Second-Party Opinion

Soilbuild Group Holdings Green Finance Framework

Evaluation Summary

Sustainalytics is of the opinion that the Soilbuild Group Holdings Limited Green Finance Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2018, and the Green Loan Principles 2018. This assessment is based on the following:

USE OF PROCEEDS The eligible categories for the use of proceeds, (i) Green Buildings, (ii) Renewable Energy, (iii) Energy Efficiency, (iv) Pollution Prevention and Control, (v) Sustainable Water and Wastewater Management, (vi) Clean Transportation, and (vii) Climate Change Adaptation are aligned with those recognized by the Green Bond Principles and Green Loan Principles. Sustainalytics considers that projects in these categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals (SDGs), specifically 6, 7, 9, 11, 12 and 13.

PROJECT EVALUATION / SELECTION Soilbuild forms a working group to review and select eligible projects, consisting of representatives from Soilbuild's project management team, finance department, and sales and marketing department. The final approval will be made by the Board of Soilbuild. Sustainalytics considers this to be in line with market practice.

MANAGEMENT OF PROCEEDS Soilbuild uses an internal register to keep track of the net proceeds from green bonds and green loans, while ensuring that a green project is not double counted towards multiple transactions. Pending full allocation, any unallocated proceeds will be held in Soilbuild's general account and invested according to the treasury department's general liquidity guidelines for short term investments. This is aligned with current market practices.

REPORTING Soilbuild commits to report on the allocation of proceeds and impact metrics on its website on an annual basis. The allocation reporting is aligned with market practice as the reporting will include a list of Eligible Green Projects with the allocated amounts, as well as the balance of unallocated proceeds. Impact reporting will include qualitative and quantitative performance indicators such as building certification achieved (system and level) and energy consumption reduction (kWh), where feasible. Sustainalytics encourages Soilbuild to provide additional disclosure on relevant KPIs for pollution prevention and control, water management, clean transportation, as well as climate change adaptation projects.

Evaluation date	19 July, 2019
Issuer Location	Singapore

Report Sections

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Introduction

Soilbuild Group Holdings Ltd ("Soilbuild", the "group" or the "issuer") is a real estate group founded in 1976 and headquartered in Singapore. The Group is engaged in constructing, developing, and managing residential properties, business parks, and industrial properties. Soilbuild has expanded its construction arm under Soilbuild Construction Group Ltd ("Soilbuild Construction"), and built up capabilities in its Lease Management, Asset Management and Fund Management teams, culminating in the listing of its real estate investment trust, Soilbuild Business Space REIT ("Soilbuild REIT"). Geographical presence spread across Singapore, Malaysia, India, Myanmar and Vietnam.

Soilbuild has developed the Soilbuild Group Holdings Limited Green Finance Framework (the "Framework") under which it intends to issue green bonds and green loans and use the proceeds to finance or refinance, in whole or in part, existing or future projects that provide clear environmental benefits. The Framework defines eligibility criteria in 7 areas:

1. Green Buildings
2. Renewable Energy
3. Energy Efficiency
4. Pollution Prevention and Control
5. Sustainable Water and Wastewater Management
6. Clean Transportation
7. Climate Change Adaptation

Soilbuild engaged Sustainalytics to review the Soilbuild Group Holdings Limited Green Finance Framework, dated June, 2019 and provide a second-party opinion on the Framework's environmental credentials and its alignment with the Green Bond Principles 2018 (GBP)[1] and the Green Loan Principles (GLP)[2]. This Framework has been published in a separate document.[3]

As part of this engagement, Sustainalytics held conversations with various members of Soilbuild's Finance 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 Soilbuild's green bonds and green loans. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics' opinion of the Soilbuild Group Holdings Limited Green Finance Framework and should be read in conjunction with that Framework.

[1] 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/.
[2] The Green Loan Principles are administered by the International Capital Market Association and are available at: https://www.lma.eu.com/application/files/9115/4452/5458/741_LM_Green_Loan_Principles_Booklet_V8.pdf.
[3] The Soilbuild Group Green Finance Frameworkis available on Soilbuild 's website at: https://www.soilbuild.com/Newsroom.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Soilbuild Group Holdings Limited Green Finance Framework

Summary

Sustainalytics is of the opinion that the Soilbuild Group Holdings Limited 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 Soilbuild Group's Green Finance Framework:

- Use of Proceeds:
  - The eligible use of proceeds categories of the Soilbuild Group Green Finance Framework (Green Buildings, Renewable Energy, Energy Efficiency, Pollution Prevention and Control, Sustainable Water and Wastewater Management, Clean Transportation, and Climate Change Adaptation) are recognized by the Green Bond Principles 2018 and Green Loan Principles 2018 as project categories with positive environmental benefits.
  - Soilbuild has committed to allocate the proceeds into green buildings based on credible third-party certifications and with a focus on the top two tires of certifications, such as Singapore BCA Green Mark Gold^{Plus}, or above. Sustainalytics has assessed the certifications as having a positive impact and views the Soilbuild's focus on the top two levels of certification as industry best practice (Please refer to Appendix 1 for additional information on the certification scheme).
  - Under the green building category, the Soilbuild's framework includes expenditures related to R&D and procurement of building materials and technologies that will fulfill the requirements of the green building certifications listed above, and some of which are building products certified by Singapore Green Building Council (SGBC) where the assessment includes energy efficiency, water efficiency, resource efficiency, and among others. Soilbuild has communicated to Sustainalytics that the relevant investments will not include expenditures for any fossil fuel-based materials and technologies.
  - With regards to energy efficiency projects, Soilbuild intends to finance lighting, motion sensors and/or air-cooled air conditioning with water cooling, which will help reduce energy consumption in new and existing buildings. Additionally, Soilbuild has set a minimum threshold of a 15% for energy efficiency improvement. Sustainalytics recognizes that by setting the minimum threshold for energy efficiency improvements, Soilbuild aligns with market practice.
  - For clean transportation projects, Soilbuild has confirmed to Sustainalytics that the proceeds will be allocated in infrastructures which improve accessibility to bicycles, electric vehicles (EV), personal mobility devices, electric scooters and e-bikes. Sustainalytics considers these projects are important to sustain positive environmental impacts.
  - Soilbuild intends to invest in climate change adaptation projects such as installation and upgrades of louvers, sensor operated glass roofs, CDF simulation showing cross and CO2 sensors integrated demand control ventilations, which address climate risks such as urban heat effect of its buildings. Sustainalytics recognizes that the market expects issuers to undertake climate risk studies that demonstrate the need for financing infrastructure adaptation projects, it therefore encourages Soilbuild to conduct such climate risk studies for future adaptation projects where feasible.
  - Soilbuild has confirmed to Sustainalytics that it will disclose the lookback period to investors/lenders on a per transaction basis if there is an applicable refinancing transaction in the future. While Sustainalytics acknowledges that the market may view the refinancing of older projects to reduce the additionality of the green bond, it positively views Soilbuild's effort to report on the lookback period to investors/lenders per issuance and further encourages Soilbuild to indicate it in the framework to enhance transparency..

- Project Evaluation and Selection:
  - Soilbuild forms a working group to review and select eligible projects, consisting of representatives from Soilbuild's project management team, finance department, and sales and

marketing department. The final approval will be made by the Board of Soilbuild. Sustainalytics considers this to be in line with market practice.

- Management of Proceeds:
  - Soilbuild uses an internal register to keep track of the net proceeds from green bonds and green loans, ensuring that a green project is not double counted towards multiple transactions. Pending full allocation, any unallocated proceeds will be held in Soilbuild's general account and invested according to the treasury department's general liquidity guidelines for short term investments. This is aligned with current market practices.

- Reporting:
  - Soilbuild has committed to report on allocation of proceeds as well as impact metrics annually on its website. The allocation reporting is aligned with market practice as the reporting will include a list of Eligible Green Projects with the allocated amounts and the balance of unallocated proceeds.
  - Impact reporting will include qualitative and quantitative performance indicators such as the building certification achieved (system and level) and energy consumption reduction (kWh), where feasible. Sustainalytics encourages Soilbuild to provide additional disclosure on relevant KPIs for pollution prevention and control, water management, clean transportation, as well as climate change adaptation projects, in order to further strengthen the framework.

Alignment with Green Bond Principles 2018

Sustainalytics has determined that the Soilbuild Group Holdings Limited Green Finance Framework aligns to the four core components of the Green Bond Principles 2018 and Green Loan Principles 2018. For detailed information please refer to Appendix 2: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Performance of the Issuer

Contribution of framework to issuer's sustainability strategy

Following Soilbuild's business strategy and vision, the group stated in the framework that it is committed to growing in a sustainable manner and contributing to the sustainability transition in the building sector. Additionally, Soilbuild commits to contribute to the Sustainable Singapore Blueprint 2015[4] which outlines Singapore's vision, plans and targets for 2030 in the areas of green and water spaces, mobility, resource sustainability, air quality, drainage, and community stewardship. In order to pursue the achievement of the corporate and national vision, the group strives to integrate environmental considerations in its business, such as implementing measures to improve water and energy efficiency in its construction sites and offices and developing infrastructures for active mobility. Furthermore, to improve energy utilization, Soibuild aims to achieve a green building certification under the BCA Green Mark Scheme, and has a record of achieving four certified buildings, with the level of Platinum and Gold.[5]

Given the above, Sustainalytics considers Soilbuild's framework as well aligned with the group's efforts towards sustainability and will contribute to further advance Soilbuid's vision and sustainability commitments.

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

Sustainalytics recognizes that Soilbuild's financing projects generate positive environmental impacts; however, the eligible projects may include potential risks. The main risks associated with Soilbuild's eligible projects include environmental risks such as exposure to soil or groundwater contamination or dust and particle pollution and social risks such as workers' health and safety or community opposition in the construction sector. Soilbuild does not currently publicly disclose group-wide policies, processes and

[4] Ministry of the Environment and Water Resources, "Sustainable Singapore Blueprint", at: https://www.mewr.gov.sg/docs/default-source/module/ssb-publications/41f1d882-73f6-4a4a-964b-6c67091a0fe2.pdf.
[5] Soilbuild Group Holdings Ltd , "Credentials" , at: https://www.soilbuild.com/Credentials.

management systems addressing environmental and social issues with its projects. However, through engagement with Soilbuild, Sustainalytics is aware of the following procedures and processes in place to help mitigate the aforementioned risks, including:

- An environmental management system, stated in the framework, to identify and manage environmental aspects of construction, including energy and water usage and conservation, and paper usage. Construction waste are separately collected through appropriate recycling bins at their project sites.
- Soilbuild has shared with Sustainalytics a Health and Safety Policy and guidelinesfor its management and employees. In the policy, the group is committed to providing a safe, healthy and efficient work environment for all stakeholders. Additionally, Soilbuild has set a dedicated Health and Safety Committee which is overseen by the Chairman. The committee will ensure both management and employees to achieve and maintain a safe and healthy working environment by following the guidelines.

Considering the above, Sustainalytics is of the opinion that Soilbuild has an adequate level of preparedness required to proactively assess and mitigate social and environmental risks associated with the eligible projects.

Section 3: Impact of Use of Proceeds

All seven use of proceeds categories are recognized as impactful by GBP. Sustainalytics has provided further information below where the impact is specifically relevant in local context:

Importance of green buildings, energy efficiency improvements, and solar energy generation for Singapore's GHG reduction

In 2015, Singapore pledged to reduce its greenhouse gas (GHG) emissions intensity by 36% from 2005 levels by 2030, and stabilize its GHG emissions with the aim of peaking around 2030 as commitments under the Paris agreement.[6] Currently, the country is heavily dependent on fossil fuels, with 95% of electricity generated from natural gas.[7] However, as a small island city-state with urban density, low wind speeds, relatively flat land, and lack of geothermal resources, Singapore faces difficulty in pursuing alternative energy options to reduce GHG emissions within energy generation, and therefore identifies improving energy efficiency as its key reduction strategy to meet the Paris commitments.[8]

In 2014, the building sector accounted for 17% of Singapore's GHG emission.[9] As part of its efforts to promote green buildings, Singapore's Building and Construction Authority (BCA) introduced the Green Mark Scheme a green building rating system in 2005. Currently, green buildings under BCA Green Mark certification scheme comprise a gross floor area equivalent of 29% of Singapore's total built-up area, and BCA sets out a national target of achieving at least 80% of buildings to be certified by 2030.[10]

Regarding emission reductions in energy generation, while limited renewable energy options are available due to Singapore's geographical constraints, Singapore's high average solar irradiation of about 1,580 kWh/m2/year makes solar photovoltaic (PV) a potential renewable energy option for Singapore. Although Singapore's limited land availability for large scale deployment of solar panels poses a challenge, the solar PV installations in the country has seen a significant growth from 2MWp in 2009 to 60MWp in 2015. Singapore targets to raise the adoption of solar power to 1GWp by 2030.[11]

[6] "Singapore's Intended Nationally Determined Contribution (INDC) ", at: https://www4.unfccc.int/sites/submissions/INDC/Published%20Documents/Singapore/1/Singapore%20INDC.pdf.
[7] Energy Market Authority, "Singapore Energy Statistics 2018", at: https://www.ema.gov.sg/cmsmedia/Publications_and_Statistics/Publications/SES18/Publication_Singapore_Energy_Statistics_2018.pdf.
[8] Ministry of the Environment and Water Resources, "Singapore's Climate Action Plan", at: https://sustainabledevelopment.un.org/content/documents/1545Climate_Action_Plan_Publication_Part_1.pdf.
[9] Ministry of the Environment and Water Resources, "Singapore's Climate Action Plan", at: https://sustainabledevelopment.un.org/content/documents/1545Climate_Action_Plan_Publication_Part_1.pdf.
[10] Building and Construction Authority, "Realizing Singapore's Green Building Dream", at: https://www.bca.gov.sg/GreenMark/others/BCA_Green_Mark_10th_Anniversary_Commemorative_Book.pdf.
[11] Energy Market Authority, "Solar Photovoltaic Systems", at: https://www.ema.gov.sg/Solar_Photovoltaic_Systems.aspx.

Given this context, Sustainalytics positively views that the planned investment for the development and re-development of green buildings, and the adoption of energy efficient measures in the buildings will play an essential role to achieving Singapore's climate targets and the government's green building goals. Additionally, the deployment of solar energy will support the achievement of the country's 2030 climate commitments and is in line with the government's targets.

Importance of sustainable water and wastewater management in Singapore

Due to its geography, Singapore faces challenges in adequately meeting its water needs. In 2015, the World Resource Institute ranked Singapore as one of the four most water-stressed countries in the world for 2010, and projected the country to be one of the worlds eight most water-stress countries by 2040.[12] In relation with population and economic growth, the current water consumption approximately 430 million gallons per day, is estimated to double by 2060, with the non-domestic sector accounting for about 70%.[13] To meet this demand, Singapore's Public Utility Board (PUB) promotes the Four National Taps programmme with focus on utilizing and maximizing the efficiency of (i)water from local catchment, (ii)imported water, (iii)reclaimed water (NEWater), and (iiii)desalinated water. NEWater currently supplies 40% of the local demand for water, and it is the policy of the PUB to increase this amount to 55% by 2060. [14]

Given this context, Sustainalytics views that the Soilbuild's sustainable water and wastewater management category align with Singapore's water management strategy and contribute to minimize the difficulty of water supply the country faces through Eligible Green Projects, including installation of water conservation and recycling measures.

Importance of sustainable waste and water management projects in Singapore

In Singapore, total waste generated rose from 4.73 million tonnes to 7.70 million tonnes between 2003 and 2018, in tandem with economic and population growth.[15][16] In 2017, the overall recycling rate was 61%, with 76% for non-domestic recycling rate and 21% for domestic recycling rate. 36% of the total waste were incinerated at waste-to-energy (WTE) plants, and 3% were landfilled in the same year.[17] The country has run out of landfill sites on the mainland, and Semakau Landfill an offshore landfill that serves as Singapore's sole landfill is projected to reach its capacity in 2035.[18] Therefore, Singapore faces a need to minimize its waste generation and further develop recycling and waste management systems in the country. Within the Sustainable Singapore Blueprint 2015, the government introduced its plan to become a Zero-Waste Nation by adopting a circular economy approach to sustainable waste and resource management, and set out a target for 2030 to achieve 70% for the overall recycling rate.[19] Furthermore, the government has declared 2019 as "Year Towards Zero Waste" and announced to publish master plans outlining key policies and strategies within the year.[20]

Considering the above, Sustainalytics is of the opinion that Soilbuild's sustainable waste management initiatives and projects will positively contribute to Singapore's recycling targets and visions towards a transition to a circular economy.

[12] World Resource Institute, Technical Note: http://wriorg.s3.amazonaws.com/s3fs-public/aqueduct-water-stress-country-rankings-technical-note.pdf.
[13] Singapore's Public Utilities Board, Singapore Water Story: https://www.pub.gov.sg/watersupply/singaporewaterstory.
[14] Singapore's Public Utilities Board, Four National Taps: https://www.pub.gov.sg/watersupply/fournationaltaps.
[15] Data.gov.sg, "Solid Waste Management - Total Waste Generated", at: https://data.gov.sg/dataset/solid-waste-management-total-waste-generated.
[16] National Environment Agency, "Waste Statistics and Overall Recycling", at: https://www.nea.gov.sg/our-services/waste-management/waste-statistics-and-overall-recycling.
[17] Ministry of the Environment and Water Resources, "Key Environmental Statistics 2018", at: https://www.mewr.gov.sg/docs/default-source/default-document-library/grab-our-research/kes-2018.pdf.
[18] Ministry of the Environment and Water Resources, Ministry of National Development, "Sustainable Singapore Blueprint", at: https://www.clc.gov.sg/docs/default-source/books/ssbcombined-cover-text.pdf.
[19] Ministry of the Environment and Water Resources, Ministry of National Development, "Sustainable Singapore Blueprint", at: https://www.clc.gov.sg/docs/default-source/books/ssbcombined-cover-text.pdf.
[20] Ministry of the Environment and Water Resources, "Zero Waste Nation", at: https://www.towardszerowaste.sg/zero-waste-nation/.

Importance of clean transportation in Singapore

The transport sector accounted for 16% of total GHG emissions in Singapore in 2014.[21] According to statistics provided by the Ministry of Transport, private cars contributed the largest share of land transport carbon emissions at 35%, followed by commercial vehicles, taxis, buses, Mass Rapid Transit (MRT)/Light Rail Transit (LRT) and motorcycles in 2005.[22] To reduce GHG emissions as well as air pollution in the transport sector, the government encourages the use of public transportation and promotes active mobility (cycling and walking) to cover short commutes and complement public transport as one of its key strategies. The government sets out a target to achieve 75% of all peak-period journeys to be undertaken on public transport by 2030, which was 63% in 2012. To facilitate active mobility, the government aims to expand cycling paths network to 700km by 2030, and to 1,000km by 2040. [23] As another pillar of the government's mitigation strategy for transportation, the government has introduced several initiatives on low-emission vehicles includingVehicle Emissions Scheme that encourages consumers to choose vehicles with lower emissions by granting rebates or imposing surcharges based on vehicle's emissions.[24].

Soilbuild Group intends to use proceeds to fund projects related to improve accessibility to clean transportation, which includes bicycles, electric vehicles, and green scooters. Considering the above, Sustainalytics is of opinion that Soilbuild's clean transportation use of proceeds category is in line with the government`s targets and will deliver positive environmental impact by contributing to the reduction of GHG emissions in the Singapore transport sector.

Importance to enhance Singapore's resilience to climate change

As a small, low-lying, densely populated island city-state, the Singapore government recognizes the country's vulnerability towards effects of climate change and has developed a Resilience Framework to formulate plans and implement measures to minimize the adverse effects.[25] The Second National Climate Change Study (Phase 1) released in 2015, analyzed Singapore's climate up to the year 2100, and projected the mean temperatures to rise by 1.4 to 4.6°C, intensity and frequency of heavy rainfall events to increase, sea levels by up to about 1m, and the potential increase in wind speeds during northeast monsoon season.[26] The Climate Action Plan outlines potential risks owing to climate change which includes, increased flooding due to intense rainfall and rising sea levels, higher temperatures affecting human health, and safety and reliability of buildings and infrastructure to be impacted by higher temperatures and strong winds. Currently the Building and Construction Authority (BCA) and the Housing & Development Board (HDB) are conducting additional studies to further analyze the potential effects of climate change on buildings, to provide recommendations for adaptation measures to enhance the resilience of the country's buildings.[27]

Soilbuild plans to finance projects that will reinforce building resilience to extreme weather events, such as installations and upgrade of flood protection systems, and additional insulation. Sustainalytics is of the opinion that Soilbuild's proposed climate change adaptation projects will contribute to mitigate the adverse effects of climate change.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. This green bond advances the following SDG goals and targets:

[21] "Singapore's Climate Action Plan-Take Action Today for a Carbon-Efficient SIngapore", at: https://sustainabledevelopment.un.org/content/documents/1545Climate_Action_Plan_Publication_Part_1.pdf.
[22] National Climate Change Secretariat, "Reducing Emissions (Transport)", at: https://www.nccs.gov.sg/climate-change-and-singapore/reducing-emissions/transport.
[23] Land Transport Authority, "Land Transport Master Plan 2040", at: https://www.lta.gov.sg/content/dam/ltaweb/corp/AboutUs/files/LTMP2040_May2019/LTA%20LTMP%202040%20eReport%20FA%20hires.pdf.
[24] Land Transport Authority, "Vehicle Emission Schemes", at: https://www.onemotoring.com.sg/content/onemotoring/home/buying/upfront-vehicle-costs/emissions-charges.html.
[25] "Climate Action Plan-A Climate-Resilient Singapore For a Sustainable Future", at: https://www.nccs.gov.sg/docs/default-source/publications/a-climate-resilient-singapore-for-a-sustainable-future.pdf.
[26] Meteorological Service Singapore, "2015: Singapore's Second National Climate Change Study – Phase 1", at: http://ccrs.weather.gov.sg/Publications-Second-National-Climate-Change-Study-Science-Reports.
[27] "Climate Action Plan-A Climate-Resilient Singapore For a Sustainable Future", at: https://www.nccs.gov.sg/docs/default-source/publications/a-climate-resilient-singapore-for-a-sustainable-future.pdf.

Use of Proceeds Category	SDG	SDG target
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 acting in accordance with their respective capabilities.
Energy Efficiency	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency.
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.
Renewable Energy	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	12. Responsible Consumption and Production	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.
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.
Climate Change Adaptation	13. Climate Action	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.

Conclusion

Soilbuild Group has developed the Soilbuild Group Holdings Limited Green Finance Framework under which it intends to make Green Financing Transactions (GFT) which will include green bonds and loans. The proceeds will be used to refinance or finance, in whole or in part, existing or future Eligible Green Projects (Green Buildings, Renewable Energy, Energy Efficiency, Pollution Prevention and Control, Sustainable Water and Wastewater Management, Clean Transportation, and Climate Change Adaptation). Sustainalytics views that the eligible projects described by the framework will contribute to Soilbuild's sustainability commitments as well as the advancement of the SDGs, specifically 6, 7, 9, 11, 12 and 13, while delivering positive environmental benefits.

Additionally, Soilbuild Group's framework displays market practices in (i) process for project evaluation and selection which is proceeded by a dedicated working group, (ii) managing the allocated and unallocated proceeds by using an internal register, and (iii) committing to annual allocation and impact reporting.

Based on the above, Sustainalytics is of opinion that Soilbuild Group Holdings Limited Green Finance Framework is credible, transparent, and aligned with the Green Bond Principles 2018 and the Green Loan Principles 2018.

Appendices

Appendix 1: Singapore BCA Green Mark Certification Scheme

	Singapore BCA Green Mark[28]
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.
Certification levels	Certified Gold Gold^{Plus} Platinum
Areas of Assessment	• Climate Responsive Design • Building Energy Performance • Resource Stewardship • Smart and Healthy Buildings • Advanced Green Efforts
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, building's level of certification is determined. Assessment of compliance with Green Mark criteria is done by the Singapore Building and Construction Authority (BCA).
Performance display	

[28] Building & Construction Authority, "About BCA Green Mark Scheme", at: https://www.bca.gov.sg/greenmark/green_mark_buildings.html.

Appendix 2: Green Bond / Green Bond Programme - External Review Form
Section 1. Basic Information

Issuer name:	Soilbuild Group Holdings Ltd
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: ***[specify as appropriate]***	Soilbuild Group Holdings Limited Green Finance Framework
Review provider's name:	Sustainalytics
Completion date of this form:	19 July 2019
Publication date of review publication: ***[where appropriate, specify if it is an update and add reference to earlier relevant review]***	

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 GBPs:

☒	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, (i) Green Buildings, (ii) Renewable Energy, (iii) Energy Efficiency, (iv) Pollution Prevention and Control, (v) Sustainable Water and Wastewater Management, (vi) Clean Transportation, and (vii) Climate Change Adaptation are aligned with those recognized by the Green Bond Principles and Green Loan Principles. Sustainalytics considers that projects in these categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals (SDGs), specifically 6, 7, 9, 11, 12 and 13.

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:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

Soilbuild will form a working group to review and select eligible projects, consisting of representatives from Soilbuild's project management team, finance department, and sales and marketing department. The final approval will be made by the Board of Soilbuild. Sustainalytics considers this to be in line with market practice.

Evaluation and selection

☒ Credentials on the issuer's environmental sustainability objectives

☒ Defined and transparent criteria for projects eligible for Green Bond proceeds

☐ Summary criteria for project evaluation and selection publicly available

☒ Documented process to determine that projects fit within defined categories

☐ Documented process to identify and manage potential ESG risks associated with the project

☐ Other *(please specify):*

Information on Responsibilities and Accountability

☒ Evaluation / Selection criteria subject to external advice or verification

☐ Other (please specify):

☒ In-house assessment

3. MANAGEMENT OF PROCEEDS

Overall comment on section *(if applicable)*:

Soilbuild will use an internal register to keep track of the net proceeds from green bonds and green loans, while ensuring that a green project is not double counted towards multiple transactions. Pending full allocation, any unallocated proceeds will be held in Soilbuild's general account and invested according to the treasury department's general liquidity guidelines for short term investments. This is aligned with current market practices.

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

☐ Allocation to individual disbursements

☐ Disclosure of portfolio balance of unallocated proceeds

☒ Allocations to both existing and future investments

☐ Allocation to a portfolio of disbursements

☐ Other *(please specify)*:

4. REPORTING

Overall comment on section (if applicable):

Soilbuild commits to report on allocation of proceeds and impact metrics a on its website on an annual basis. The allocation reporting is aligned with market practice as the reporting will include a list of Eligible Green Projects with the allocated amounts, as well as the balance of unallocated proceeds. Impact reporting will include qualitative and quantitative performance indicators such as building certification achieved (system and level) and energy consumption reduction (kWh), where feasible. Sustainalytics encourages Soilbuild to provide additional disclosure on relevant KPIs for pollution prevention and control, water management, clean transportation, as well as climate change adaptation projects.

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): List of funded Eligible Green Projects, remaining balance of unallocated proceeds*

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):

Frequency:

☒ Annual
☐ Semi-annual
☐ Other (please specify):

Information reported (expected or ex-post):

☐ GHG Emissions / Savings
☒ Energy Savings
☐ Decrease in water use
☒ Other ESG indicators (please specify): Building certification achieved (name of scheme and level);

Means of Disclosure

☐ Information published in financial report
☐ Information published in sustainability report
☐ Information published in ad hoc documents
☒ Other (please specify): corporate website
☐ 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):*

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

Sustainalytics

Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that supports investors around the world with the development and implementation of responsible investment strategies. With 13 offices globally, the firm partners with institutional investors who integrate ESG information and assessments into their investment processes. Spanning 30 countries, the world's leading issuers, from multinational corporations to financial institutions to governments, turn to Sustainalytics for second-party opinions on green and sustainable bond frameworks. Sustainalytics has been certified by the Climate Bonds Standard Board as a verifier organization, and supports various stakeholders in the development and verification of their frameworks. In 2015, Global Capital awarded Sustainalytics "Best SRI or Green Bond Research or Ratings Firm" and in 2018 and 2019, named Sustainalytics the "Most Impressive Second Party Opinion Provider. The firm was recognized as the "Largest External Reviewer" by the Climate Bonds Initiative as well as Environmental Finance in 2018, and in 2019 was named the "Largest Approved Verifier for Certified Climate Bonds" by the Climate Bonds Initiative. In addition, Sustainalytics received a Special Mention Sustainable Finance Award in 2018 from The Research Institute for Environmental Finance Japan and the Minister of the Environment Award in the Japan Green Contributor category of the Japan Green Bond Awards in 2019.

For more information, visit www.sustainalytics.com

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