founded in 1999, the Programme for the Endorsement of Forest Certification (PEFC) is a non-profit organization that promotes sustainable forest management through independent third-party certification, this includes assessments, endorsements and recognition of national forest certification systems. PEFC was created in response to the specific requirements of small- and family forest owners as an international umbrella organization.	The American Tree Farm System® is a network of 74,000 family forest owners sustainably managing 19 million acres of forestland. ATFS is the largest and oldest sustainable woodland system in the United States, that is internationally recognized, meets strict third-party certification standards. The American Tree Farm System® is a program of the American Forest Foundation. The ATFS certification program is internationally endorsed by the Program m e for the Endorsement of Forest Certification (PEFC).	The China Forest Certification Scheme (CFCS) was established by the Science and Technology Development Centre of the State Forestry Administration (SFA) of China in 2010 as the first nationwide forest certification scheme. The CFCS was endorsed by the PEFC in 2015.
Basic Principles	• Compliance with laws and FSC principles • Tenure and use rights and responsibilities • Indigenous peoples' rights • Community relations and workers' rights • Benefits from the forests • Environmental impact • Management plans • Monitoring and assessment • Special sites – high conservation value forests (HCVF) • Plantations	• Maintenance and appropriate enhancement of forest resources and their contribution to the global carbon cycle • Maintenance and enhancement of forest ecosystem health and vitality • Maintenance and encouragement of productive functions of forests (wood and no-wood) • Maintenance, conservation and appropriate enhancement of biological diversity in forest ecosystems • Maintenance and appropriate enhancement of protective functions	• Commitment to Practicing Sustainable Forestry • Compliance with laws • Reforestation and Afforestation • Air, Water and Soil protection • Fish, Wildlife, Biodiversity and Forest Health • Forest Aesthetics • Protect Special Sites • Forest Product Harvests and Other Activities	• Compliance with national laws and regulations, as well as international conventions • Forest Tenure • Local Community and Workers' Rights • Forest Management Plan • Cultivation and Utilization of Forest Resources • Biodiversity Conservation • Environmental Impact • Forest Protection • Forest Monitoring and Files Management

[70] Forest Stewardship Council, FSC Principles and Criteria for Forest Stewardship: https://ca.fsc.org/preview.principles-criteria-v5.a-1112.pdf
[71] PEFC, Standards and Implementation: https://www.pefc.org/standards-implementation

		in forest management (notably soil and water) • Maintenance of socioeconomic functions and conditions • Compliance with legal requirements		
Types of standards/ benchmarks	• Forest Management certification (for single/multiple applicant(s) – industrial or private forest owners, forest license holders, community forests, and government-managed forests) • Small and Low Intensity Management Forests (SLIMFs) program (for small forests and forests that are managed at low intensity would be eligible) • Chain of Custody (CoC) certification (for supply chain companies' planning, practices a nd products – all operations that want to produce or make claims related to FSC-certified products must possess this certificate) • Controlled Wood verification (for assurance that 100% virgin fiber mixed with FSC-certified and recycled fiber originates from a verified and approved source)	• Sustainable Forest Management benchmark – international requirements for sustainable forest management. National forest management standards must meet these requirements in order to obtain PEFC endorsement • Group Forest Management Certification – outlines the requirements for national forest certification systems who have group forest management certific ation • Standard Setting – covers the processes that must be adhered to during the development, review and revision of national forest management standar ds • Chain of Custody – outlines the conditions for obtaining CoC certification for forest-based products • PEFC logo Usage Rules – outlines the requirements entities must abide by when using the PEFC logo • Endorsement of National Systems –	• Forest Management certification – outlines the requirements for individual family forest owners • Independently Managed Groups: Group – outlines the requirements for national forest certification systems who have group forest management certific ation • State Tree Farm Committee Programs – outlines the requirements for state program certification • Chain of Custody certification – outlines the conditions for obtaining CoC certification for forest-based products	• Forest Management certification – outlines the requirements for Forest Management Units or any entity applying for the Group Forest Management Certification on behalf of participants, In the territory of China • Chain of Custody certification – outlines the requirements for companies engaged in forest product manufacturing, processing or trading activities in the territory of China

		outlines the process that national systems must go through to achieve PEFC endorsement		
Governance	The General Assembly is comprised of all FSC members and constitutes the highest decision-making body. Members can apply to join one of three chambers – environmental, social, or economic – that are further divided into northern and southern sub-chambers. Each chamber maintains 33.3% of the weight in votes, and votes are weighted so that the North and South hold an equal portion of authority in each chamber, to ensure influence is shared equitably between interest groups and countries with different levels of economic development.	PEFC's governance structure is formed by the General Assembly (GA) which is the highest authority and decision-making body. It is made up of all PEFC members, including national and international stakeholders. In general, PEFC's governance structure is more representative of industry and government stakeholders than of social or environmental groups. Members vote on key decisions including endorsements, international standards, new members, statutes and budgets. All national members have between one and seven votes, depending on membership fees, while international stakeholder members have one vote each.	The ATFS is governed by the Independent Standards Review Panel (ISRP), who is convened by the American Foret Foundation (AFF) Board of Trustees. The members of the panel represent a broad spectrum of family and small forest owners, forest industry, conservation, and environmental nongovernmental organizations (ENGOs), science and technological communities , foresters, and state and federal governments. They also represent consideration of the social, environmental, and economic sectors associated with family forest ownership in the United States.	China Forest Certification Council (CFCC) is the governing body of the CFCS, while the day-to-day operation is managed by the Secretariat of CFCC. CFCC is represented by members from the government, research institutions and institutions of higher learning, manufacturing enterprises and social groups.
Scope	FSC is a global, multi-stakeholder owned system. All FSC standards and policies are set by a consultative process. There is an FSC Global standard and for certain countries FSC National standards. Economic, social, and environmental interests have equal weight in the standard setting process. FSC follows the ISEAL Code of Good Practice for Setting Social and Environmental Standards.	Multi-stakeholder participation is required in the governance of national schemes as well as in the standard-setting process. Standards and normative documents are reviewed periodically at intervals that do not exceed five years. The PEFC Standard Setting standard is based on ISO/IEC Code for good practice for standardization (Guide 59)[43] and the ISEAL Code of Good Practice for Setting Social and Environmental Standards.	Multi-stakeholder participation is required in the governance of the scheme as well as in the standard-setting process. Standards and normative documents are reviewed periodically at intervals that do not exceed five years. The ATFS Standard Setting standard is guided by the American Forestry Foundation's (AFF) Standard Setting Procedures (currently under review) and PEFC's requirements for standard setting.	Multi-stakeholder participation is required in the governance of the scheme as well as in the standard-setting process. The CFCS Standard Setting standard follows the PEFC's requirements for standard setting and the requirements of the Standardization Law of the People's Republic of China.
Chain-of-Custody	• The Chain-of-Custody (CoC) standard is evaluated by a third-party body that is accredited by FSC and compliant with international standar ds • CoC standard includes procedures	• Quality or environmental management systems (ISO 9001:2008 or ISO 14001:2004 respectively) may be used to implement the minimum requirements for chain-of-custody	• The Chain-of-Custody (CoC) systems track certified wood fiber from the forest to the store shelf • The ATFS CoC standard follows the requirements of the PEFC.	• The Chain-of-Custody (CoC) standard is evaluated by a third-party body that is accredited by a national accreditation body in accordance with the rules defined in ISO/IEC Guide 65

	for tracking wood origin • CoC standard includes specifications for the physical separation of certified and non-certified wood, and for the percentage of mixed content (certified and non-certified) of products • CoC certificates state the geographical location of the producer and the standards against which the process was evaluated. Certificates also state the starting and finishing point of the CoC	management systems required by PEFC • Only accredited certification bodies can undertake certificatio n • CoC requirements include specifications for physical separation of wood and percentage-based methods for products with mixed content. • The CoC standard includes specifications for tracking and collecting and maintaining documentation about the origin of the materials • The CoC standard includes specifications for the physical separation of certified and non-certified wood • The CoC standard includes specifications about procedures for dealing with complains related to participant's chain of custody	• Only accredited certification bodies can undertake certification	• The CoC standard includes procedures for the identification of materials/products • The CoC standard includes minimum due diligence system requirements • The CoC standard includes specifications about how to conduct sales and communication on the claimed products • The CoC standard includes minimum management system requirements • The CoC standard specifies the minimum social, health and safety requirements
Non-certified wood sources	FSC's Controlled Wood Standard establishes requirements to participants to establish supply-chain control systems, and documentation to avoid sourcing materials from controversial sources, including: a. Illegally harvested wood, including wood that is harvested without legal authorization, from protected areas, without payment of appropriate taxes and fees, using fraudulent papers and mechanisms, in violation of CITES requirements, and others, b. Wood harvested in violation of	The PEFC's Due Diligence System requires participants to establish systems to minimize the risk of sourcing raw materials from: a. forest management activities that do not comply with local, national or international laws related to: - operations and harvesting, including land use conversion, - managemen t of areas with designated high environment al and		

	traditional and civil rights, c. Wood harvested in forests where high conservation values are threatened by management activities, d. Wood harvested in forests being converted from forests and other wooded ecosystems to plantations or non-forest uses, Wood from management units in which genetically modified trees are planted.	cultural values, - protected and endangered species, including CITES species, - health and labour i ssues, - indigenous peoples' property, tenure and use rights, - payment of royalties and taxes. b. genetically modified organisms, forest conversion, including conversion of primary forests to forest plantations.		
Accreditation/ verification	FSC-accredited Certification Bodies (CB) conduct an initial assessment, upon successful completion companies are granted a 5-year certificate. Companies must undergo an annual audit and a reassessment audit every 5 years. Certification Bodies undergo annual audits from Accreditation Services International (ASI) to ensure conformance with ISO standard requirements.	Accreditation is carried out by an accreditation body (AB). In the same way that a certification body checks that a company meets the PEFC standard, the accreditation body checks that a certification body meets specific PEFC and ISO requirements. Through the accreditation process, PEFC has assurance that certification bodies are independent and impartial, that they follow PEFC certification procedures. PEFC does not have their own accreditation body. Like with the majority of ISO based certifications, PEFC relies on national ABs under the umbrella of the International Accreditation Forum (IAF). National ABs need to be a member of the IAF, which means they must follow IAF's rules and regulations.	Accreditation is carried out by qualified ATFS inspectors and third-party assessors. These assessors must be accredited by an International Accreditation Forum (IAF) member organization such as the American National Accreditation Board (ANAB) or the Standards Council of Canada (SCC). For individual landowners, re-certification audits are completed every 3 years.	Accreditation is carried out by third-party certification bodies, who must be accredited by a national accreditation body in accordance with the rules defined in ISO/IEC Guide 65. Upon successful assessment, companies are granted a 5-year certificate. Companies must undergo an annual audit and reassessment audit every 5 years.
Qualitative considerations	Sustainalytics views both FSC and PEFC as being robust, credible standards that are based on comprehensive principles and criteria that are aligned with ISO. Both schemes have received praise for their contribution to sustainable	Sustainalytics views American Tree Farm System as a credible standard based on comprehensive principles and criteria that are endorsed by PEFC.	Sustainalytics views China Forest Certification Scheme as a credible standard based on comprehensive principles and criteria that are endorsed by PEFC.	

	forest management practices[44] and both have also faced criticism from civil society actors.[45,46] In certain instances, these standards go above and beyond national regulation and are capable of providing a high level of assurance that sustainable forest management practices are in place. However, in other cases, the standards are similar or equal to national legislation and provide little additional assurance. Ultimately, the level of assurance that can be provided by either scheme is contingent upon several factors including the certification bodies conducting audits, national regulations and local context.		

Appendix 4: Overview and Assessment of Green Building Certifications

	Singapore BCA Green Mark[72]	LEED[73]	Chinese Green Building Evaluation Label (CHINA 3-STAR)	HK BEAM[74]
Background	The BCA Green Mark Scheme provides real estate certifications in Singapore to promote sustainability in the built environment during project conceptualisation and design, as well as during construction.	Leadership in Energy and Environmental Design (LEED) is a US Certification System for residential and commercial buildings used worldwide. LEED was developed by the non-profit U.S. Green Building Council (USGBC) and covers the design, construction, maintenanc e and operation of buildings.	The Chinese 3-Star Green Building Standard is a Certification System used in China for residential and public buildings (including commercial, hotel and government-owned) that was introduced in 2006 by MOHURD (Ministry of Housing and Urban-Rural Development).	BEAM Society Limited (BSL) developed the Hong Kong Building Environmental Assessment Method ("HK-BEAM"), a green building assessment tool established in 1996 with the issue of two assessment methods, one for 'new' and one for 'existing' office buildings, largely based on the UK Building Research Establishments' BREEAM. The HK-BEAM aims to promote buildings that are more sustainable through enhanced design, construction, commissioning, management, operation a nd maintenance practices.
Certification levels	Certified Gold Gold Plus Platinum	Certified Silver Gold Platinum	1-Star 2-Star 3-Star	Bronze Silver Gold Platinum

[72] Building and Construction Authority, Green Mark Certification Scheme, at: https://www1.bca.gov.sg/buildsg/sustainability/green-mark-certification-scheme

[73] USGBC, LEED, at: www.usgbc.org/LEED

[74] HK-BEAM, https://www.beamsociety.org.hk/files/_4-04%20New%20Buildings%20(Full%20Version).pdf

Areas of Assessment: Environmental Performance of the Building	• Climate Responsive Design • Building Energy Performance • Resource Stewardship • Smart and Healthy Buildings • Advanced Green Efforts	Energy and Atmosphere Sustainable Sites Location and Transportation Materials and Resources Water efficiency Indoor Environmental Quality Innovation in Design Regional Priority	• Land savings and outdoor environment; • Energy savings and utilization; • Water savings and utilization; • Material savings and utilization; • Indoor environment; • Operations and management.	• Site Aspects (location, planning and design, emissions from the site) • Materials Aspects (efficient use of materials, selection of materials, waste materials) • Energy Use (annual energy use, energy efficient systems, energy efficient equipment, facilities for energy, management) • Water Use (water quality, water conservation, effluent) • Indoor Environmental Quality (safety, hygiene, indoor air quality, ventilation, thermal comfort, lighting quality, acoustics and noise, building amenities) • Innovations and Additions
Requirements	Prerequisites (independent of level of certification) and point score. Prerequisites for each performance area to demonstrate minimum criteria met. Numerical scores achieved in accordance with the criteria in each performance area. Performance Areas have different weights. Depending on the level of building performance and numerical score achieved in performance area,	Prerequisites (independent of level of certification) + Credits with associated points These points are then added together to obtain the LEED level of certification There are several different rating systems within LEED. Each rating system is designed to apply to a specific sector (e.g. New Construction, Major Renovation, Core and Shell Development, Schools-/Retail-/Healthcare New Construction and Major	Prerequisites: The system functions on a checklist basis, with 1-Star buildings meeting 26 criteria, 2-Star an additional 43 items, and 3-Star on a further 14 items. Criteria and weighting differ for public and residential buildings. In public buildings, more weight is given to energy and material savings, while the standard for residential buildings places greater importance on urban land saving and outdoor environments.	HK BEAM is a credit-based system where the overall weighting is given by the relative number of credits given for the compliance with sub-criteria derived from the above-mentioned areas of assessment. For some of the environmental aspects detailed in HK-BEAM, compliance with legal requirements is taken as a prerequisite for the award of credits. Consequently, when an assessed issue becomes subject to legislation, it will no longer count for

	building's level of certification is determined. Assessment of compliance with Green Mark criteria is done by the Singapore Building and Construction Authority (BCA).	Renovations, Existing Buildings: Operation and Maintenance).		an award of credits, and would be amended or deleted in any future revisions of HK-BEAM. The Overall Assessment Grade is based on the percentage of applicable credits gained. The award classifications are: Platinum 75% - Excellent Gold 65% - Very Good Silver 55% - Good Bronze 40% - Above Average
Performance display				

	EDGE[75]	**BREEAM**[76]	**Green Star**[77]
Background	EDGE (or "Excellence in Design for Greater Efficiencies") is a green building standard and certification system developed by the International Finance Corporation and applicable in 140 countries.	BREEAM (Building Research Establishment Environmental Assessment Method) was first published by the Building Research Establishment (BRE) in 1990. Based in the UK. Used for new, refurbished and extension of existing buildings.	Established in 2003, the Green Building Council of Australia's Green Star system is the nation's authority on sustainable buildings, communities and cities. The rating system assesses buildings in one of four categories: Communities, Design & As Built, Interiors, and Performance.
Certification levels	Certified/ non-certified	Pass Good Very Good Excellent Outstanding	1 Star (Minimum Practice) 2 Star (Average Practice) 3 Star (Good Practice) 4 Star (Best Practice) 5 Star (Australian Excellence) 6 Star (World Leadership)
Areas of Assessment: Environmental Performance of the Building	• Climatic Conditions of the Location • Monthly average wet and dry bulb temperature; Monthly average outdoor wind velocity; Monthly average outdoor humidity, Solar radiation intensity; Annual average rainfall; Carbon dioxide intensity of the electricity grid; Average cost of energy (by fuel type) and water. • Building Type and Occupant Use	• Energy • Land Use and Ecology • Pollution • Transport • Materials • Water • Waste • Health and Wellbeing • Innovation	• Management • Indoor Environment Quality • Energy • Transport • Water • Materials • Land Use and Ecology • Emissions • Innovation • Liveability • Economic Prosperity • Environment

[75] EDGE: https://www.edgebuildings.com/marketing/edge/
[76] BREEAM: https://www.breeam.com/
[77] Green Star: https://new.gbca.org.au/green-star/exploring-green-star/

	• Homes: for both apartments and houses (assumptions for area and occupancy are based on income categories); Hotels: for both hotels and resorts (assumptions for area, occupancy and the type of support services are based on the star rating of the property); Offices: assumptions are based on occupancy density and hours of use; Hospitals: assumptions are based on the type of hospital (e.g., nursing home, private or public hospital, clinic or diagnostic center); Retail: assumptions are based on the type of retail building (e.g., department store, mall, supermarket, light industry or warehouse); Education: assumptions are based on the type of educational facility (e.g., pre-school, university or sports facility), as well as occupancy density and hours of use. • Design and Specifications • Thermal properties of the building envelope; Window to Wall Ratio; Building Orientation • Calculation of the End Use Demand • Overall energy demand in buildings; heating ventilation and air conditioning demand; virtual energy for comfort, energy demand for hot water requirements; lighting energy demand; water demand in buildings; estimations on rainwater harvesting or recycled water onsite; embodied energy in building materials.		
Requirements	To achieve the EDGE standard, a building must demonstrate a minimum 20% reduction in operational energy consumption, water use and embodied energy in materials as compared to typical local practices.	Prerequisites depending on the levels of certification + Credits with associated points This number of points is then weighted by item[78] and gives a BREEAM level of certification, which is based on the overall score	Point system, "category score" awarded based on performance (% of points achieved) within a given category. For some categories there is a minimum threshold (ie GHG/sqm/yr) and points are awarded for exceeding the minimum. Categories are weighted

[78] BREEAM weighting: Management 12%, Health and wellbeing 15%, Energy 19%, Transport 8%, Water 6%, Materials 12.5%, Waste 7.5%, Land Use and ecology 10%, Pollution 10% and Innovation 10%. One point scored in the Energy item is therefore worth twice as much in the overall score as one point scored in the Pollution item

		obtained (expressed as a percentage). Majority of BREEAM issues are flexible, meaning that the client can choose which to comply with to build their BREEAM performance score. BREAAM has two stages/ audit reports: a 'BREEAM Design Stage' and a 'Post Construction Stage', with different assessment criteria.	based on building location (to reflect that in some areas of Autralia, certain metrics may be more relevant). Total score is then given out of 100. For the areas of Communities, Design & As Built, and Interiors, no certficiation is awarded for buildings scoring below 45 points/3 stars.
Performance display			

Appendix 5: Alignment to the ASEAN Sustainability Bond Standards (ASEAN SUS)

ASEAN SUS Criteria	Alignment with the ASEAN SUS	Sustainalytics' comments on alignment with the ASEAN SUS
Eligibility	Yes	The ASEAN SUS requires that issuers must be in or that the proceeds be directed to assets in an ASEAN country. ABC Singapore Branch qualifies given that ABC Singapore Branch intends to finance in Singapore.
Use of Proceeds	Yes	The ASEAN SUS offers specific clarification that fossil fuel power generation projects and projects which involve activities that pose a negative social impact related to adult entertainment, alcohol, gambling, tobacco products and weapon are excluded. ABC Singapore Branch has included exclusion criteria in the Framework to this effect.
Process for Project Evaluation and Selection	Yes	The ASEAN SUS specifies information that must be clearly communicated to investors before issuance regarding project selection. ABC Singapore Branch's Credit Committee has formed a Sustainable Financing Working Group chaired by the Deputy General Manager and comprised of members from the Bank's Senior Management, Risk Management Department, Front Office Department and Back Office Department, who are responsible for reviewing, selecting and validating eligible assets under the Framework.
Management of Proceeds	Yes	The ASEAN SUS mandates that proceeds must be appropriately tracked and that temporary investments be disclosed. Within the Framework, ABC Singapore Branch disclosed that it will track and monitor the use of proceeds using its internal accounting and information systems. Unallocated proceeds will be invested in accordance with ABC Singapore Branch's liquidity management guidelines.
Reporting	Yes	The ASEAN SUS requires annual reporting on the allocation of funds and the expected impacts. ABC Singapore Branch states that it will provide an annual allocation report until full allocation and report on the impact of the use of proceeds.

Annual Review	Yes	The ASEAN SUS encourages, but does not require, annual reviews. As of 2021, ABC Singapore Branch does not intend to provide annual reviews.

Appendix 6: Sustainability Bond / Sustainability Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	Agricultural Bank of China Limited, Singapore Branch
Sustainability Bond ISIN or Issuer Sustainability Bond Framework Name, if applicable:	Agricultural Bank of China Limited, Singapore Branch Sustainable Financing Framework
Review provider's name:	Sustainalytics
Completion date of this form:	December 30, 2021
Publication date of review publication:	

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBP and SBP:

☒	Use of Proceeds	☒	Process for Project Evaluation and Selection
☒	Management of Proceeds	☒	Reporting

ROLE(S) OF REVIEW PROVIDER

☒	Consultancy (incl. 2nd opinion)	☐	Certification
☐	Verification	☐	Rating
☐	Other *(please specify)*:		

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW *(if applicable)*

Please refer to Evaluation Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section *(if applicable)*:

The eligible categories for the use of proceeds – Renewable Energy, Energy Efficiency, Pollution Prevention and Control, Environmentally Sustainable Management of Living Natural Resources and Land Use, Clean Transportation, Green Buildings, Climate Change Adaptation, Sustainable Water and Wastewater Management, Access to Essential Services, Affordable Housing, Employment Generation – are aligned with those recognized by the Green Bond Principles, Social Bond Principles, ASEAN Sustainability Bond Standards, Green Loan Principles, and Social Loan Principles. Sustainalytics considers that investments in the eligible categories will lead to positive environmental or social impacts and advance the UN Sustainable Development Goals, specifically SDG 3, 4,6,7,8,9,11,12, and 15.

Use of proceeds categories as per GBP:

☒	Renewable energy	☒	Energy efficiency
☒	Pollution prevention and control	☒	Environmentally sustainable management of living natural resources and land use
☐	Terrestrial and aquatic biodiversity conservation	☒	Clean transportation
☒	Sustainable water and wastewater management	☒	Climate change adaptation
☐	Eco-efficient and/or circular economy adapted products, production technologies and processes	☒	Green buildings
☐	Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs	☐	Other (please specify):

If applicable please specify the environmental taxonomy, if other than GBPs:

Use of proceeds categories as per SBP:

☐	Affordable basic infrastructure	☒	Access to essential services
☒	Affordable housing	☒	Employment generation (through SME financing and microfinance)
☐	Food security	☐	Socioeconomic advancement and empowerment
☐	Unknown at issuance but currently expected to conform with SBP categories, or other eligible areas not yet stated in SBP	☐	Other (please specify):

If applicable please specify the social taxonomy, if other than SBP:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

ABC Singapore Branch's Credit Committee has formed a Sustainable Financing Working Group chaired by the Deputy General Manager which is responsible for reviewing, selecting and validating eligible assets under the Framework. ABC Singapore Branch's environmental and social risk management systems are applicable for all allocation decisions in the Framework. Sustainalytics considers the risk management systems to be adequate and the project selection process in line with market practice.

Evaluation and selection

- ☒ Credentials on the issuer's social and green objectives
- ☒ Documented process to determine that projects fit within defined categories
- ☒ Defined and transparent criteria for projects eligible for Sustainability Bond proceeds
- ☒ Documented process to identify and manage potential ESG risks associated with the project
- ☐ Summary criteria for project evaluation and selection publicly available
- ☐ Other (please specify):

Information on Responsibilities and Accountability

- ☒ Evaluation / Selection criteria subject to external advice or verification
- ☐ In-house assessment
- ☐ Other (please specify):

3. MANAGEMENT OF PROCEEDS

Overall comment on section *(if applicable)*:

ABC Singapore Branch will establish a register to record proceeds allocation through its internal system. ABC Singapore Branch intends to reach full allocation within 24 months of the respective issuance. Pending allocation, proceeds may be held in cash or cash equivalents instruments following local liquidity management guidelines. This is in line with market practice.

Tracking of proceeds:

- ☒ Sustainability Bond proceeds segregated or tracked by the issuer in an appropriate manner
- ☒ Disclosure of intended types of temporary investment instruments for unallocated proceeds
- ☐ Other (please specify):

Additional disclosure:

- ☐ Allocations to future investments only
- ☒ Allocations to both existing and future investments
- ☐ Allocation to individual disbursements
- ☒ Allocation to a portfolio of disbursements

☒ Disclosure of portfolio balance of unallocated proceeds

☐ Other (please specify):

4. REPORTING

Overall comment on section (if applicable):

ABC Singapore Branch intends to report on allocation of proceeds on its website on an annual basis until full allocation. The allocation report will contain information about the amount of net proceeds allocated to eligible assets, share of financing versus refinancing and the balance of unallocated proceeds. In addition, ABC Singapore Branch is committed to reporting on relevant impact metrics. Sustainalytics views Agricultural Bank of China Limited, Singapore Branch's allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:

☐ Project-by-project

☒ On a project portfolio basis

☐ Linkage to individual bond(s)

☐ Other (please specify):

Information reported:

☒ Allocated amounts

☐ Sustainability Bond financed share of total investment

☒ Other (please specify): share of financing versus refinancing

Frequency:

☒ Annual

☐ Semi-annual

☐ Other (please specify):

Impact reporting:

☐ Project-by-project

☒ On a project portfolio basis

☐ Linkage to individual bond(s)

☐ Other (please specify):

Information reported (expected or ex-post):

☒ GHG Emissions / Savings

☒ Energy Savings

☒ Decrease in water use

☒ Number of beneficiaries

☒ Target populations

☐ Other ESG indicators (please specify): Tonnes of air pollutants reduced, Gross amount of waste that is separated and/or collected, and treated or disposed of (in tonnes p.a. and in % of total waste generated), Annual energy generation from non-recyclable waste (kWh), Areas covered by sustainable agricultural land management practices and crop yields (t/ha), Passenger-kilometers or tonne-kilometers travelled on clean

transportation, Energy performance of gross building area (kWh/m^2), Increase in protected areas for biodiversity conservation (km^2), Number and type of adaptation and resilience measures installed, Increase in water availability and/or volume of water catchment (m^3), Amount of wastewater treated (m^3)

Frequency:

☒ Annual ☐ Semi-annual

☐ Other (please specify):

Means of Disclosure

☐ Information published in financial report ☐ Information published in sustainability report

☐ Information published in ad hoc documents ☒ Other (please specify): Sustainable Financing Report or Annual Report

☐ Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

☐ Consultancy (incl. 2nd opinion) ☐ Certification

☐ Verification / Audit ☐ Rating

☒ Other *(please specify)*: Chinese Green Reviewer

Review provider(s): **Date of publication:**

ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE GBP AND THE SBP

i. Second-Party Opinion: An institution with sustainability expertise that is independent from the issuer may provide a Second-Party Opinion. The institution should be independent from the issuer's adviser for its Sustainability Bond framework, or appropriate procedures such as information barriers will have been implemented within the institution to ensure the independence of the Second-Party Opinion. It normally entails an assessment of the alignment with the Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy, and/or processes relating to sustainability and an evaluation of the environmental and social features of the type of Projects intended for the Use of Proceeds.

ii. Verification: An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or sustainability criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally or socially sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Sustainability Bond proceeds, statement of environmental or social impact or alignment of reporting with the Principles may also be termed verification.

iii. Certification: An issuer can have its Sustainability Bond or associated Sustainability Bond framework or Use of Proceeds certified against a recognised external sustainability standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.

iv. Green, Social and Sustainability Bond Scoring/Rating: An issuer can have its Sustainability Bond, associated Sustainability Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental and/or social performance data, process relative to the Principles, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material sustainability risks.

Disclaimer

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