

Second-Party Opinion

Apeiron Agrocommodities Pte. Ltd. Green Finance Framework

Evaluation Summary

Sustainalytics is of the opinion that the Apeiron Agrocommodities Pte. Ltd. Green Finance Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2021 and the Green Loan Principles 2023. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds – Alternative Energy and Energy Efficiency; Pollution Prevention and Control; and Circular Economy Adapted Products, Production Technologies and Processes – are aligned with those recognized by the Green Bond Principles and the Green Loan Principles. Sustainalytics considers that investments in the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDGs 6, 7 and 12.



PROJECT EVALUATION AND SELECTION Apeiron Agrocommodities Pte. Ltd. has established a Sustainability Committee to evaluate and select eligible green assets in line with the Framework’s eligibility criteria. The Sustainability Committee will comprise representatives from the management, finance and sustainability teams. Apeiron Agrocommodities Pte. Ltd. has processes in place to identify and mitigate common environmental and social risks associated with the eligible projects, which are applicable to all allocation decisions made under the Framework. Sustainalytics considers the risk management systems to be adequate and the project selection process to be in line with market practice.



MANAGEMENT OF PROCEEDS Apeiron Agrocommodities Pte. Ltd.’s Sustainability Committee will be responsible for the management and allocation of proceeds on a portfolio basis using a green asset register. Apeiron Agrocommodities Pte. Ltd. intends to fully allocate net proceeds within 36 months of issuance. Pending allocation, proceeds will be temporarily invested in cash, cash equivalents or other investment instruments, or used to repay existing debts that are not associated with carbon-intensive or controversial activities. This is in line with market practice.



REPORTING Apeiron Agrocommodities Pte. Ltd. commits to reporting on the allocation of proceeds and corresponding impact through a green financing report on an annual basis until full allocation. The report will be made publicly available on its website or provided to lenders. Allocation reporting will include information on the description of eligible assets and the amount of allocated proceeds per category. In addition, Apeiron Agrocommodities Pte. Ltd. is committed to reporting on relevant impact metrics. Sustainalytics views the allocation and impact reporting as aligned with market practice.

Evaluation date May 12, 2023

Issuer Location Singapore

Report Sections

Introduction	2
Sustainalytics’ Opinion.....	3
Appendix.....	10

For inquiries, contact the Sustainable Finance Solutions project team:

Jasmine Hussain (Singapore)
Project Manager
jasmine.hussain@morningstar.com

Nimisha Shah (Mumbai)
Project Support

Maliha Taj (Mumbai)
Project Support

Cheryl Tay (Singapore)
Client Relations
susfinance.apac@sustainalytics.com
(+852) 3008 2391

Introduction

Apeiron Agrocommodities Pte. Ltd. (“Apeiron” or the “Company”) is a bioenergy company engaged in all aspects of the supply chain from upstream sourcing and storage of waste feedstock to downstream processing, refining and sale of end- and by-products, including used cooking oil methyl ester and spent bleaching earth oil methyl ester. Founded in 2007 and headquartered in Singapore, the Company has 312 employees across its operations in 10 countries in Asia at the end of December 2022.

Apeiron has developed the Apeiron Agrocommodities Pte. Ltd. Green Finance Framework dated May 2023 (the “Framework”), under which it intends to issue green bonds and loans¹ and use the proceeds to finance or refinance, in whole or in part, existing or future projects that aim to increase the availability low-carbon fuels. The Framework defines eligibility criteria in three areas:

1. Alternative Energy and Energy Efficiency
2. Pollution Prevention and Control
3. Circular Economy Adapted Products, Production Technologies and Processes

Apeiron engaged Sustainalytics to review the Apeiron Agrocommodities Pte. Ltd. Green Finance Framework and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP)² and the Green Loan Principles 2023 (GLP).³ The Framework will be published in a separate document.⁴

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

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent⁵ opinion on the alignment of the reviewed Framework with 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 Green Bond Principles 2021, as administered by ICMA, and the Green Loan Principles 2023, as administered by LMA, APLMA and LSTA;
- 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 1.13.3, 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 Apeiron’s management team to understand the sustainability impact of its business processes and planned use of proceeds, as well as the management of proceeds and reporting aspects of the Framework. Apeiron representatives have confirmed that: (1) they understand it is the sole responsibility of Apeiron to ensure that the information provided is complete, accurate and up to date; (2) they have provided Sustainalytics with all relevant information; and (3) 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 Apeiron.

¹ For multi-tranche loan facilities, Apeiron has confirmed to Sustainalytics that the Company will only label tranches of such facilities whose proceeds will be allocated according to the Framework’s eligibility criteria.

² The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

³ The Green Loan Principles are administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association and are available at <https://www.lsta.org/content/green-loan-principles/>.

⁴ The Apeiron Green Finance Framework will be available to relevant stakeholders, such as bond trustees or made available on its website at: <https://www.apeironbioenergy.com/>

⁵ 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 least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

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. Apeiron is encouraged to update the Framework after 24 (twenty-four) months from the evaluation date, if necessary, and seek an update to the Second-Party Opinion to ensure ongoing alignment of the Framework with market standards and expectations.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realized 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 Apeiron has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Apeiron Agrocommodities Pte. Ltd. Green Finance Framework

Sustainalytics is of the opinion that the Apeiron Agrocommodities Pte. Ltd. Green Finance Framework is credible and impactful, and aligns with the four core components of the GBP and GLP. Sustainalytics highlights the following elements of Framework:

- Use of Proceeds:
 - The eligible categories – i) Alternative Energy and Energy Efficiency; ii) Pollution Prevention and Control; and iii) Circular Economy Adapted Products, Production Technologies and Processes – are aligned with those recognized by the GBP and GLP. Sustainalytics notes that the investments under the Framework are expected to facilitate the transition to a low-carbon economy through increasing the availability of low-carbon fuels.
 - The Framework defines a look-back period of 36 months for refinancing, which Sustainalytics considers to be in line with market practice.
 - The Framework provides exclusionary criteria, which prohibit expenditures associated with the manufacture or wholesale retail of alcoholic beverages and tobacco products, transportation of live cattle, extraction or refining of fossil fuels and large-scale hydropower projects, including associated technology and equipment.
 - Under the Alternative Energy and Energy Efficiency category, Apeiron may finance or refinance assets, and expenditures⁶ that support the development, management and operation of biofuel production, refining and distribution, as well as on-site alternative energy facilities. Sustainalytics considers investments under this category to be aligned with market practice and notes the following expenditures and requirements:
 - Biofuels will be produced using waste feedstocks, specifically used cooking oil (UCO), palm oil mill effluent (POME), refined POME (RPOME), palm fatty acid distillate (PFAD), brown grease and spent bleaching earth oil (SBE). Apeiron has confirmed that UCO, POME, RPOME, PFAD, brown grease and SBE are all ISCC-certified and that at least 90% of POME, RPOME, PFAD and SBE will be RSPO-certified. Sustainalytics notes that Apeiron will procure 90% of its palm oil effluents from RSPO-certified palm oil production processes, while aiming to reach 100% within two years. While acknowledging that Apeiron does not own palm oil plantations, the Company is operating in an industry that sources waste, which can be considered harmful to the environment coupled with social challenges such as deforestation, human rights violation and high land use change. Therefore, Sustainalytics believes that the procurement of RSPO-certified palm oil residues is important to ensure the sustainable sourcing of the waste feedstock.

⁶ Expenditure include capital expenses and operating expenses, including working capital to purchase goods and services.

- Under the Circular Economy Adapted Products, Production Technologies and Processes category, Apeiron may finance or refinance the development and production of environmentally sustainable products, including R&D for products aimed at advancing a circular economy. Sustainalytics considers investments under this category to be in line with market practice and notes the following elements:
 - Production of new resource-efficient or low-carbon products that are RSB-certified.
 - Production of plastic that meets the following criteria: i) production uses at least 90% recycled or bio-based materials certified to ISCC or RSB; ii) at least 90% of the plastic is not intended for single-use applications; and iii) all final products are recyclable.
 - Procurement of recycled, waste or resource-efficient materials as an input for production.
 - R&D activities may include developing technologies to convert waste-based feedstock into biofuel and converting waste into other valuable resources. Apeiron has confirmed that R&D will exclude expenditures that support non-sustainably sourced waste, non-RSPO certified palm oil related residues and waste plastic as a feedstock.
- Project Evaluation and Selection:
 - Apeiron has established a Sustainability Committee, which comprises representatives from the management, finance and sustainability teams, to identify and select eligible green assets in line with the Framework's eligibility criteria. The Company's management board grants final approval of the identified proposed projects.
 - Apeiron has commissioned environmental and social due diligence on the proposed activities for financing under the Framework, which includes an evaluation of the environmental and social risk management systems that the Company has in place to mitigate and manage common environmental and social risks associated with the eligible assets. For additional details, please see Section 2.
 - Based on the presence of a dedicated committee with cross-functional expertise and the presence of risk management systems, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - The Sustainability Committee will oversee the management and allocation of proceeds on a portfolio basis through a green asset register.
 - Apeiron intends to fully allocate net proceeds within 36 months of issuance. Pending allocation, unallocated proceeds will be invested in cash, cash equivalents or other investment instruments, or used to repay existing debts that are not associated with carbon-intensive or controversial activities.
 - For multi-tranche loan facilities, Apeiron has confirmed to Sustainalytics that the Company will only label tranches of such facilities whose proceeds will be allocated according to the Framework's eligibility criteria.
 - Based on the presence of a tracking system to allocate proceeds and the disclosure of the temporary use of proceeds, this is in line with market practice.
- Reporting:
 - The Company commits to reporting on the allocation and impact of the eligible projects on an annual basis until full allocation through a green financing report. The report will be made publicly available via the Company's website or made available to lenders and relevant stakeholders. Apeiron has confirmed to Sustainalytics that for revolving credit facilities, allocation reporting will be conducted annually until loan maturity.
 - Allocation reporting will include a list and description of the eligible assets financed or refinanced and the amount of net proceeds allocated towards eligible assets.
 - Impact reporting will include relevant environmental indicators, including annual GHG emissions reduced or avoided (in tCO₂e) and annual amount of waste that is separated, collected, treated or disposed of (in tonnes and percentage of total waste).
 - Based on the Company's commitment to allocation and impact reporting on an annual basis, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2021 and Green Loan Principles 2023

Sustainalytics has determined that the Apeiron Agrocommodities Pte. Ltd. Green Finance Framework aligns with the four core components of the GBP and GLP. For detailed information, please refer to Appendix 1: Green Bond or Green Bond Programme External Review Form.

Section 2: Sustainability Strategy of Apeiron

Contribution to Apeiron's sustainability commitments

Sustainalytics is of the opinion that as a company specializing in biofuel production and collection of waste-based feedstock, such as UCO, POME and tallow, Apeiron is committed to sustainability and supporting positive environmental outcomes. Since 2017, Apeiron has collected and supplied more than 500 million litres of UCO and the Company reported an estimated carbon savings of 1.5 million tCO₂ from its business operations.⁷

The Company is in the process of developing a three-year sustainability roadmap, which it aims to finalize by the end of 2023.⁸ The roadmap intends to outline the key pillars underpinning the Company's sustainability strategy and the measures Apeiron will take to reduce its environmental impact, such as enhancing energy and water-use efficiency, reducing waste reduction and better understanding its GHG emissions.

Sustainalytics recognizes Apeiron's commitment to increase the supply of low-carbon fuels by engaging in the production of bioenergy from waste. To further strengthen its sustainability strategy, Sustainalytics encourages Apeiron to publicly disclose its sustainability roadmap and establish quantified, time-bound targets, and report on its progress towards them.

Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that the proceeds from the instruments issued under the Framework will be directed towards eligible projects that are expected to have a positive environmental impact. However, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks possibly associated with the eligible projects may include issues related to: i) land use and biodiversity loss associated with large-scale infrastructure development; ii) effluents and waste; iii) occupational health and safety; iv) community relations; and v) stakeholder engagement.

Sustainalytics is of the opinion that Apeiron is able to manage and mitigate potential risks through the implementation of the following:

- Prior to the issuance of instruments under the Framework, Apeiron is required to comply with the environmental and social safeguards (ESS) of the credit guarantee and investment facility (CGIF).⁹ As part of the Company's commitment and ability to fully meet the CGIF's ESS, Apeiron has engaged a third-party to conduct environmental and social due diligence (E&S DD) on the activities that are intended for financing under the Framework. The E&S DD identifies where Apeiron's risk management systems could be improved and proposes recommendations for actions to increase the robustness of the Company's ability to mitigate and manage environmental and social risks associated with financing under the Framework, as well as ensure compliance with the CGIF's requirements.¹⁰ Based on the results of the E&S DD, which includes a gap analysis and recommendations for improvements, Apeiron developed an environmental and social management system that addresses the gaps identified. Sustainalytics highlights the details of the environmental and social management system in relation to the identified risks in the following paragraphs.¹¹
- Regarding land use change and biodiversity issues associated with large-scale infrastructure development, Apeiron has developed an environmental and social impact and risk assessment procedure. The procedure includes the environmental and social screening of the projects against the exclusion criteria, national environmental and social laws, the Asian Development Bank's prohibited investment activities list and CGIF's ESS. Projects that are identified to have significant or potential adverse environmental and social impact will undergo an Environmental Impact Assessment, which will assess the following elements: impacts on air, water and soil quality, biodiversity, human health, local communities and indigenous peoples. Based on the results of the

⁷ Apeiron, "About Us", at: <https://www.apeironbioenergy.com/about-us>

⁸ Information provided by Apeiron to Sustainalytics confidentially.

⁹ The CGIF's ESS establishes procedures to undertake impact assessments to ensure that clients mitigate risks in compliance with both national laws and regulations in relation to environmental, social, health and safety issues, and meet ADB's Safeguard Requirements (SR) 1-3, to which CGIF also subscribes.

¹⁰ Apeiron provided Sustainalytics with the Apeiron Environment and Social Due Diligence Report (2022) confidentially.

¹¹ Apeiron provided Sustainalytics with the Apeiron Environment and Social Management System (2023) confidentially.

assessment, Apeiron will identify and develop appropriate mitigation and management measures. Additionally, the Company also developed an Environmental Aspect Identification and Impact procedure, which requires contractors to develop a formal procedure to identify, evaluate and manage environmental aspects that have potential environmental impact.

- Regarding effluents and waste generated during the operations of the Company, Apeiron's Hazardous, Non-Hazardous Waste and Wastewater Management policy outlines the roles and responsibilities of employees, contractors and environmental health and safety officers to promote adherence to the waste hierarchy of reducing and recycling resources and the safe disposal and treatment of waste. The policy details the procedures related to classifying, collecting, segregating, storing, treatment and disposal of hazardous and non-hazardous waste and wastewater.
- To mitigate operational health and safety issues, Apeiron has developed a Health and Safety Hazard Identification and Risk Assessment policy, which outlines the responsibilities of employees, contractors and visitors to the workplace to ensure health and safety at the workplace. The policy details a three step process to identify and mitigate potential hazards and risks at the workplace: i) hazard identification, including physical, chemical and ergonomic hazards; ii) hazard risk assessment that examines the potential severity of the outcome and likelihood of occurrence; and iii) risk control measures such as elimination, substitution, engineering controls and use of personal protective equipment. In addition, the Company also has requirements for transportation safety management to ensure the safety of drivers responsible for Apeiron's transportation-related activities, including the transportation of biofuel products and waste feedstocks, and emergency response and preparedness in the event of emergencies.
- Regarding community relations and impacts on local communities, Apeiron developed the Stakeholder Grievance Procedure, which details five steps to resolve any concerns from relevant stakeholders, including regulatory bodies, surrounding communities and companies, suppliers and contractors. The Procedure identifies the time frame for each step to be completed and clearly details the roles and responsibilities of the Company's environmental health and safety officers at each step to ensure the appropriate and timely resolution of any grievances.
- To mitigate issues associated with stakeholder engagement, the Company conducted a stakeholder mapping exercise, to identify relevant stakeholders at different stages of project development and the different engagement approaches for each stakeholder group considering their level of interest and influence on a project. Moreover, Apeiron commits to communication requirements on environmental, health and safety issues to relevant stakeholders identified.

Based on these policies, standards and procedures, Sustainalytics is of the opinion that Apeiron has implemented adequate measures and is well positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories. Nevertheless, Sustainalytics recommends that the Company publicly discloses its environmental and social risk management systems and policies, and monitor and report on its progress to ensure compliance with the CGIF's ESS.

Section 3: Impact of Use of Proceeds

All three use of proceeds categories are aligned with those recognized by the GBP and GLP. Sustainalytics has focused on bioenergy where the impact is specifically relevant in the local context.

Importance of modern bioenergy as a low-carbon fuel in Southeast Asia

Modern bioenergy, which refers to the use of modern solid biomass (such as wood pellets, agricultural and forestry residues), liquid biofuels and biogas,¹² is the largest source of renewable energy worldwide, responsible 55% of renewable energy and for more than 6% of global energy supply.¹³ Due to its applicability in a variety of industries and flexibility in its uses, modern bioenergy is considered to be a key tool for decarbonizing the global energy sector.¹⁴ Between 2010 and 2021, modern bioenergy usage has increased by an average of 7% annually.¹⁵ To align with a net zero by 2050 scenario, modern bioenergy deployment needs to increase by 10% each year between 2021 and 2030, with 60% of supply derived from waste and residues that do not require the expansion of cropland for bioenergy or conversion of existing forests into land for bioenergy crop production.¹⁶

¹² BP, "Renewable energy", (2023), at: <https://www.bp.com/en/global/corporate/energy-economics/energy-outlook/renewable-energy.html>

¹³ IEA, "Bioenergy: Energy system overview", (2022), at: <https://www.iea.org/reports/bioenergy>

¹⁴ Ibid.

¹⁵ Ibid.

¹⁶ Ibid.

In Southeast Asia, bioenergy plays a key role in reducing the environmental footprint of the region's energy needs, which were 81% powered by fossil fuels in 2020.¹⁷ Based on the latest available figures in 2018, bioenergy accounted for just 14% of the region's final energy supply, with almost half stemming from traditional sources,¹⁸ such as solid biomass in the form of wood, animal waste and traditional charcoal.¹⁹ According to IRENA, alignment of Southeast Asia's decarbonization trajectory with a 1.5°C scenario will require the phase-out of traditional uses of bioenergy and for modern bioenergy to account for 19% of total energy supply.²⁰ Substantial investments of approximately USD 66 billion will need to be directed into scaling up modern bioenergy supply in Southeast Asia to achieve a 1.5°C scenario by 2030, particularly in countries such as Indonesia, Malaysia, Thailand and Vietnam, which have substantial potential to increase biomass feedstock supply.²¹ In the longer term, an expected USD 235 billion investment in modern bioenergy is required to align with a 1.5°C scenario by 2050, which requires renewable energy to source 100% of power generation.²²

Given the above context, Sustainalytics is of the opinion that Apeiron's investments in enhancing the supply of waste feedstock for biofuel production is expected to advance efforts towards increasing the availability of low-carbon fuels.

Contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by 2030. The instruments issued under the Apeiron Agrocommodities Pte. Ltd. Green Finance Framework are expected to help advance the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Alternative Energy and Energy Efficiency	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
Pollution Prevention and Control	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
	12. Responsible Production and Consumption	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
Circular Economy Adapted Products, Production Technologies and Processes	12. Responsible Production and Consumption	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

¹⁷ ASEAN Centre for Energy, "ASEAN Energy In 2022", at

<https://aseanenergy.sharepoint.com/PublicationLibrary/2022/Publication%202022/ASEAN%20Energy%20in%202022%20Outlook%20Report.pdf>

¹⁸ IRENA, "Renewable Energy Outlook For ASEAN", (2022), at: https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2022/Sep/IRENA_Renewable_energy_outlook_ASEAN_2022.pdf?rev=ef7557c64c3b4750be08f9590601634c

¹⁹ IRENA, "Bioenergy & biofuels", at: <https://www.irena.org/Energy-Transition/Technology/Bioenergy-and-biofuels>

²⁰ IRENA, "Bioenergy for the energy transition", (2022), at: https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2022/Aug/IRENA_Bioenergy_for_the_transition_2022.pdf?rev=875a997481f04168b17499f1e5dc1473

²¹ IRENA, "Renewable Energy Outlook For ASEAN: Towards a Regional Energy Transition", (2022), at: https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2022/Sep/IRENA_Renewable_energy_outlook_ASEAN_2022.pdf?rev=ef7557c64c3b4750be08f9590601634c

²² Ibid.

Conclusion

Apeiron has developed the Apeiron Agrocommodities Pte. Ltd. Green Finance Framework, under which it may issue green bonds and loans and use the proceeds to finance or refinance projects in the following categories: Alternative Energy and Energy Efficiency; Pollution Prevention and Control; and Circular Economy Adapted Products, Production Technologies and Processes. Sustainalytics considers that the projects funded by the proceeds are expected to increase availability of low-carbon fuels.

The Apeiron Agrocommodities Pte. Ltd. Green Finance 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 the Apeiron Agrocommodities Pte. Ltd. Green Finance Framework is aligned with the overall sustainability strategy of the Company and that the green use of proceeds categories will contribute to the advancement of UN Sustainable Development Goals 6, 7 and 12. Additionally, Sustainalytics is of the opinion that Apeiron 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 Apeiron is well positioned to issue green bonds and loans and that the Apeiron Agrocommodities Pte. Ltd. Green Finance Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2021 and Green Loan Principles 2023.

Appendix

Appendix 1: Green Bond or Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	Apeiron Agrocommodities Pte. Ltd.
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	Apeiron Agrocommodities Pte. Ltd. Green Finance Framework
Review provider's name:	Sustainalytics
Completion date of this form:	May 12, 2023

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:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

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 – Alternative Energy and Energy Efficiency; Pollution Prevention and Control; and Circular Economy Adapted Products, Production Technologies and Processes – are aligned with those recognized by the Green Bond Principles and the Green Loan Principles. Sustainalytics considers that investments in the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDGs 6, 7 and 12.

Use of proceeds categories as per GBP:

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

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

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

Apeiron Agrocommodities Pte. Ltd. has established a Sustainability Committee to evaluate and select eligible green assets in line with the Framework's eligibility criteria. The Sustainability Committee will comprise representatives from the management, finance and sustainability teams. Apeiron Agrocommodities Pte. Ltd. has processes in place to identify and mitigate common environmental and social risks associated with the eligible projects, which are applicable to all allocation decisions made under the Framework. Sustainalytics considers the risk management systems to be adequate and the project selection process to be in line with market practice.

Evaluation and selection

- | | |
|--|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input checked="" type="checkbox"/> 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*):

Apeiron Agrocommodities Pte. Ltd.'s Sustainability Committee will be responsible for the management and allocation of proceeds on a portfolio basis using a green asset register. Apeiron Agrocommodities Pte. Ltd. intends to fully allocate net proceeds within 36 months of issuance. Pending allocation, proceeds will be temporarily invested in cash, cash equivalents or other investment instruments, or used to repay existing debts that are not associated with carbon-intensive or controversial activities. This is in line with market practice.

Tracking of proceeds:

- Green 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*):

Apeiron Agrocommodities Pte. Ltd. commits to reporting on the allocation of proceeds and corresponding impact through a green financing report on an annual basis until full allocation. The report will be made publicly available on its website or provided to lenders. Allocation reporting will include information on the description of eligible assets and the amount of allocated proceeds per category. In addition, Apeiron Agrocommodities Pte. Ltd. is committed to reporting on relevant impact metrics. Sustainalytics views the 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 Green Bond financed share of total investment
- Other (*please specify*):

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 Other ESG indicators (*please specify*): Annual amount of waste that is separated, collected, treated or disposed of (in tonnes and percentage of total waste)

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*): Company's website or made available to lenders and relevant stakeholders
- 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:**

- | | |
|--|--|
| <input type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification / Audit | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Review provider(s):**Date of publication:****ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP**

- i. Second-Party Opinion: An institution with environmental expertise, that is independent from the issuer may issue a Second-Party Opinion. The institution should be independent from the issuer's adviser for its Green 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 Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental 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 environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally 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 Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- iii. Certification: An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green 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 Bond Scoring/Rating: An issuer can have its Green Bond, associated Green 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 performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

Disclaimer

Copyright ©2023 Sustainalytics. All rights reserved.

The information, methodologies and opinions contained or reflected herein are proprietary of Sustainalytics and/or its third party suppliers (Third Party Data), and may be made available to third parties only in the form and format disclosed by Sustainalytics, or provided that appropriate citation and acknowledgement is ensured. They are provided for informational purposes only and (1) do not constitute an endorsement of any product or project; (2) do not constitute investment advice, financial advice or a prospectus; (3) cannot be interpreted as an offer or indication to buy or sell securities, to select a project or make any kind of business transactions; (4) do not represent an assessment of the issuer's economic performance, financial obligations nor of its creditworthiness; and/or (5) have not and cannot be incorporated into any offering disclosure.

These are based on information made available by the issuer and therefore are not warranted as to their merchantability, completeness, accuracy, up-to-dateness or fitness for a particular purpose. The information and data are provided "as is" and reflect Sustainalytics' opinion at the date of their elaboration and publication. Sustainalytics accepts no liability for damage arising from the use of the information, data or opinions contained herein, in any manner whatsoever, except where explicitly required by law. Any reference to third party names or Third Party Data is for appropriate acknowledgement of their ownership and does not constitute a sponsorship or endorsement by such owner. A list of our third-party data providers and their respective terms of use is available on our website. For more information, visit <http://www.sustainalytics.com/legal-disclaimers>.

The issuer is fully responsible for certifying and ensuring the compliance with its commitments, for their implementation and monitoring.

In case of discrepancies between the English language and translated versions, the English language version shall prevail.

About Sustainalytics, a Morningstar Company

Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. For more than 30 years, the firm has been at the forefront of developing high-quality, innovative solutions to meet the evolving needs of global investors. Today, Sustainalytics works with hundreds of the world’s leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. Sustainalytics also works with hundreds of companies and their financial intermediaries to help them consider sustainability in policies, practices and capital projects. With 17 offices globally, Sustainalytics has more than 1500 staff members, including more than 500 analysts with varied multidisciplinary expertise across more than 40 industry groups.

For more information, visit www.sustainalytics.com

Or contact us contact@sustainalytics.com

