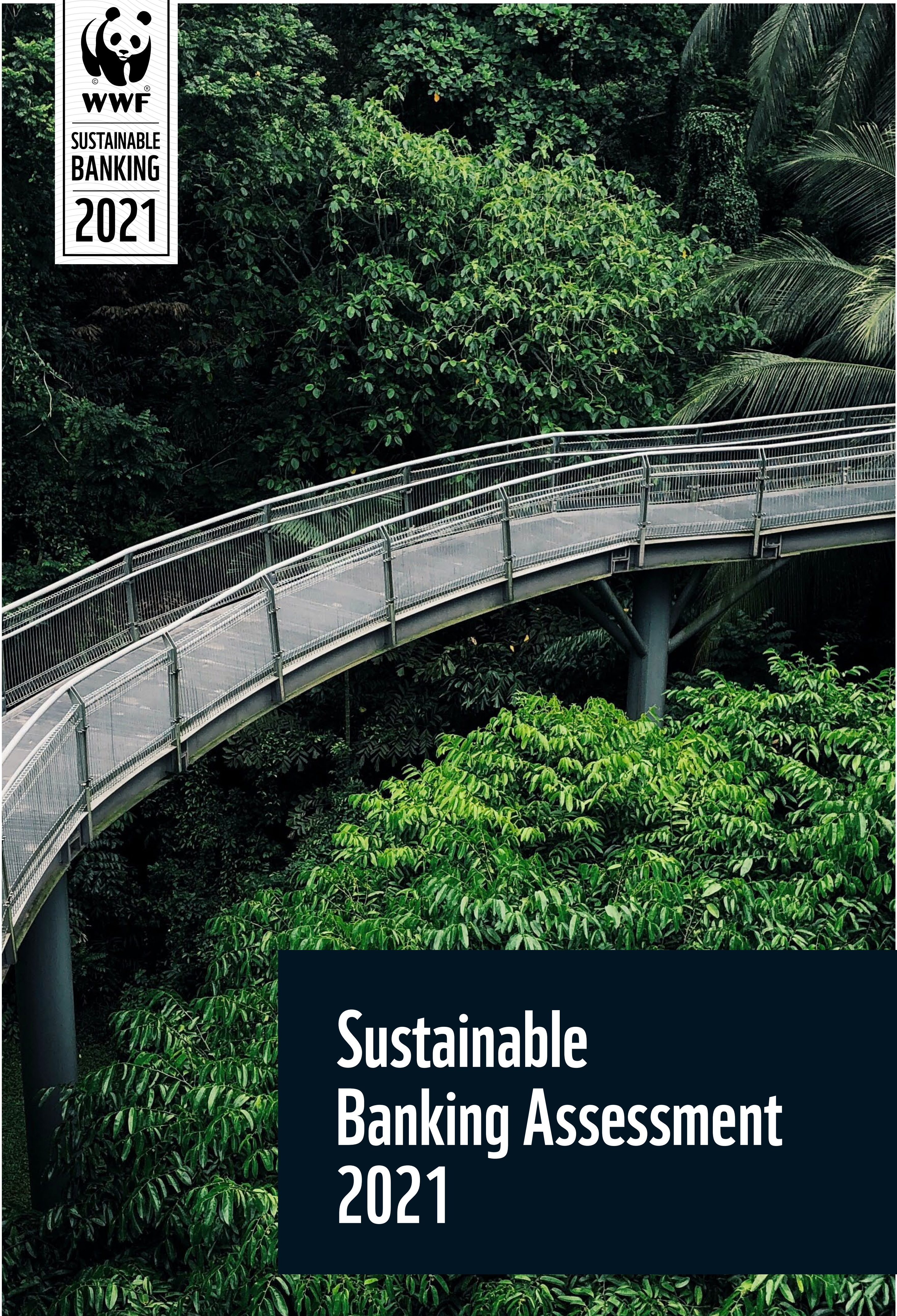
WWF

SUSTAINABLE BANKING 2021



Sustainable Banking Assessment 2021

ACKNOWLEDGMENTS

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About WWF – Singapore

World Wide Fund for Nature (WWF) is one of the world's largest and most respected independent conservation organisations. WWF's mission is to stop the degradation of the earth's natural environment and to build a future in which humans live in harmony with nature.

As one of WWF's international hubs, WWF-Singapore supports a global network spanning over 100 countries. WWF-Singapore works closely with local stakeholders towards a greener and more sustainable Singapore and the region around us. We work to address key conservation areas, such as deforestation, illegal wildlife trade, oceans, food security, sustainable finance and sustainable consumption through education and outreach efforts with individuals, businesses and governments. For more information, please visit wwf.sg.

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INTRODUCTION

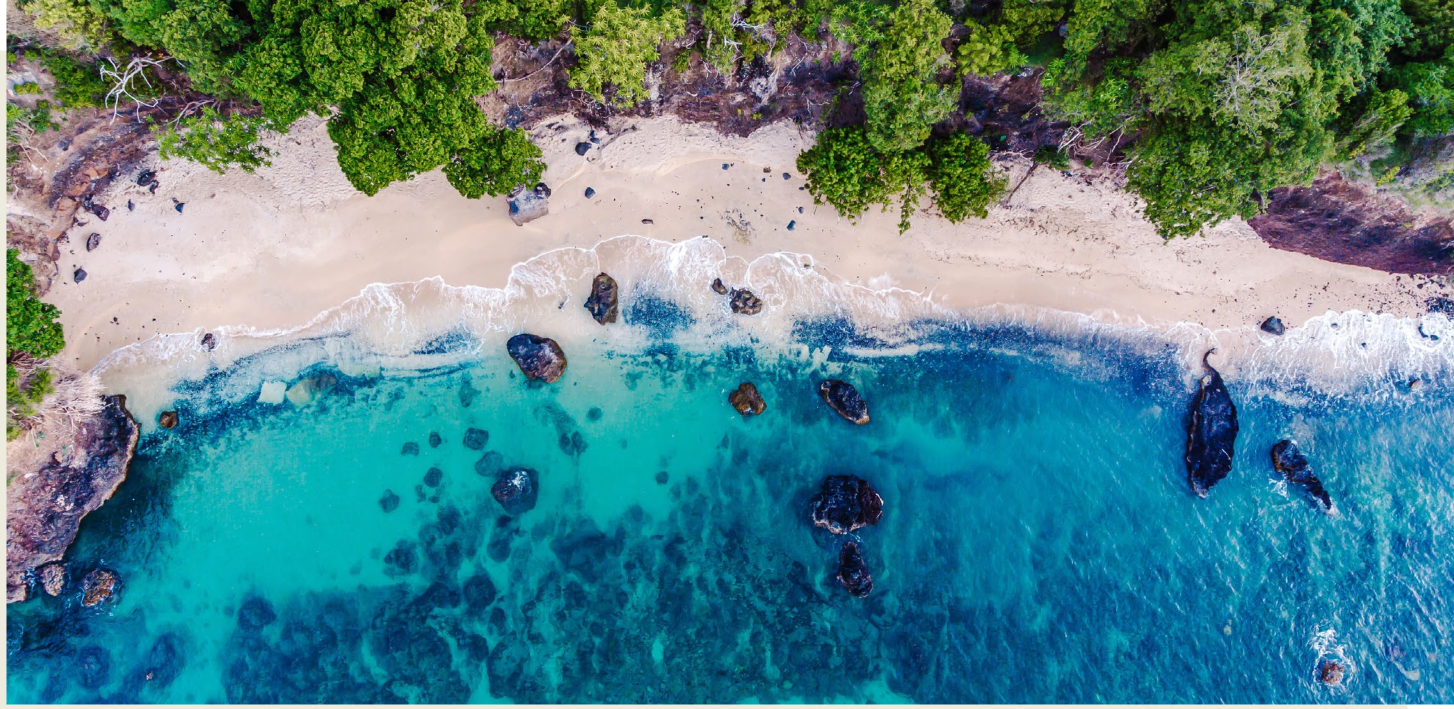
2021 was a crucial year for climate action. Yet, we witnessed a bounce back in fossil fuel emissions, record high greenhouse gas concentrations and severe human-enhanced weather events that have affected billions of people[1].

The latest findings from the Intergovernmental Panel on Climate Change (IPCC) 6th report sends a clear message: time is running out. At current emission rates, the world's carbon budget will be used up by 2034. If all stakeholders including governments, corporations and individuals fail to take immediate, rapid and large-scale efforts to curb emissions, warming will exceed 1.5°C and trigger catastrophic climate impacts. These include more frequent weather events, such as tropical cyclones, droughts and wildfires. Ecosystem tipping points may also be triggered, including the loss of Arctic sea ice and forest dieback.

By 2050, such impacts are expected to deplete world GDP of 18% if no mitigating actions are taken[2]. Asian economies are the most exposed, with a 5.5% reduction of GDP in the best-case scenario (below 2°C), and 26.5% in the worst scenario (3.2°C increase)[2]. Not only are Asian economies the hardest hit, they are the most vulnerable to physical risks due to the lack of resources to mitigate and adapt to the effects of climate change.

Governments and the corporations play a critical role in accelerating the transition pathway. Nations must urgently redouble their climate efforts through setting clear carbon reduction targets with immediate and tangible pathways. At the 2021 United Nations Climate Change Conference (COP26) countries committed to end deforestation by 2030[3], a 30% reduction of methane emissions by 2030, and the mobilisation of US$100 billion in climate finance annually to support decarbonisation of developing countries. Action needs to follow these commitments.

Alongside governments, the financial sector shares a responsibility to accelerate sustainable outcomes by amplifying the effectiveness of national climate policies with private sector finance. Specifically, banks have to align their investment and lending activities to net-zero, and ensure their financial systems are able to withstand the impacts of climate change and support the transition to net-zero. Banks also need to incorporate nature-related goals including no deforestation and protection of key ecosystems. In line with these actionable targets, we see the following trends in the financial sector:



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Growth of voluntary carbon markets

The number of companies committing to net-zero by 2050 is growing; at least one fifth of the world's 2,000 largest public companies, representing sales of nearly US$14 trillion, have committed to meet net-zero targets. However, most corporations find it hard to fast-track removal of their emissions or even completely eliminate them. To combat this challenge, companies are purchasing carbon credits to offset any residual emissions. While carbon credits have been used for decades, the voluntary market for carbon credits has grown significantly in recent years; with a total of 95 million tons CO2-equivalent credits purchased in 2020, more than twice as much as in 2017. The Taskforce on Scaling Voluntary Carbon Markets (TSVCM) estimates that demand for carbon credits could increase more than 15 times by 2030, and up to 100 times by 2050[4].

Aside from fulfilling net-zero commitments, carbon credits can also direct private financing to climate-related projects which would otherwise have insufficient funding to launch. These projects can provide additional benefits[5] such as biodiversity protection, pollution prevention, public health improvements and creation of jobs. However, there is a considerable risk of double accounting if transfers of credits have not been authorised by host countries. Furthermore, credits from nature-based solutions have a risk of being non-permanent. To prevent these risks, a new approach is emerging, the contribution model, through which companies can invest in climate-related projects.

In Singapore, an industry-led coalition between Temasek, Singapore Stock Exchange (SGX), DBS and Standard Chartered Bank established the Climate Impact X (CIX). The platform, which was launched in May 2021, aims to serve as a global marketplace for carbon credits. CIX will focus on credits generated through nature-based solutions such as the protection and restoration of mangroves and wetlands. Exchanges such as CIX may contribute to facilitate better price discovery for high quality carbon credits as well as provide tools for transparency and verification of the underlying assets. This should help the nature based carbon market grow and scale in an impactful manner[6].

Nature positive instruments are garnering attention

Building on the momentum for climate action, increasing attention has been directed to the impact of environmental and biodiversity loss on businesses and economies. Our societies depend on nature and the services it provides such as food pollination or climate regulation. However, land use change for agricultural and other purposes is one of the principal drivers of climate change, by depleting carbon stocks. The destruction of mangroves, peatlands and tropical forests for agriculture and other uses contributes to 13% of total human CO_2 emissions and will continue to worsen the effects of climate change[7]. Also, the loss of biodiversity substantially reduces the capacity of ecosystems to sequester carbon. Marine and terrestrial ecosystems are still the sole sinks for anthropogenic carbon emissions, with a gross sequestration of 5.6 GT of carbon per year – the equivalent of 60% of global anthropogenic emissions[8]. In addition to climate change, biodiversity loss has a much wider impact on nature related services we rely on, including the provision of food and fibre, air quality and regulation of water supply. Hence, it is difficult to predict the immense consequences of biodiversity loss.

Recent World Bank research estimates Asia could lose 6.5% of real GDP, if key ecosystem services collapse. The IPCC and IPBES have warned that unless the climate and biodiversity crises are addressed together, we will achieve neither[9]. Experts have pointed out the extreme economic and financial stability risks caused by the continued degradation of nature[10].

In response, an unprecedented bloom is seen in financial commitments for international biodiversity conservation, from philanthropic organisations, corporates and governments. In September 2021, 78 financial institutions with US$10 trillion AUM released a statement ahead of the United Nations Biodiversity Conference (COP15) calling for governments to adopt solid policies to tackle biodiversity loss and move towards a nature-positive economy. With the backing of policy makers, financial capital can be channeled towards nature-based solutions (NBS), which harness ecosystems to address key societal challenges, support human, animal and planetary health, improve quality of life, and create jobs. NBS includes protecting high-quality natural forests and wetlands, incorporating nature into cities and restoration of coastal habitats[11].

WWF-Singapore (World Wide Fund for Nature Singapore) supports initiatives aimed at facilitating investments in NBS. For instance, as part of the Climate Solutions Partnership, WWF-Singapore is partnering with HSBC and the World Resources Institute to unlock barriers to finance for companies and projects that tackle climate change.

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Part of the project workstream includes funding more than 20 projects globally to protect and restore wetlands, mangroves and forests and to promote sustainable agriculture[12].

Despite these promising efforts, finance for NBS remains a small share of overall climate finance. Current investment in nature amounts to $133 billion[13], whereby only 14% is obtained from private funding and the rest from public capital. Based on current projections, the sector has to close a $4.1 trillion financing gap by 2050, equivalent to $536 billion per year[14].

Channeling of adaptation funding to developing countries

Though much of the world is focused on measures to curb climate emissions, the need to adapt to impacts of climate change are equally important, especially in Asia. This is reflected in the increasing incidence and severity of floods, droughts, storms and heat waves that affect the lives of billions. The continuous rise in climate impacts means that costs of adaptation and residual damages will invariably continue to multiply. As such, developing countries who lack the financial capacity to develop adaptation measures will be the most affected by climate change. According to the 2021 United Nations Environment Programme (UNEP) Adaptation Gap Report, projected annual adaptation costs in developing countries amount to $140-300 billion by 2030 and $280-500 billion by 2050[15]. Consequently, there is an urgent need to scale up adaptation finance through private-sector adaptation funding and public-private partnerships in the form of blended finance.

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Recently, in partnership with the Global Environmental Facility, South Pole and the luxury brand Chanel, WWF-Singapore launched the Landscape Resilience Fund. The Fund utilises a blend of public, philanthropic and private funding and aims to mobilise $100 million by 2025 for climate adaptation projects that support sustainable agricultural and forestry supply chains and protection of smallholder farms in developing countries[16].

Increasing net-zero commitments from banks

The Glasgow Financial Alliance for Net Zero (GFANZ) was launched in April 2021 by the UN Special Envoy for Climate Action and Finance and the COP26 Presidency, in partnership with the UN-backed Race to Zero campaign. The initiative provides a forum for leading financial institutions to accelerate the transition to a net-zero global economy and brings together existing net-zero finance initiatives in one sector-wide coalition.

The Net-zero Banking Alliance (NZBA) is the banking element of GFANZ, and is convened by the UN Environment Programme Finance Initiative. The NZBA brings together banks worldwide representing about 40% of global banking assets, which are committed to aligning their lending and investment portfolios with net-zero emissions by 2050[17]. This commitment sees signatory banks setting intermediate targets for 2030 or sooner, using robust, science-based guidelines. The number of NZBA signatory banks has increased considerably, from 43 banks at launch in April 2021 to over 100 by the end of the year[18].

In October 2021, the Science Based Targets initiative (SBTi) - a partner of WWF-Singapore launched the Net-Zero Corporate Standard, the world's first science-based certification of companies' net-zero targets in line with the Paris Agreement's 1.5°C goal. The standard was developed through a balanced, transparent, and inclusive stakeholder process and aims to provide a common, robust, and science-based understanding of net-zero. It gives business leaders clarity and confidence that their near- and long-term targets are aligned with climate science[19]. In addition to providing assessments and validations of targets, the SBTi also provides technical assistance on science based targets and best practices for emissions reductions in line with climate science.

Regulators stepping up in Asia

Governments and regulators across Asia are accelerating the market infrastructure for green and sustainable finance. China and Hong Kong, both early adopters of green finance, are expanding their influence within the global central bank body, the Network for Greening the Financial System, and the G20's sustainable finance study group. South Korea, Taiwan and India are devising roadmaps towards the mandatory reporting of sustainability-related information[20].

ASEAN countries are collaborating on a regional green taxonomy, which aims to take international goals into account while factoring in the region's specific circumstances.

Aside, ASEAN countries are also rolling out country-specific initiatives. For instance, Singapore is taking action to combat greenwashing in the green finance sector through three key measures: 1) Developing a taxonomy for Singapore-based financial institutions, 2) Using technology to enable companies, financial institutions and investors to measure progress towards sustainability goals, as well as the environmental impact of operations and 3) Implementing mandatory climate-related financial disclosures by financial institutions and listed companies starting in 2023[21].

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SUMMARY RESULTS

In this fifth assessment, the Sustainable Banking Assessment (SUSBA) covers the Environmental and Social (E&S) integration performance of 36 ASEAN banks and 10 major Japanese and Korean banks. The banks were selected based on market share within their respective home markets, international footprint within Asia, as well as disclosures of sustainability linked indicators.

The SUSBA framework was developed to provide a decision-useful assessment framework that incorporates environmental and social issues most relevant to the Asian region. WWF-Singapore developed this framework with reference to specific E&S issues most relevant to Asia as well as existing international frameworks, standards and initiatives, including Global Reporting Initiative (GRI) Sustainability Reporting Guidelines, UNEPFI Principles for Responsible Banking (PRB), Task Force on Climate-related Financial Disclosures (TCFD) recommendations, and Sustainability Accounting Standards Board (SASB). The SUSBA assessments can be used by shareholders, potential investors, regulators and civil society representatives to track banks' progress and performance on Environmental, Social and Governance (ESG) integration by analysing the evolution of results year-on-year.

The assessment framework comprises six pillars and 11 indicators that signify what WWF-Singapore considers to be robust ESG integration. The assessment is performed against 75 sub-indicators, with "yes/partial/no" answers. The assessment takes into account only publicly available, English-language disclosures in the form of fiscal year 2021 annual reports, sustainability reports and information posted on corporate websites such as company policies, statements and press releases.

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Summary results:
Indicator average in 2021 and change vs. 2020

PURPOSE
1 Sustainability strategy
2 Stakeholder engagement & participation in sustainable finance initiatives

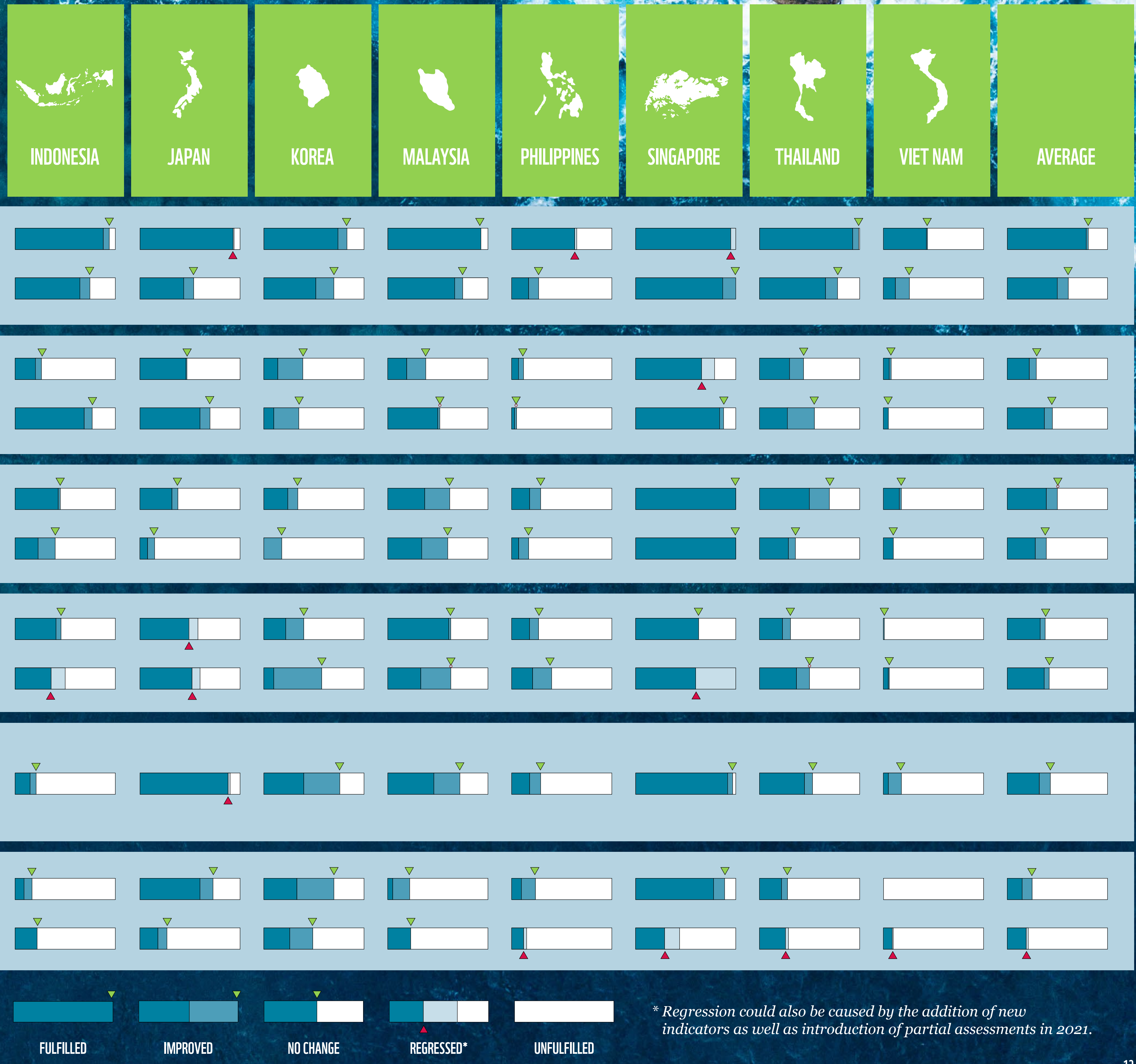
POLICIES
3 Public statements on specific E&S issues
4 Public statements on specific sectors

PROCESSES
5 Assessing E&S risks in client & transaction approvals
6 Client Monitoring and Engagement

PEOPLE
7 Responsibilities for E&S
8 Staff E&S training and performance evaluation

PRODUCTS
9 E&S integration in products and services

PORTFOLIO
10 E&S risk assessment and mitigation at portfolio level
11 Disclosure of E&S risk exposure and targets



Regression could also be caused by the addition of new indicators as well as introduction of partial assessments in 2021.

KEY FINDINGS AND TRENDS

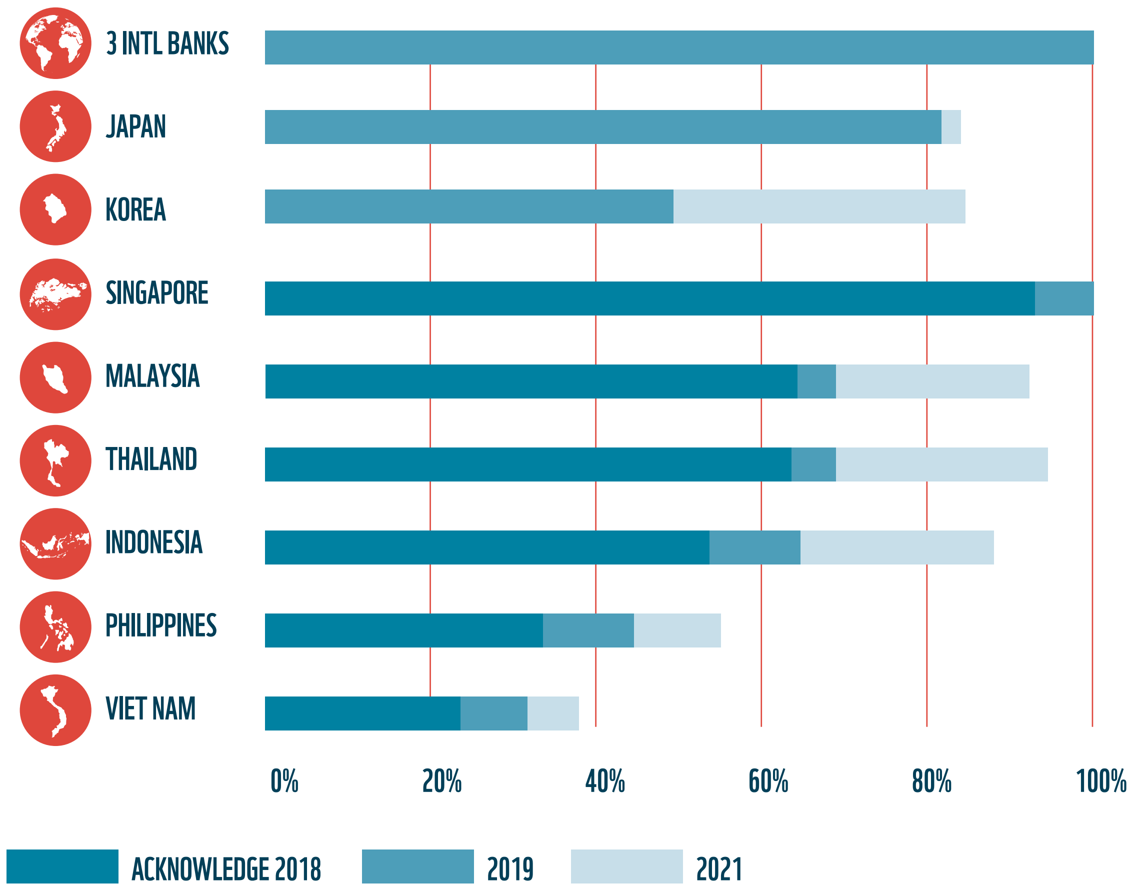
Looking at the SUSBA indicator trends over the past four years, it shows that banks have made significant progress in incorporating sustainability related issues into their financing decisions. This progress is typically a journey of four phases that first begins with acknowledging the importance of sustainability followed by increased levels of sophistication in target setting, policies, and processes as banks work towards achieving a sustainable future.

To get a sense of where banks are along their sustainability journeys, WWF-Singapore has categorised the 75 SUSBA indicators into four typical phases that banks go through[22]. For each phase, the average indicator scores are evaluated for that phase by bank and country to assess progress made[23]. The Asian banks are benchmarked against three international banks that are more advanced in their sustainable practices as an external reference.

Phase 1. Acknowledge (15 indicators):

At the beginning, banks acknowledge the importance of sustainability and incorporate these issues into their strategies. The UN SDGs are often referenced, although the initial focus tends to be on climate change and basic human rights. By issuing a strategy statement, senior management typically takes responsibility for developing and implementing their ESG strategy.

FIGURE 1: BANK PROGRESS IN ACKNOWLEDGING SUSTAINABILITY FROM 2018-2021



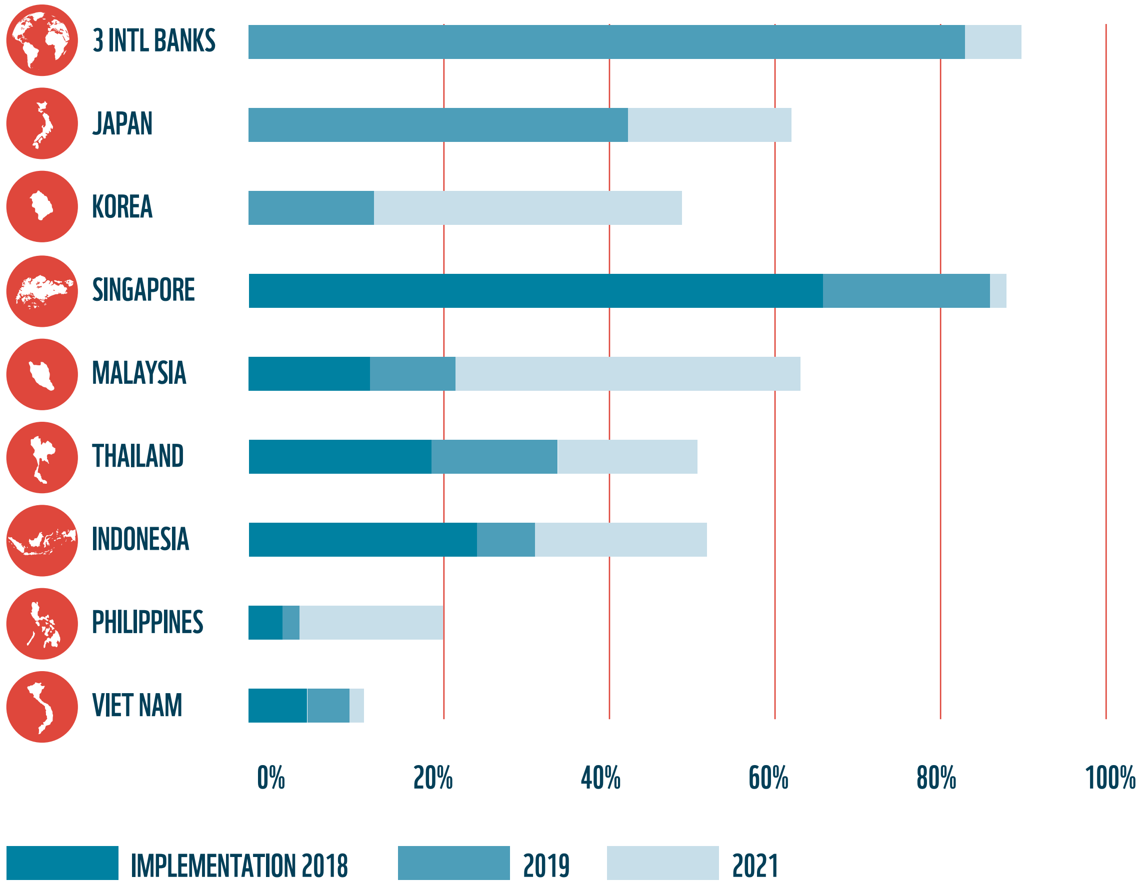
Progress in the Acknowledge Phase: Most banks across Asia have acknowledged the importance of Environmental and Social issues and integrated them into their respective bank strategies. This is evidenced by banks in all countries scoring above 85% for this stage (Figure 1), with the exception of Philippines and Viet Nam based banks. Singapore and Japan based banks had already acknowledged the key areas of sustainability in 2018. Over the past four years, banks in Malaysia, Japan, Korea, Thailand and Indonesia have caught up.

Viet Nam and Philippines based banks still have room for improvement, particularly in areas related to engaging with regulators, civil society and Non-Governmental Organizations (NGOs) on E&S related issues. These banks also need to recognise human rights and labor rights violations as risks across all sectors.

Phase 2, Implementation (26 indicators):

After acknowledging the importance of sustainability and incorporating it into their strategies, banks begin to implement their strategies across the organisation. This is a rigourous process for banks that involves developing detailed policies and processes. In addition, implementation requires dedicated ESG focused teams as well as training for all staff on E&S policies and processes. Policies in this stage typically focus on exclusions such as the financing for coal fired power plants or projects linked to deforestation. To increase positive impact, banks also launch sustainability linked products during this phase. Lastly, there is a wider acknowledgement of nature related sustainability issues in addition to climate change issues.

FIGURE 2: BANK PROGRESS IN IMPLEMENTATION PHASE FROM 2018-2021



Progress in the Implementation Phase: For this phase, a wide dispersion of progress is observed across banks. Singapore based banks have made the most progress on implementing their sustainability strategies with an average score of 88% in 2021 (Figure 2) and are getting close to the scores of the three international banks. Banks based in Japan, Korea, Thailand, Malaysia, and Indonesia have also made good progress since 2019, with average country implementation scores more than doubling over that past 2-3 years, reaching the 50-65% range.

FIGURE 3: 2021 IMPLEMENTATION SCORE BY COHORT (AVERAGE OF 26 IMPLEMENTATION RELATED INDICATORS)

COHORT	ALL BANKS IN COUNTRY		BANKS SCORING 0-35%		BANKS SCORING 35-65%		BANKS SCORING >65%	
	# BANKS	AVG. SCORE	# BANKS	AVG. SCORE	# BANKS	AVG. SCORE	# BANKS	AVG. SCORE
3 INTL BANKS	3	91%	0		0		3	91%
JAPAN	5	63%	0		3	54%	2	78%
KOREA	5	51%	0		4	47%	1	67%
SINGAPORE	3	88%	0		0		3	88%
MALAYSIA	6	64%	1	23%	1	63%	4	74%
THAILAND	6	53%	1	17%	3	53%	2	69%
INDONESIA	8	53%	2	22%	3	49%	3	78%
PHILIPPINES	6	21%	5	15%	1	50%	0	
VIET NAM	5	12%	4	5%	1	37%	0	
TOTAL BANKS	47	51%	13	14%	16	50%	18	79%

The differences in scores for banks in these six countries are driven primarily by the mix of banks that are ahead or behind in their implementation journey, rather than by national policy. Implementation related scores cluster at a low of 20% for banks that have just started implementing their sustainability strategy, around 50% for banks that have implemented the basics of a sustainability strategy and are at least 70%+ for banks that have implemented sustainability bank-wide (See figure 3).

In addition to Singaporean banks, 12 additional Asian banks have made significant progress in implementing sustainability related strategies (see banks with >65% scores in Figure 3). The few implementation-related gaps left to close for these banks include a greater recognition of marine and water related risks as well as increased training for senior management on sustainability linked topics.

16 Banks in the middle cohort with scores in the ranges of 35-65% score relatively better on indicators related to developing exclusionary principles covering activities the bank will not support, developing standardised E&S risk assessment frameworks, as well as training staff on E&S policies and processes. Most banks also provide sustainability linked financial products to help the mitigation of E&S issues. The gaps for these banks are in three areas – first, a wider acknowledgement of biodiversity and nature related issues and incorporation of these issues into policies; second, development and disclosure of sector policies for environmentally and socially sensitive sectors including minimum requirements based on international standards; and lastly, establishment of better processes for assessing, incorporating, and controlling client E&S risks.

13 Banks in the early implementation cohort with implementation scores in the 0-35% range need to urgently accelerate implementing their sustainability strategies. Most of these banks are in the Philippines and Viet Nam where recent sustainable finance regulation should lead to an improvement in banks' implementation of sustainability in the coming years.

It is worth noting that 45% of Asian banks have prohibited the financing of new coal-fired power plants over the past few years. However, there is a wide variation based on geography – almost all banks in Singapore, Japan, Korea, and Malaysia have prohibited financing of coal-fired power plants whereas very few banks in Indonesia, Thailand, Philippines and Viet Nam have done so.

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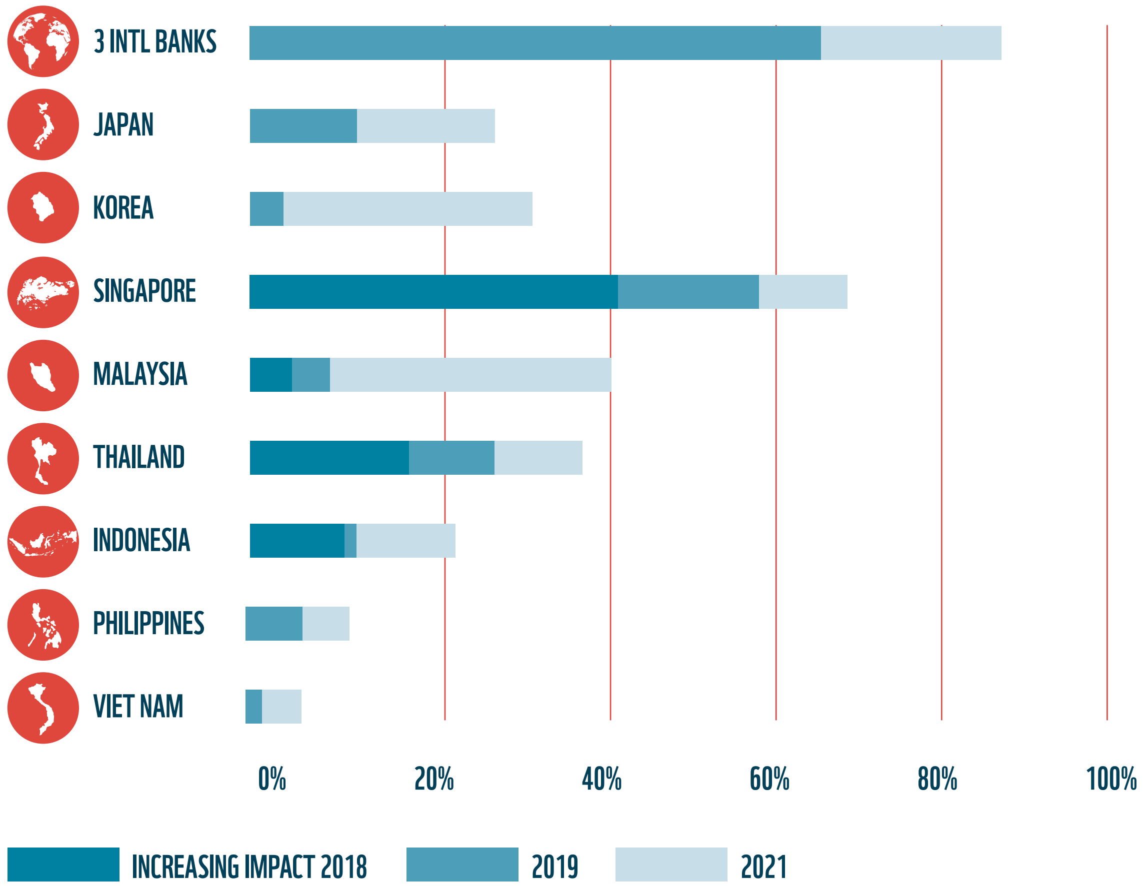
Phase 3, Increase impact (21 indicators):

Subsequent to implementing sustainability related policies and processes, banks started working closely with clients to improve E&S impact. This includes developing and monitoring client E&S action plans, escalation mechanisms for complex cases and the inclusion of E&S related clauses in loan documents. At a portfolio level, banks analyse high risk sector exposure to climate related physical and transition risks. Bank policies are often broadened to require clients to address nature related issues such as deforestation and water stewardship. Policies are also strengthened to require clients to follow international best practice as opposed to just locally applicable laws. Banks work with clients to increase positive E&S impact through client outreach activities and allocate specific pools of capital to support positive impact. This phase is challenging as banks must balance incorporating international best practices on sustainability issues with local regulations, competition, and growth dynamics.

FIGURE 4: BANK PROGRESS IN INCREASING IMPACT FROM 2018-2021



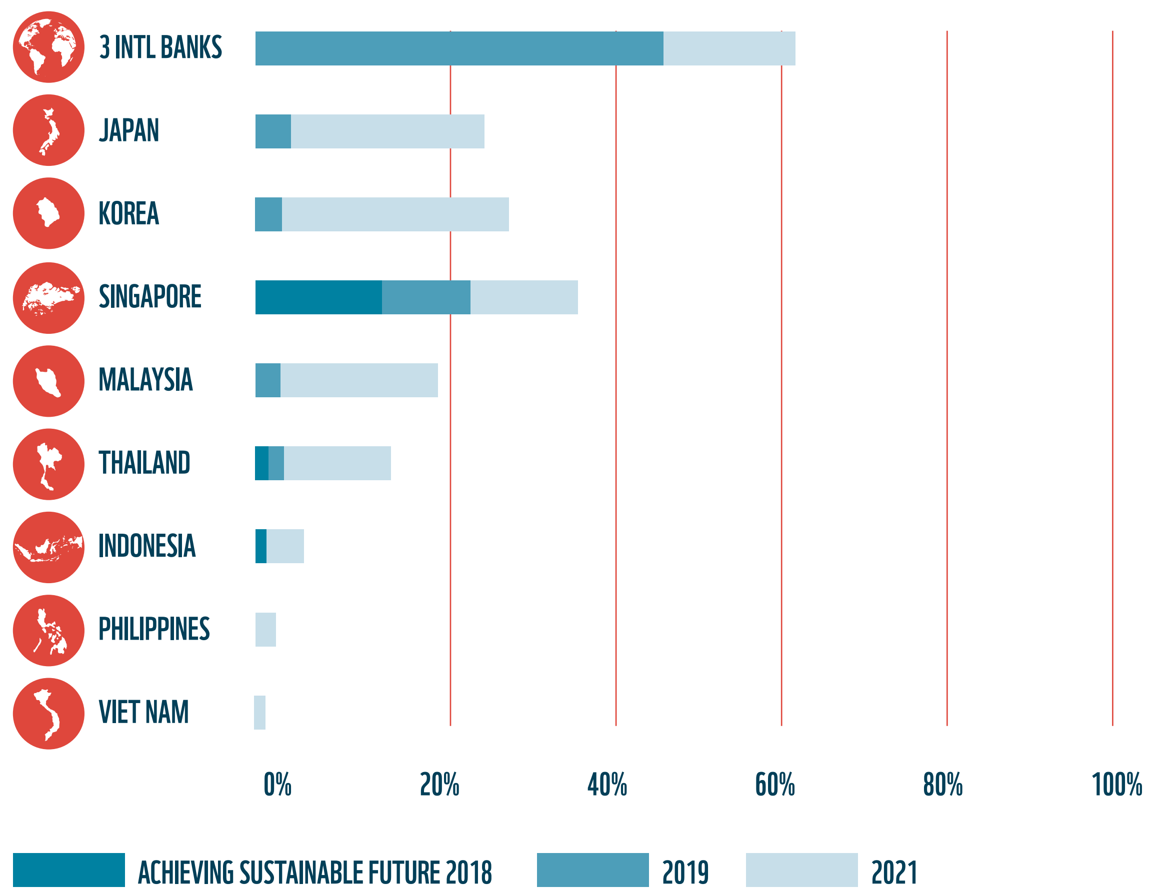
Progress in the Increasing Impact phase: With the exception of Singapore based banks and the three international banks analysed, banks in the remaining countries are early in their journey for this phase (Figure 4). Banks with stronger performance in the prior phase (Implementation score of >65% in Figure 3) scored 52% in the third phase of increasing impact vs. 16% for the remaining banks. There is considerable progress in this phase over the past three years, particularly for banks in Korea and Malaysia.

Within this stage, banks performed relatively better on helping clients to increase positive E&S impact through client outreach activities and sustainability linked financial products. Banks also implemented requirements for high E&S risk clients to develop specific action plans. The main gaps are in assessing physical and transition related risks for sector portfolios and developing plans to mitigate these risks. Disclosures on sensitive sectors such as the detailed composition of power generation portfolios and soft commodity related portfolios (which are a major contributor to deforestation in ASEAN) are still largely missing. Lastly, while requirements to adhere to international standards for human rights and labor laws have gained traction, there are relatively low requirements for clients to address water and marine related risks.

Phase 4, Achieve Sustainable Future (13 indicators):

Increasing impact is not enough to ensure that the climate and nature related commitments needed are met to achieve a sustainable future by 2050. Meeting these commitments will require banks to implement a credible plan for sustainability based on forward looking scenarios. This starts with making net-zero commitments and developing interim targets to achieve these commitments. Thereafter, banks need to set science-based targets and develop scenario analysis capabilities to shift their portfolios. Disclosures around emissions, metrics, and targets need to improve, in line with the TCFD, to demonstrate progress made by institutions. As bank leaders need to make informed decisions on sustainability issues based on increasingly complex forward-looking scenarios, their skills and incentives need to be aligned to include sustainability linked criteria.

FIGURE 5: BANK PROGRESS IN ACHIEVING A SUSTAINABLE FUTURE FROM 2018-2021



Progress in the Achieving a Sustainable Future phase: Only a few banks have made meaningful progress in the final phase of maturity (Figure 5). Although Singapore based banks are the furthest ahead in ASEAN, they are considerably behind the three international banks. The largest gaps for Asian banks are in committing to net-zero emissions in their lending portfolios by 2050, setting science-based targets for de-carbonisation, and improving disclosures in line with the TCFD recommendations.

As the path towards achieving a sustainable future becomes clearer going forward, the bar for this stage will likely increase to include nature related risks and Taskforce on Nature-related Financial Disclosures (TNFD) disclosures, as well as more detailed guidance on climate related risks. Moreover, future indicators will likely focus on measuring actual impact banks are having on improving the transition towards a more sustainable future, as opposed to the current indicators that are more focused on stated policies and processes by banks.

SECTORS ASSESSMENTS

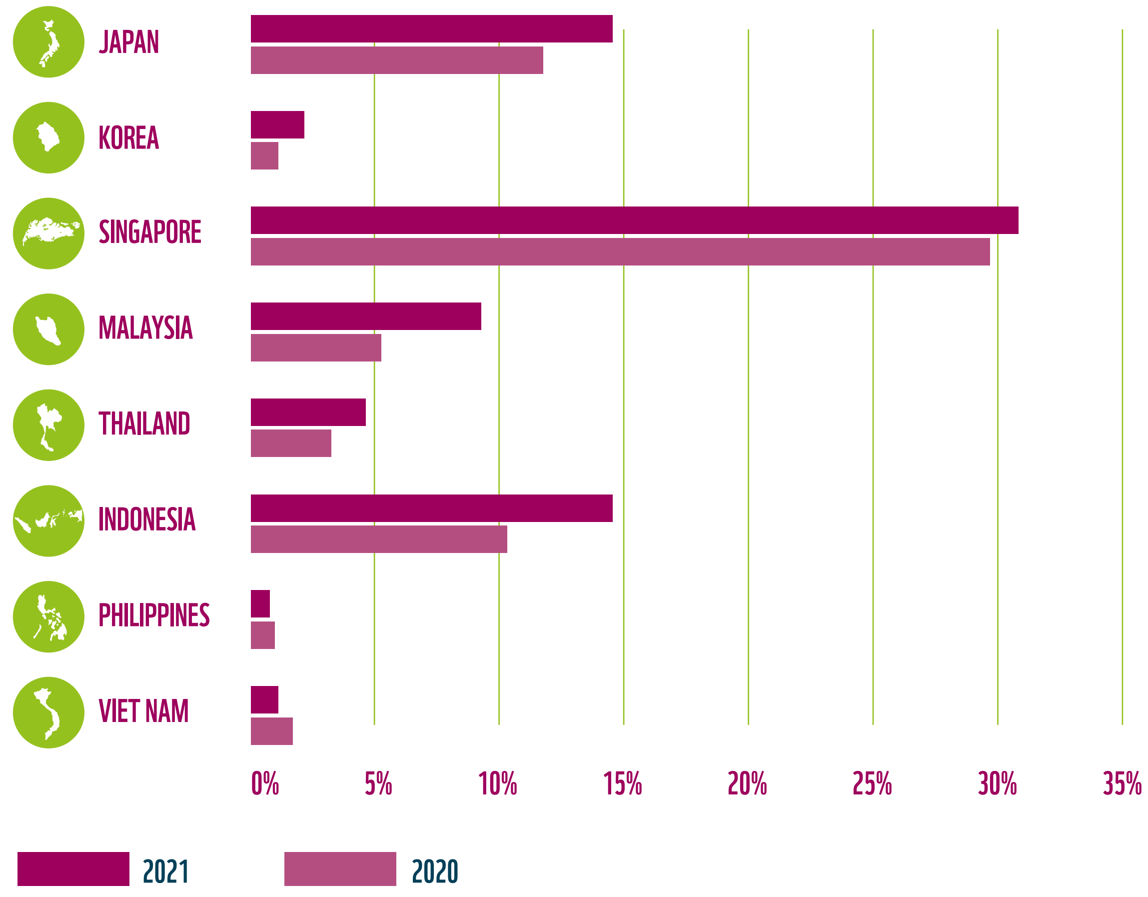
In 2020, WWF-Singapore added sector specific assessment to the SUSBA framework, starting with energy and palm oil. There are many banks that integrate general sustainability aspects into their decision making, and identifying and addressing risks and opportunities in key sectors are a necessary next step to deepen this process.

These sector assessments are centered around (i) bank commitments and (ii) client expectations. In palm oil, there is a total of 38 indicators and in energy 33 indicators.

Palm oil

Deforestation is one of the key drivers of ecosystem loss in Asia, with agricultural commodities, mining and urbanisation contributing most to this issue. Clearing of land for palm oil is a specific challenge in South-East Asia, as global demand for palm oil and other edible oils increases. WWF-Singapore strongly encourages financial institutions to make commitments to safeguard ecosystems, and set expectations for their clients to move to sustainably sourced commodities.

FIGURE 6: BANK PROGRESS ON PALM OIL INDICATORS 2020-21 BY COUNTRY

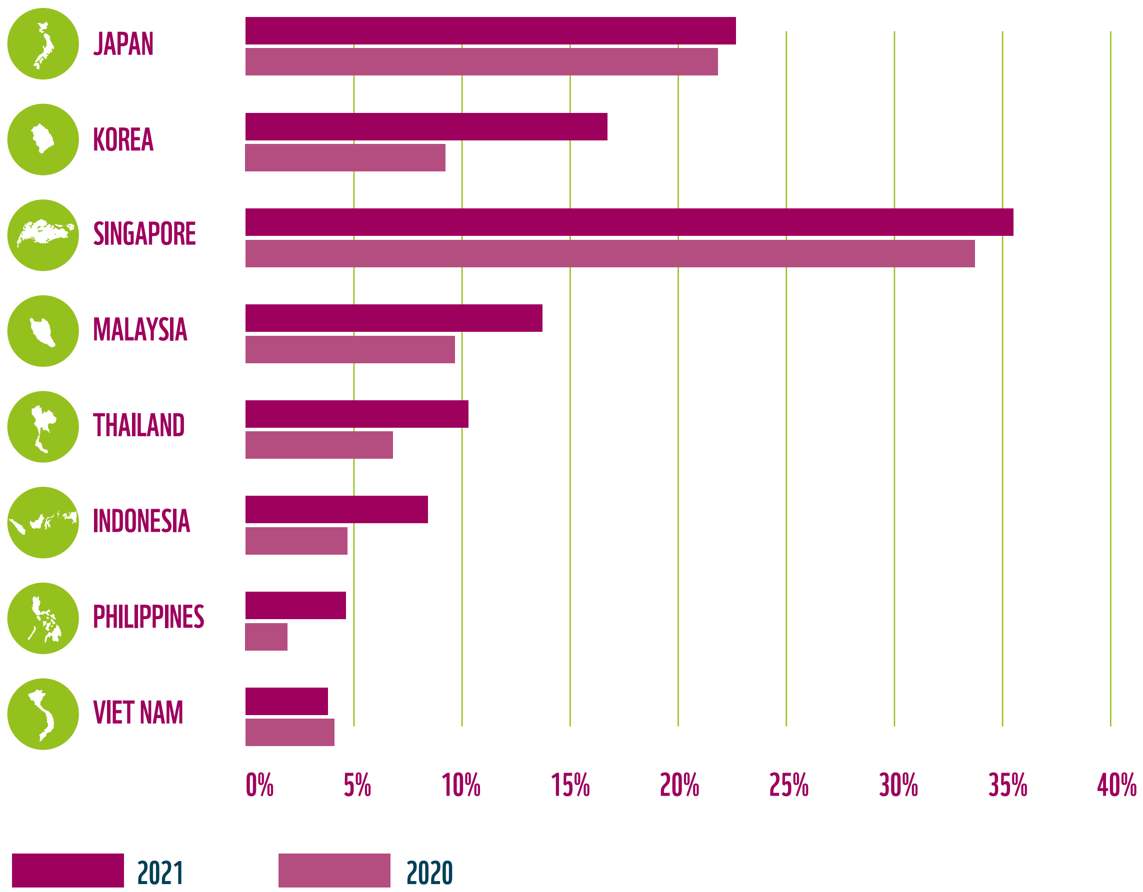


Analysis of banks' performance shows that setting appropriate expectations in palm oil remains weak. While there has been some improvement in the key growing areas of Indonesia and Malaysia, even the Singapore banks only fulfill one-third of the criteria.

Energy

The energy sector represents the most impactful opportunity for decarbonising economies, but is also one of the main challenges. While many financial institutions now exclude investment and lending in coal-fired power generation, there are still gaps on coal mining, other fossil fuels and credible energy transition frameworks.

FIGURE 7: BANK PROGRESS ON ENERGY INDICATORS 2020-21 BY COUNTRY



Analysis of banks performance shows an increased attention to eliminating the most harmful sources of energy production, including new or strengthened commitments on coal. However, there is still room for improvement in most areas, which will be a significant area of attention in our work with the banks in the region.

RECOMMENDATIONS

The recommendations for each bank vary based on where it is in the four phases of their sustainability journey. However, several cross-cutting themes emerge from the analysis, which are summarised in the recommendations below:

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COMMIT TO NET-ZERO TO ACHIEVE 2050 CLIMATE GOALS: Banks need to commit to decarbonising their portfolios by 2050 to achieve the climate goals of the Paris Agreement. This requires developing science-based targets, developing credible transition plans with interim targets, building the right capabilities to execute their plans, and improving disclosures aligned with the TCFD.

EXPAND SCOPE TO INCLUDE NATURE RELATED RISKS. This includes recognising nature-related risks such as biodiversity loss, deforestation, water scarcity and marine environment degradation and incorporating these risks into client requirements for environmentally and socially sensitive sectors. Banks should also develop capabilities to measure nature-related risks at a portfolio level, similar to those for climate-related risks, and incorporate nature-related transition plans into their overall sustainability strategy.

ALIGN SENIOR MANAGEMENT TO DELIVER SUSTAINABILITY STRATEGY: As banks develop scenario analyses on their portfolios, several near-term to long-term tradeoffs will be made to support a robust transition plan. In order to ensure effective implementation of their sustainability strategies, senior management capabilities and incentives need to be aligned. This includes training for senior management on sustainability related issues, inclusion of sustainability criteria in selection of board members, and inclusion of sustainability criteria in the remuneration of senior management.

RAISE THE BAR TO INTERNATIONAL BEST PRACTICES: While there is considerable progress being made by regulators on developing sustainable finance guidelines in Asia, banks should not wait to adopt International best practices across their policies and product frameworks. This includes crafting minimum requirements for clients based on internationally recognised standards (e.g. Roundtable on Sustainable Palm Oil, International Finance Corporation Performance Standards) as well as in product frameworks for sustainable products (e.g. green bond framework).

FOCUS ON IMPACT: This last recommendation reflects that WWF-Singapore is unable to assess the effectiveness of many of the indicators evaluated as part of SUSBA. For example, many banks disclose the number of high-risk clients that are escalated as part of the E&S due diligence process but the escalated number of clients is often very low. Similarly, several scenario analyses conducted on physical and transition risks have pointed to minimal impact on analysed portfolios, which does not align with overall climate-related predictions being made by scientists. As evidenced by the recent greenwashing related issues faced by several financial institutions, the focus on impact is increasing. Therefore, banks need to fine tune their E&S policies and processes to ensure they are having a material impact on the ground towards transitioning to a sustainable future and that this impact is attributable to their specific actions.

BANKS ASSESSED

In this fifth assessment, SUSBA covers the E&S integration performance of 36 ASEAN banks and 10 major Japanese and Korean banks.

JAPAN

- Mizuho Bank (Mizuho)
- Mitsubishi UFJ Financial Group Bank (MUFG)
- Resona Bank (Resona)
- Sumitomo Mitsui Banking Corporation (SMBC)
- Sumitomo Mitsui Trust Bank (SMTB)

KOREA

- Hana Bank (Hana)
- KB Kookmin Bank (KB)
- Industrial Bank of Korea (IBK)
- Shinhan Bank (Shinhan)
- Woori Bank (Woori)

INDONESIA

- Bank Central Asia Tbk (BCA)
- Bank Mandiri (Persero) Tbk (Mandiri)
- Bank Muamalat Indonesia Tbk (Muamalat)
- Ban Negara Indonesia Tbk (BNI)
- Bank Panin Tbk (Panin)
- Bank Pembangunan Daerah Jawa Banten Tbk (Bank BJB)
- Bank Permata Tbk (Permata)
- Bank Rakyat Indonesia Tbk (BRI)

MALAYSIA

- AMMB Holdings Berhad (Ambank)
- Bank Islam Malaysia Berhad (BI)
- RHB Bank Berhad (RHB)
- CIMB Group Holdings Berhad (CIMB)
- Hong Leong Bank Berhad (Hong Leong)
- Malayan Banking Berhad (Maybank)
- Public Bank Berhad (Public Bank)

PHILIPPINES

- BDO Uniank, Inc (BDO)
- Bank of the Philippine Islands (BPI)
- China Banking Corporation (CBC)
- Metropolitan Bank & Trust Company (Metrobank)
- Philippine National Bank (PNB)
- Rizal Commercial Banking Corporation (RCBC)
- Security Bank Corporation (SBC)

SINGAPORE

- DBS Group Holdings Limited (DBS)
- Oversea-Chinese Banking Corporation Limited (OCBC)
- United Overseas Bank Limited (UOB)

THAILAND

- Bangkok Bank (BBL)
- Bank of Ayudhya (Krungsri)
- Kasikom Bank (KBank)
- Krung Thai Bank (KTB)
- Siam Commercial Bank (SCB)
- TMBThanachart Bank (TMB)

VIET NAM

- Bank for Investment and Development of Viet Nam (BIDV)
- Joint Stock Commercial Bank for Foreign Trade of Viet Nam (VCB)
- Viet Nam Joint Stock Commercial Bank for Industry and Trade (VietinBank)
- Viet Nam Export-Import Commercial Joint Stock Bank (Eximbank)
- Viet Nam Prosperity Bank (VPBank)

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JAPAN

Indicator average in 2021 and change vs. 2020

PURPOSE

1 Sustainability strategy

2 Stakeholder engagement & participation in sustainable finance initiatives

POLICIES

3 Public statements on specific E&S issues

4 Public statements on specific sectors

PROCESSES

5 Assessing E&S risks in client & transaction approvals

6 Client Monitoring and Engagement

PEOPLE

7 Responsibilities for E&S

8 Staff E&S training and performance evaluation

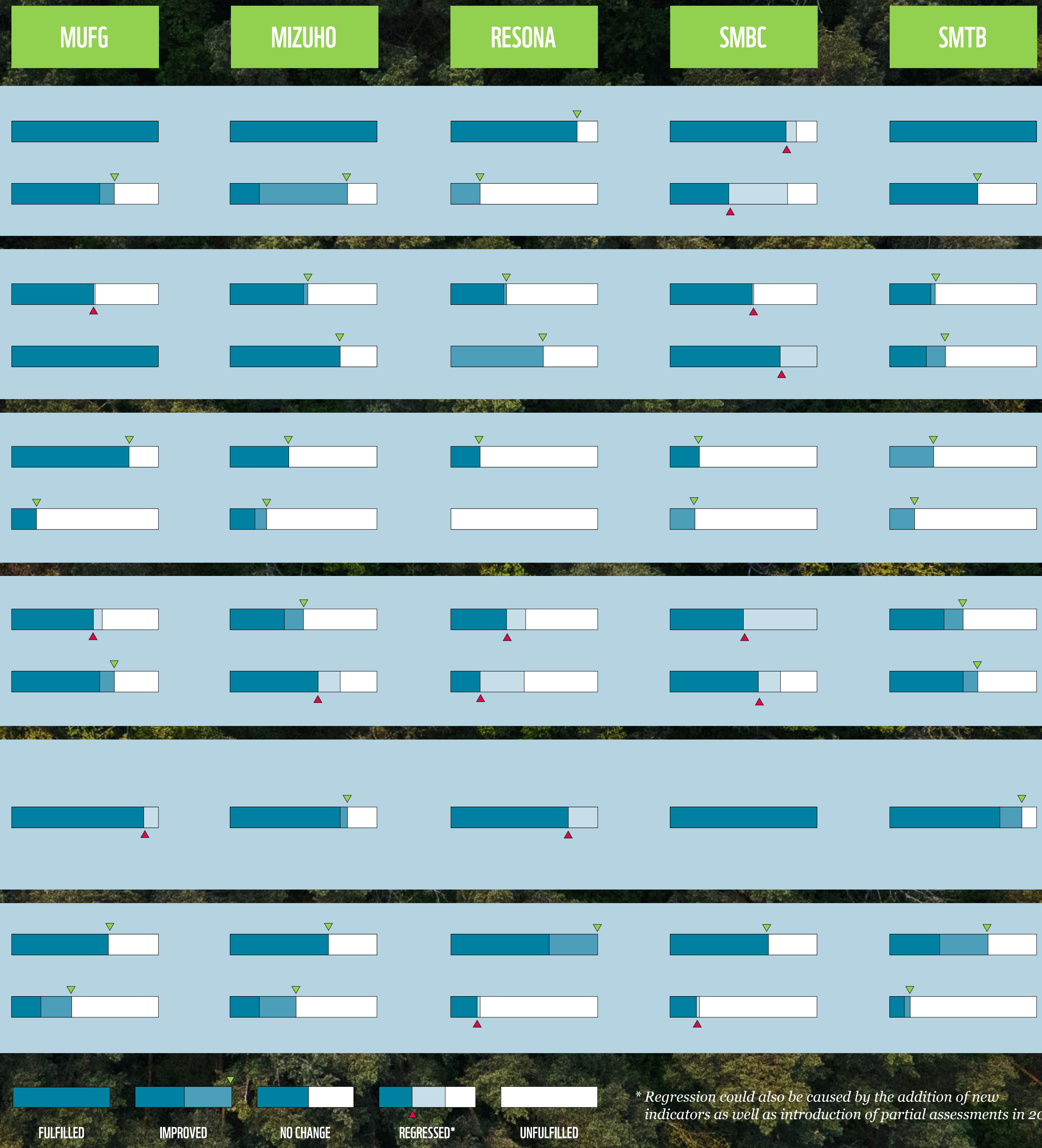
PRODUCTS

9 E&S integration in products and services

PORTFOLIO

10 E&S risk assessment and mitigation at portfolio level

11 Disclosure of E&S risk exposure and targets



** Regression could also be caused by the addition of new indicators as well as introduction of partial assessments in 2021.*

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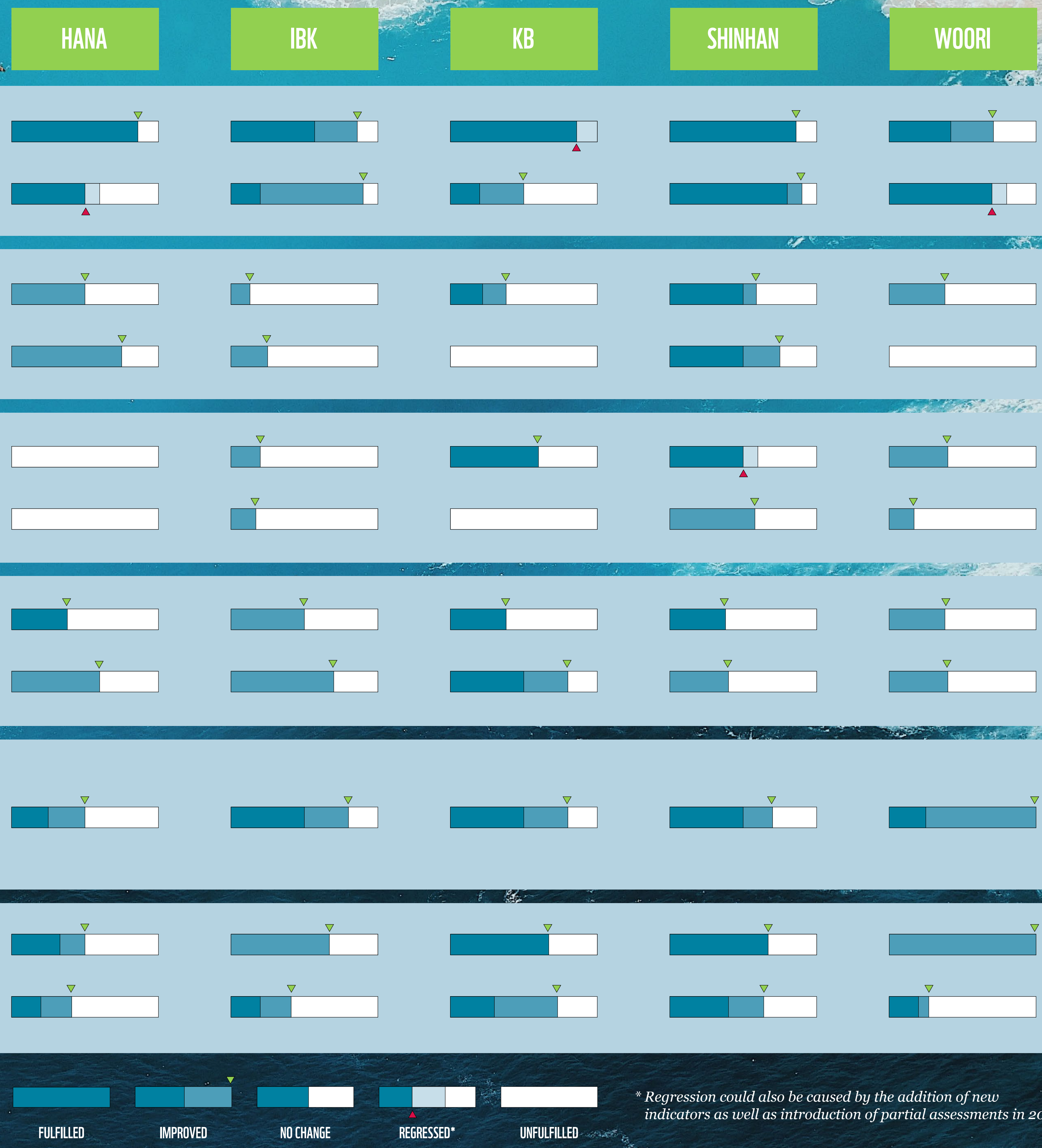
KOREA

Indicator average in 2021 and change vs. 2020



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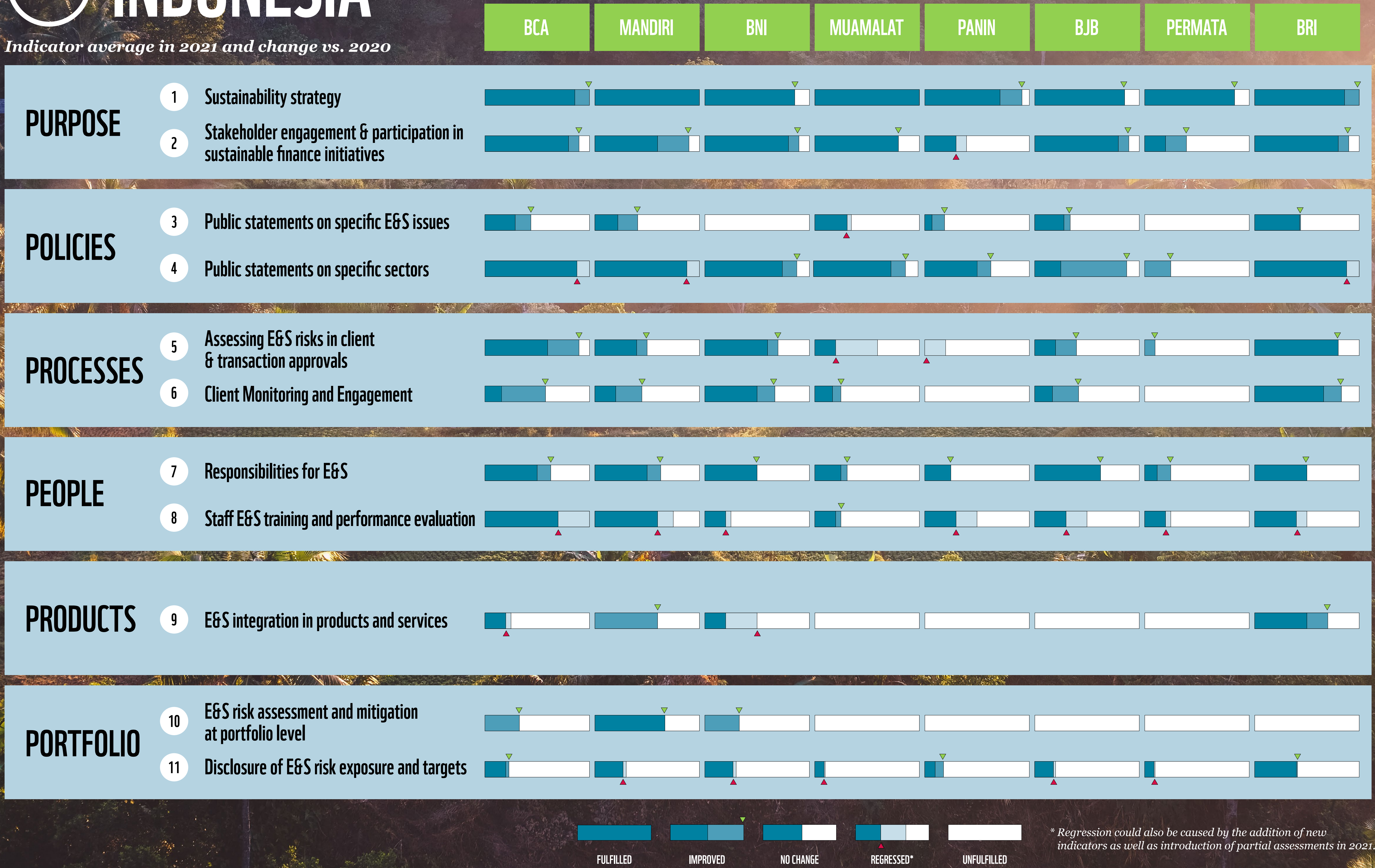
INDONESIA

Indicator average in 2021 and change vs. 2020



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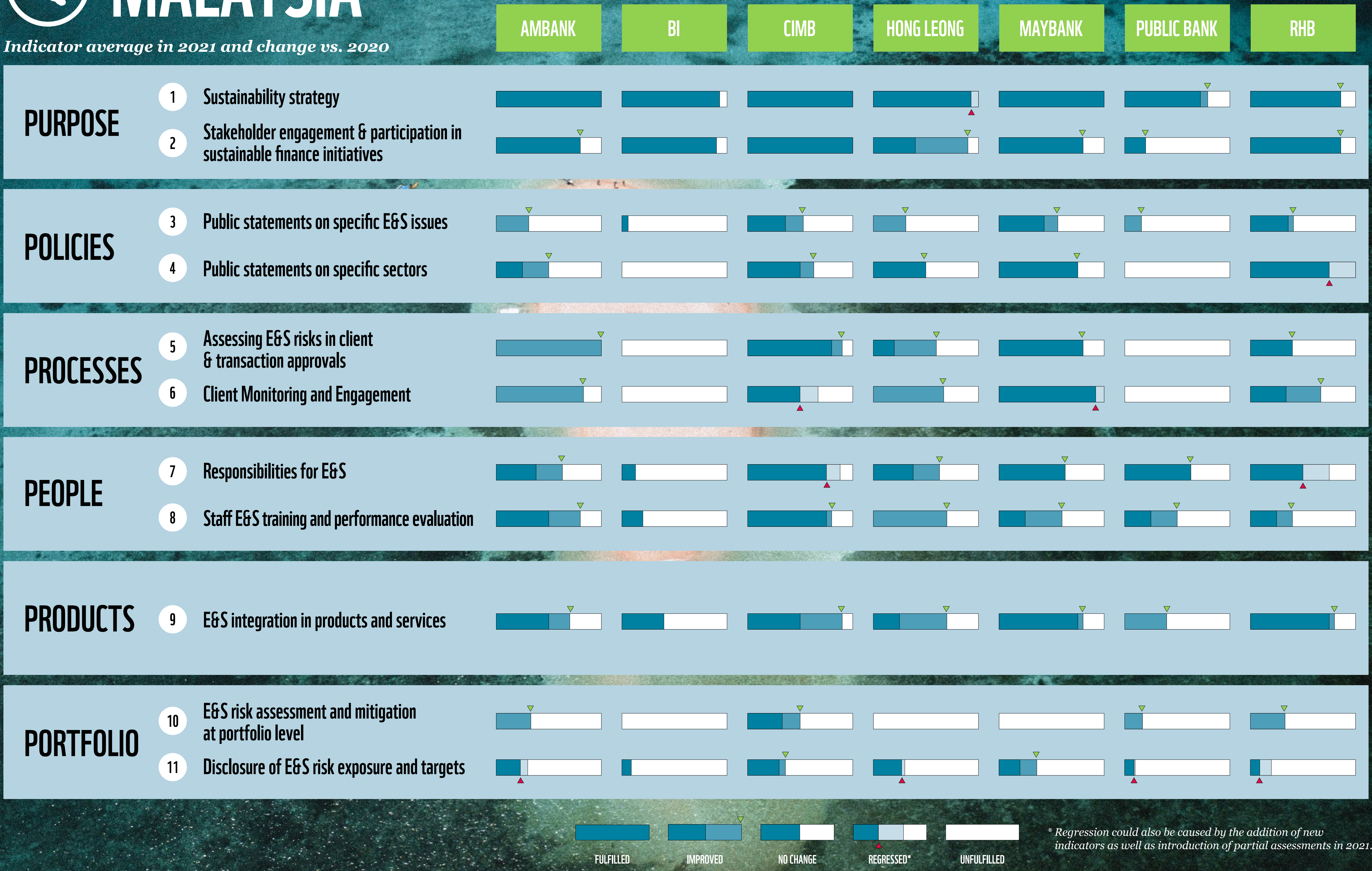
MALAYSIA

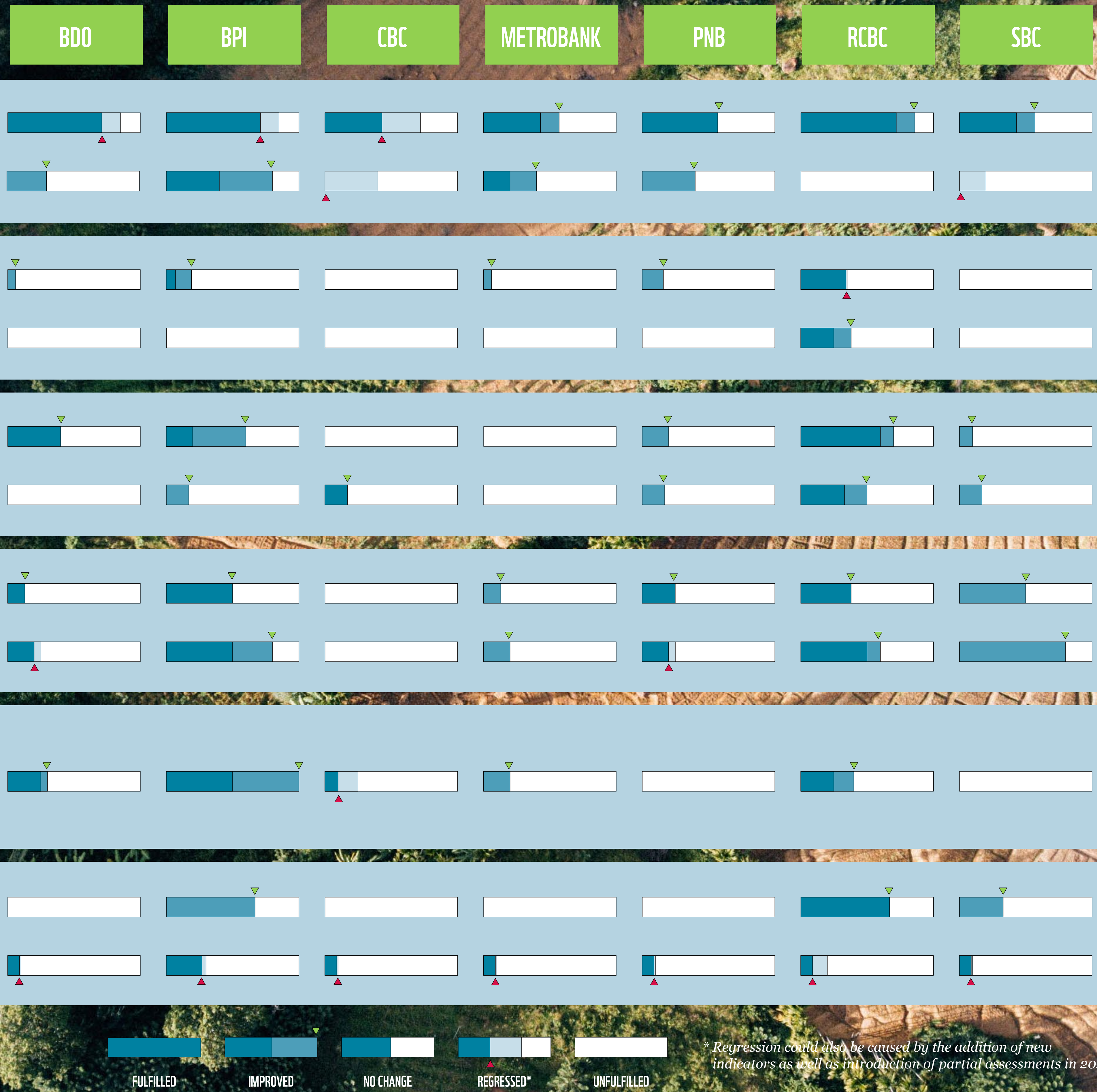
Indicator average in 2021 and change vs. 2020



** Regression could also be caused by the addition of new indicators as well as introduction of partial assessments in 2021.*

PHILIPPINES

Indicator average in 2021 and change vs. 2020



PURPOSE

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2. Stakeholder engagement & participation in sustainable finance initiatives

POLICIES

3. Public statements on specific E&S issues
4. Public statements on specific sectors

PROCESSES

5. Assessing E&S risks in client & transaction approvals
6. Client Monitoring and Engagement

PEOPLE

7. Responsibilities for E&S
8. Staff E&S training and performance evaluation

PRODUCTS

9. E&S integration in products and services

PORTFOLIO

10. E&S risk assessment and mitigation at portfolio level
11. Disclosure of E&S risk exposure and targets

* Regression could also be caused by the addition of new indicators as well as introduction of partial assessments in 2021.

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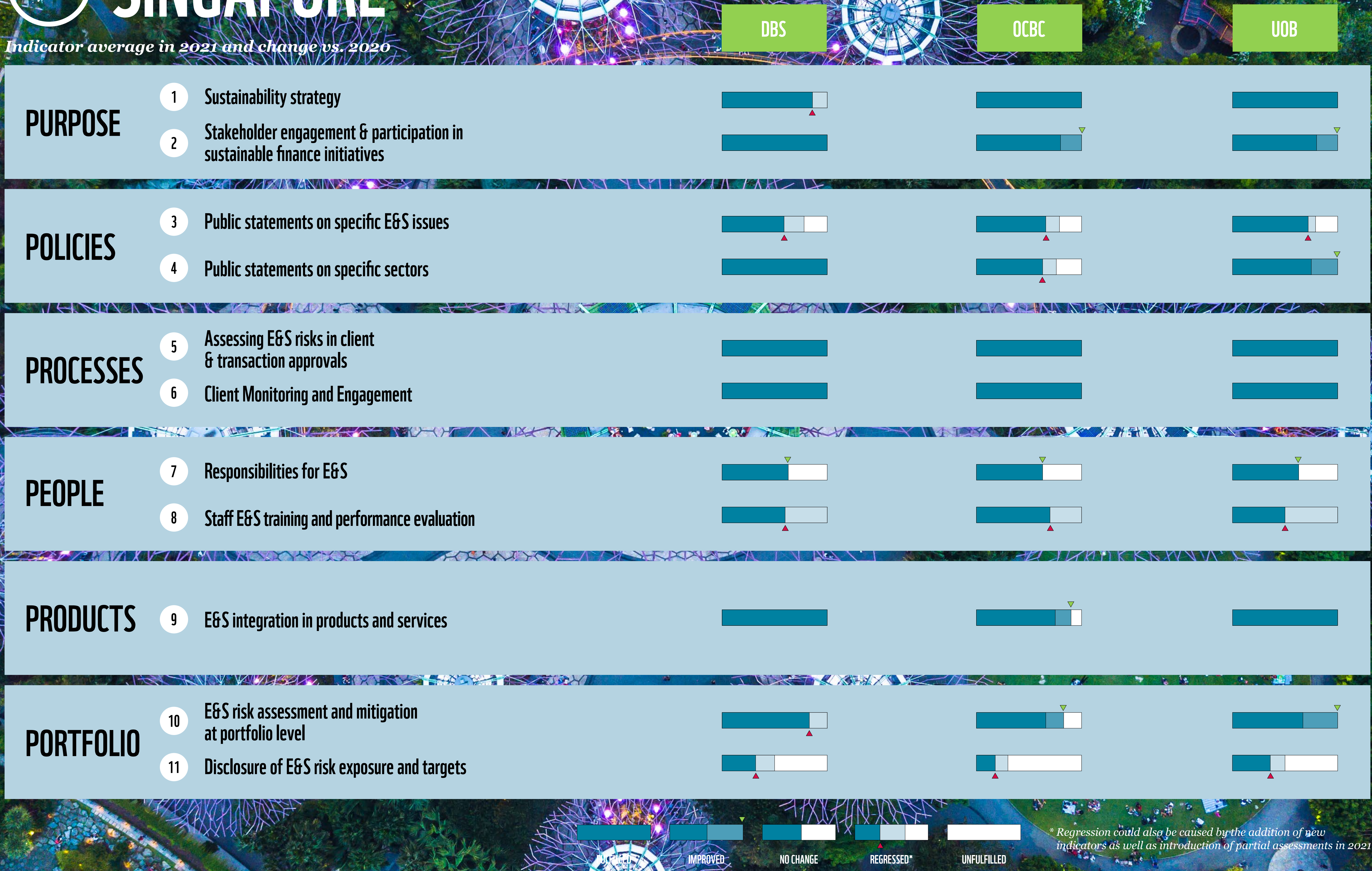
SINGAPORE

Indicator average in 2021 and change vs. 2020



** Regression could also be caused by the addition of new indicators as well as introduction of partial assessments in 2021.*

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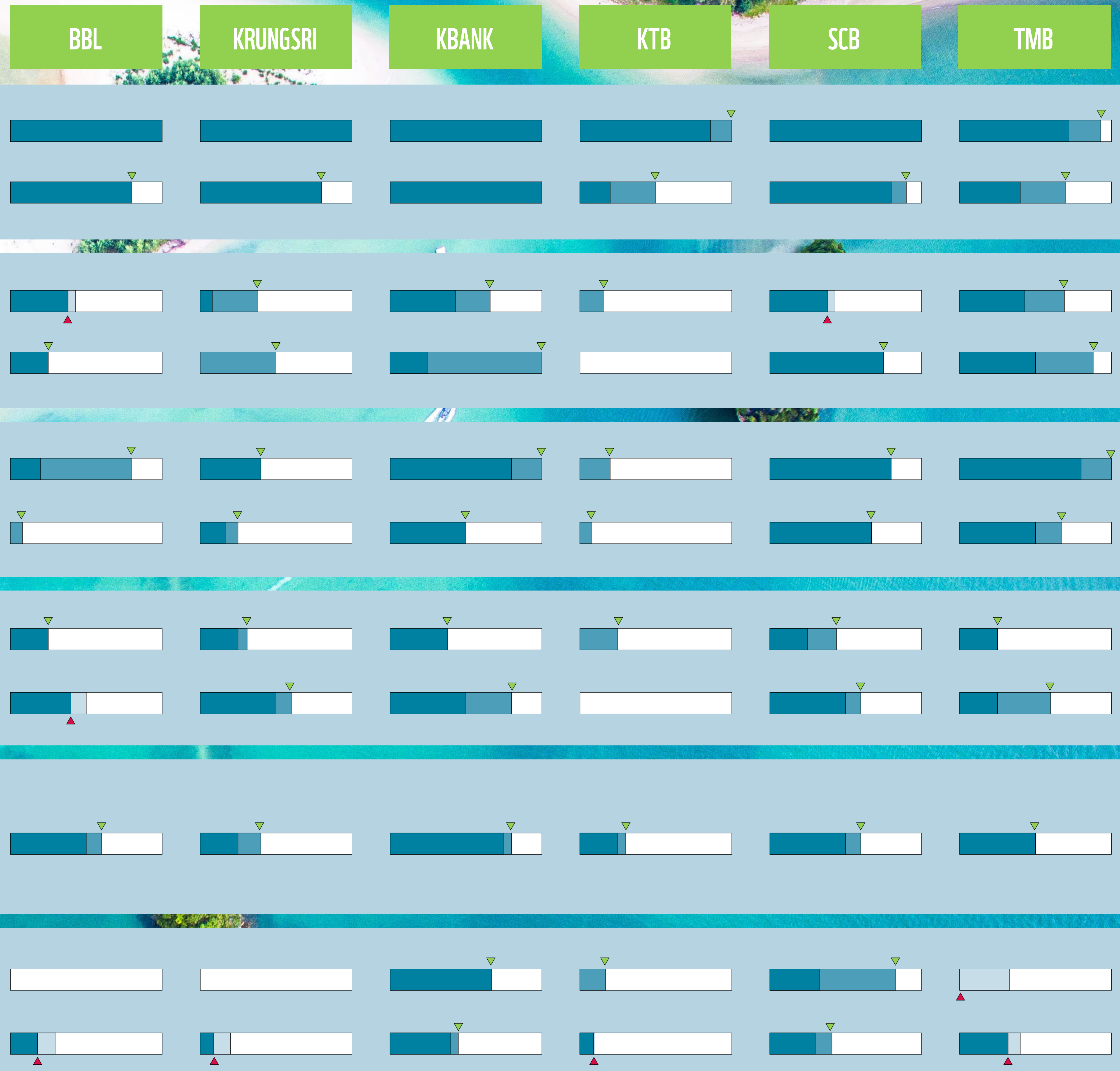
THAILAND

Indicator average in 2021 and change vs. 2020



PURPOSE

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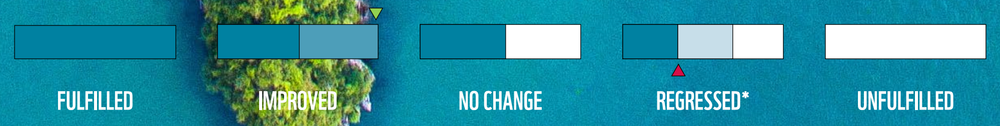

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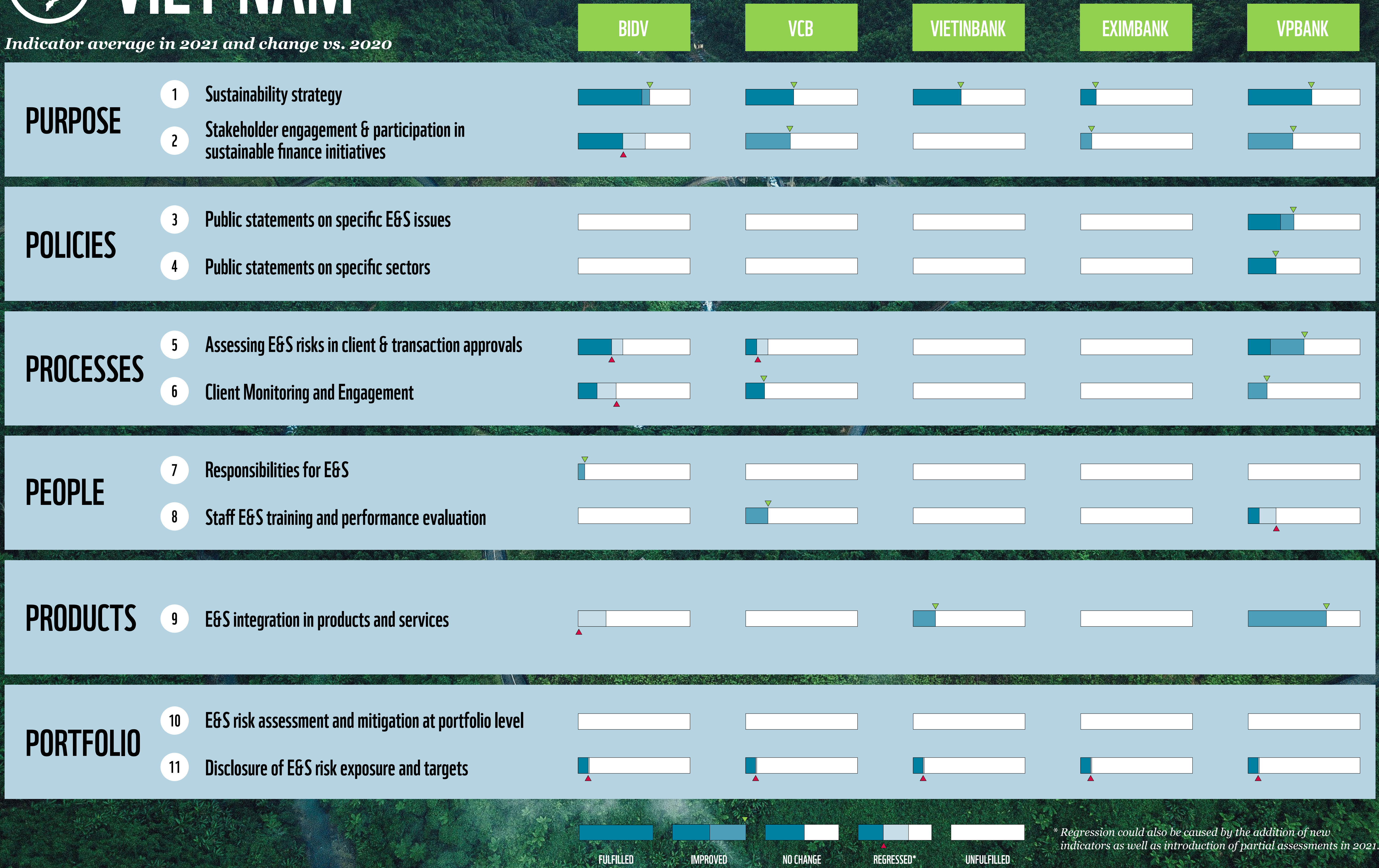
VIET NAM

Indicator average in 2021 and change vs. 2020



** Regression could also be caused by the addition of new indicators as well as introduction of partial assessments in 2021.*

SUSBA FRAMEWORK SUB-INDICATORS

PURPOSE - SUSTAINABILITY STRATEGY

1.1.1.1	Is there a clear reference to sustainability in the bank's strategy and long-term vision?
1.1.1.2	Does the bank clearly recognize that its E&S footprint includes the indirect effects arising from its business activities (e.g. financing, underwriting, advising) and portfolio?
1.1.1.3	Does the leadership statement make reference to the integration of E&S factors in the bank's business strategy?
1.1.1.4	Is there a clear reference to sustainable development goals (SDGs) in the bank's strategy or vision?
1.1.1.5	Does the bank explicitly acknowledge the societal and economic risks associated with climate change?
1.1.1.6	Does the bank explicitly acknowledge the societal and economic risks associated with environmental degradation?
1.1.1.7	Has the bank identified responsible financing/lending and/or other key E&S issues as material?

PURPOSE - STAKEHOLDER ENGAGEMENT AND PARTICIPATION IN SUSTAINABLE FINANCE INITIATIVES

1.1.2.1	Does the bank disclose the types of stakeholders it engages with on E&S issues?
1.1.2.2	Does the bank engage with civil society and/or non-governmental organisations to understand the E&S impacts of its business activities?
1.1.2.3	Does the bank disclose the frequency and mode of communication with stakeholders engaged on E&S issues?
1.1.2.4	Does the bank engage with regulators and policy makers on E&S integration and/or sustainable finance topics?
1.1.2.5	Does the bank participate in relevant commitment-based sustainable finance initiatives such as RSPO, PRB, EP, SBTi, or SBEFP?

POLICIES - PUBLIC STATEMENTS ON SPECIFIC E&S ISSUES

1.2.1.1	Does the bank have exclusionary principles covering activities the bank will not support, taking into account E&S considerations?
1.2.1.2	Does the bank require clients highly exposed to climate-related risks to develop a mitigation plan and ultimately align their activities to the objectives of the Paris Agreement?
1.2.1.3	Does the bank prohibit the financing of new coal-fired power plant projects?
1.2.1.4	Does the bank acknowledge biodiversity loss and/or deforestation risks in its clients' activities?
1.2.1.5	Does the bank require clients in sectors highly exposed to deforestation (e.g. soft commodities, infrastructure, extractives industry) to adopt "no deforestation" commitments in both their own operations and supply chains, in accordance with the High Conservation Value or High Carbon Stock approaches?
1.2.1.6	Does the bank require clients in sectors highly exposed to conversion of natural ecosystems (e.g. soft commodities, infrastructure, extractives industry) to adopt "no conversion" commitments in both their own operations and supply chains, in accordance with the principles of the Accountability Framework Initiative?
1.2.1.7	Does the bank recognise negative impacts on the marine environment as risks in client's activities?
1.2.1.8	Does the bank require clients in marine-related industries to obtain certification from or otherwise support relevant multistakeholder sustainability standards (e.g. ASC, MSC, SuRe) to ensure the sustainable use of oceans, seas and marine resources?
1.2.1.9	Does the bank have a commitment not to provide financial products and services to projects or companies located in, or having negative impacts on, key biodiversity and protected areas, including UNESCO World Heritage Sites, IUCN Category I-IV Protected Areas and Wetlands of International Importance designated under the Ramsar Convention on Wetlands?
1.2.1.10	Does the bank recognize water risks (flooding, scarcity, and pollution) as risks in its clients' activities?
1.2.1.11	Does the bank require clients in high-risk sectors and geographies to perform water risk assessments and commit to water stewardship?
1.2.1.12	Does the bank recognize human rights risks, including those related to local communities, in its clients' activities?
1.2.1.13	Does the bank require clients to commit to respecting human rights, in line with the UN Guiding Principles on Business and Human Rights?
1.2.1.14	Does the bank recognize labour rights violations as a risk across all sectors?
1.2.1.15	Does the bank require clients to adhere to international labour standards equivalent to the ILO Fundamental Conventions?
1.2.1.16	Are the bank's E&S requirements applicable to financial products and services beyond lending (i.e. capital markets, advisory)?

POLICIES - PUBLIC STATEMENTS ON SPECIFIC SECTORS

1.2.2.1	Does the bank have sector policies for environmentally or socially sensitive industries, e.g. agri commodities, energy, oil & gas, mining, seafood, infrastructure?
1.2.2.2	Does the bank disclose its policies for environmentally or socially sensitive sectors?
1.2.2.3	Do the bank's sector-specific E&S policies include minimum requirements or recommendations based on internationally recognized standards for best E&S practices (e.g. IFC Performance Standards, RSPO, FSC, etc.)?
1.2.2.4	Does the bank periodically review its E&S policies or stated that the last date of review was within the past 2 years?

PROCESSES - ASSESSING E&S RISKS IN CLIENT & TRANSACTION APPROVALS

1.3.1.1	Does the bank use standardized frameworks for E&S due diligence (e.g. tools, checklists, questionnaires, external data providers) when reviewing clients or transactions subject to its policies?
1.3.1.2	Does the bank assess its clients' capacity, commitment, and track record as part of its E&S due diligence process?
1.3.1.3	As part of the approval process does the bank classify its clients and transactions based on E&S risk assessment?
1.3.1.4	Is there an escalation mechanism for more complex or controversial cases?
1.3.1.5	Do the E&S risk assessment outcomes influence transaction and client acceptance decisions?

PROCESSES - CLIENT MONITORING AND ENGAGEMENT

1.3.2.1	Does the bank seek the inclusion of clauses (e.g. covenants, representations & warranties) related to E&S issues in the loan documentation for bilateral and syndicated credit facilities?
1.3.2.2	Does the bank require clients that are not fully compliant with its E&S policies to develop and implement time-bound action plans?
1.3.2.3	Does the bank monitor its clients' compliance with the agreed E&S action plans?
1.3.2.4	Does the bank perform periodic review or state how frequent it reviews its clients' profiles on E&S?
1.3.2.5	Does the bank disclose the process to address non-compliance of existing clients with the bank's policies or with pre-agreed E&S action plans?
1.3.2.6	Does the bank periodically review its internal E&S procedures or stated that the last date of review was within the past 2 years?

PEOPLE - RESPONSIBILITIES FOR E&S

1.4.1.1	Is senior management responsible for the implementation of the bank's ESG strategy?
1.4.1.2	Do senior management's responsibilities include management of climate change risks and opportunities relevant to the bank's activities?
1.4.1.3	Does the bank describe the roles and responsibilities of the various departments, committees or teams involved in developing and implementing its E&S policies?
1.4.1.4	Has the bank put in place an internal control system with three lines of defense to manage E&S issues?
1.4.1.5	Do the terms of reference of the Nominating committee include sustainability-related criteria for the appointment of new Board members?
1.4.1.6	Do the terms of reference of the Remuneration committee include sustainability-related criteria for the assessment of performance and remuneration levels for senior management?
1.4.1.7	Do the terms of reference of the Audit committee require sustainability-related matters to be included in internal control and audit processes?
1.4.1.8	Does the bank implement periodic audits to assess implementation of E&S policies and procedures?

PEOPLE - STAFF E&S TRAINING AND PERFORMANCE EVALUATION

1.4.2.1	Does the bank have a dedicated ESG team to implement E&S policies and procedures?
1.4.2.2	Does the bank train its staff on E&S policies and implementation processes?
1.4.2.3	Does the bank provide specific training for its senior management, covering sustainability issues?
1.4.2.4	Are sustainability-related criteria part of the staff appraisal process and/or integrated into their KPIs?
1.4.2.5	Are sustainability-related criteria part of the senior management appraisal process and/or integrated into their KPIs?

PRODUCTS - E&S INTEGRATION IN PRODUCTS AND SERVICES

1.5.1.1	Does the bank proactively identify clients in environmentally or socially sensitive sectors to support them in reducing negative or enhancing positive impacts?
1.5.1.2	Does the bank offer specific financial products and services (e.g. green bonds, sustainability-linked loans, impact financing) that support the mitigation of E&S issues, e.g. climate change, water scarcity and pollution, deforestation?
1.5.1.3	Has the bank allocated specific pools of capital or increased the share of its financing that supports activities with a positive E&S impact?
1.5.1.4	Does the bank hold client outreach activities to raise awareness and share on good E&S practices (e.g. through workshops, seminars)?
1.5.1.5	Has the bank published frameworks for its sustainable financial products & services, e.g. a green bond framework, which are aligned with credible international standards?

PORTFOLIO - E&S RISK ASSESSMENT AND MITIGATION AT PORTFOLIO LEVEL

1.6.1.1	Does the bank periodically review its portfolio exposure to E&S risks (e.g. deforestation, water scarcity, or human rights violations)?
1.6.1.2	Does the bank periodically review its portfolio exposure to climate-related physical and/or transition risks, using scenario analysis, and disclose the results and methodology used?
1.6.1.3	Does the bank have a strategy to manage and mitigate climate-related risks across its portfolio?

PORTFOLIO - DISCLOSURE OF E&S RISK EXPOSURE AND TARGETS

1.6.2.1	Does the bank disclose its credit exposure by industry sector?
1.6.2.2	Does the bank disclose the composition of its lending portfolios in the power generation (e.g. fossil fuel vs. renewable energy) and upstream energy exploration and production (e.g. conventional vs. unconventional oil & gas, coal) sectors?
1.6.2.3	Does the bank disclose the GHG emissions or carbon intensity of the main carbon-intensive sectors in its portfolio (eg. agriculture, mining & metals, energy, etc.)?
1.6.2.4	Does the bank disclose statistics on the implementation of its E&S policies (e.g. number of transactions assessed, escalated, approved, declined, approved with conditions)?
1.6.2.5	Does the bank disclose the percentage of its soft commodities clients that have time-bound plans to achieve full certification of their operations against credible, multi-stakeholder sustainability standards?
1.6.2.6	Does the bank disclose the percentage of clients or total credit exposure covered by its E&S policies on sensitive sectors?
1.6.2.7	Does the bank have targets in place to reduce negative E&S impacts or increase positive impacts associated with its business activities, beyond direct impacts from its own operations, and disclose progress of achieving these targets?
1.6.2.8	Has the bank set science-based targets to align its portfolio with the objectives of the Paris Agreement, and disclosed progress of achieving these targets?
1.6.2.9	Has the bank committed to achieve net-zero greenhouse gas emissions in its lending portfolio by 2050, with defined interim milestones, and disclosed progress of achieving these targets?
1.6.2.10	Does the bank conduct external assurance of its ESG-related disclosures?
1.6.2.11	Does the bank disclose the positive and negative impacts associated with its business activities, beyond direct impacts from its own operations?

SUSBA BANK PHASE ANALYSIS

METHODOLOGY: To get a sense of where banks are along their sustainability journeys, WWF-Singapore categorised the 75 SUSBA indicators into four typical phases that banks go through. WWF-Singapore also benchmarked the Asian banks against three international banks (ING Group, Standard Chartered Bank and BNP Paribas) that are relatively more advanced in their sustainability practices to set an external reference. The data was analysed from 2018 to 2021 for ASEAN banks and from 2019 to 2021 for Korean, Japanese and International banks based on when respective country analyses were started. 34 ASEAN banks and 10 banks in Japan and Korea were included in the analysis – Bank Islam from Malaysia and Rizal Commercial Banking Corporation from the Philippines were excluded from the analysis as the these banks were added to SUSBA after 2018. For the trend analysis, WWF-Singapore also excluded five indicators that were not available for all years from the analysis.

MAPPING OF PHASES TO SUSBA SUB-INDICATORS:

STAGE	1. ACKNOWLEDGE (15 INDICATORS)
PILLARS	**INDICATORS**
1. Purpose - Sustainability strategy, Engagement	Reference to sustainability & SDGs in vision and integration into strategy (1.1.1.1, 1.1.1.3, 1.1.1.4)
	Recognition that E&S footprint includes indirect effects (1.1.1.2)
	Identify responsible financing and other E&S issues as material (1.1.1.7)
	Regular engagement with stakeholders on E&S issues (1.1.2.1, 1.1.2.3)
	Engagement with civil societies, NGOs, regulators on E&S issues (1.1.2.2, 1.1.2.4)
	Acknowledge risks associated with climate change (1.1.1.5)
2. Policies - Public statements on E&S issues and sectors	Recognize human rights risks in clients' activities (1.2.1.12)
	Recognize labour rights violations as a risk across all sectors (1.2.1.14)
4. People - Responsibilities for E&S, training, performance evaluation	Senior management responsible for the implementation ESG strategy (1.4.1.1)
	Describe responsibilities of the various teams involved E&S policies (1.4.1.3)
6. Portfolio - E&S risk assessment, mitigation, disclosures	Disclose credit exposure by industry sector (1.6.2.1)

STAGE	2. IMPLEMENT (26 INDICATORS)
PILLARS	**INDICATORS**
1. Purpose - Sustainability strategy, Engagement	Acknowledge risks associated with environmental degradation (1.1.1.6)
	Participate in relevant commitment-based sustainable finance initiatives (1.1.2.5)
2. Policies - Public statements on E&S issues and sectors	Exclusionary principles covering activities the bank will not support (1.2.1.1)
	Prohibit the financing of new coal-fired power plant projects (1.2.1.3)
	Acknowledge biodiversity loss, deforestation risks in its clients' activities (1.2.1.4)
	Recognise negative impacts on the marine environment as risks (1.2.1.7)
	Exclude services to companies having negative impacts on biodiversity (1.2.1.9)
	Recognize water risks as risks in its clients' activities (1.2.1.10)
	Apply E&S requirements to all financial products and services (1.2.1.16)
	Develop & disclose policies for environmentally or socially sensitive sectors (1.2.2.1, 1.2.2.2)
	Include minimum requirements based on internationally recognized standards in bank's sector-specific E&S policies (1.2.2.3)
	Periodically review E&S policies (1.2.2.4)
3. Processes - Assessing E&S risks, client monitoring	Use standardized frameworks for client E&S due diligence (1.3.1.1)
	Use E&S risk assessment in client/transaction acceptance decisions (1.3.1.5)
	Classify clients based on E&S risk, periodically review clients & policies (1.3.1.3, 1.3.2.4, 1.3.2.6)
	Assess clients' capacity, commitment, track record as part of its E&S due diligence process (1.3.1.2)
4. People - Responsibilities for E&S, training, performance evaluation	Staff dedicated ESG team to implement E&S policies and procedures (1.4.2.1)
	Senior management's responsibilities include management of climate change (1.4.1.2)
	Implement control system with three lines of defence to manage E&S issues (1.4.1.4)
	Train staff on E&S policies and implementation processes (1.4.2.2)
	Provide training for senior management covering sustainability issues (1.4.2.3)
5. Products - E&S integration in products and services	Offer specific financial services that support the mitigation of E&S issues (1.5.1.2)
6. Portfolio - E&S risk assessment, mitigation, disclosures	Develop strategy to manage and mitigate climate-related risks (1.6.1.3)

STAGE	3. INCREASE IMPACT (21 INDICATORS)
PILLARS	INDICATOR
2. Policies - Public statements on E&S issues and sectors	Require clients highly exposed to deforestation to adopt "no deforestation" commitments (1.2.1.5)
	Require high-risk clients to perform water risk assessments and commit to water stewardship (1.2.1.11)
	Require clients to commit to respecting human rights & adhere to international labor standards (1.2.1.13, 1.2.1.15)
	*Require clients highly exposed to conversion of natural ecosystems to adopt ""no conversion"" commitments (1.2.1.6)
	*Require clients in marine-related industries to obtain certification from relevant sustainability standards (1.2.1.8)
3. Processes - Assessing E&S risks, client monitoring	Implement escalation mechanism for complex or controversial cases (1.3.1.4)
	Include clauses related to E&S issues in the loan documentation (1.3.2.1)
	Require clients not fully compliant with E&S policies to implement action plans (1.3.2.2)
	Monitor clients' compliance with the agreed E&S action plans (1.3.2.3)
	Disclose process to address non-compliance of clients with E&S policies (1.3.2.5)
4. People - Responsibilities for E&S, training, performance evaluation	Implement audits to assess implementation of E&S policies and procedures (1.4.1.8)
	Include sustainability-related criteria part in staff appraisal process (1.4.2.4)
	*Include sustainability-related criteria in senior management appraisal process (1.4.2.5)
5. Products - E&S integration in products and services	Allocate pools of capital to support activities with positive E&S impact (1.5.1.3)
	Hold client outreach activities to raise awareness on good E&S practices (1.5.1.4)
	*Publish sustainable product and service frameworks aligned with international standards (1.5.1.5)
6. Portfolio - E&S risk assessment, mitigation, disclosures	Review exposure to climate-related physical & transition risks using scenario analysis (1.6.1.2)
	Disclose composition of its lending portfolios for power generation and upstream energy (1.6.2.2)
	Disclose the percentage of its soft commodities clients that have time-bound plans to achieve full certification of their operations (1.6.2.5)
	Conduct external assurance of its ESG-related disclosures (1.6.2.10)

** Indicator added after 2018 and not included in trend analysis*

STAGE	4. ACHIEVE SUSTAINABLE FUTURE (13 INDICATORS)
PILLARS	INDICATOR
2. Policies - Public statements on E&S issues and sectors	Require clients highly exposed to climate related risk to develop mitigation plan and align activities to the objectives of the Paris Agreement (1.2.1.2)
4. People - Responsibilities for E&S, training, performance evaluation	Include sustainability-related criteria for the appointment of new Board members (1.4.1.5)
	Include sustainability-related criteria for remuneration levels for senior management (1.4.1.6)
	Require sustainability-related matters to be included in internal audit processes (1.4.1.7)
5. Products - E&S integration in products and services	Proactively identify clients in sensitive sectors to support them in reducing negative or enhancing positive impacts (1.5.1.1)
6. Portfolio - E&S risk assessment, mitigation, disclosures	Periodically review portfolio exposure to E&S risks (1.6.1.1)
	Disclose GHG emissions/carbon intensity of the main carbon-intensive sectors in its portfolio (1.6.2.3)
	Disclose statistics on the implementation of its E&S policies (1.6.2.4)
	Disclose credit exposure covered by its E&S policies on sensitive sectors (1.6.2.6)
	Targets in place to reduce negative E&S impacts or increase positive impacts associated with business activities, disclose progress of achieving these targets (1.6.2.7)
	Set science-based targets to align with the objectives of the Paris Agreement (1.6.2.8)
	Disclose the positive and negative impacts associated with its business activities (1.6.2.11)
	*Committed to achieve net-zero greenhouse gas emissions in lending portfolio by 2050 (1.6.2.9)

** Indicator added after 2018 and not included in trend analysis*

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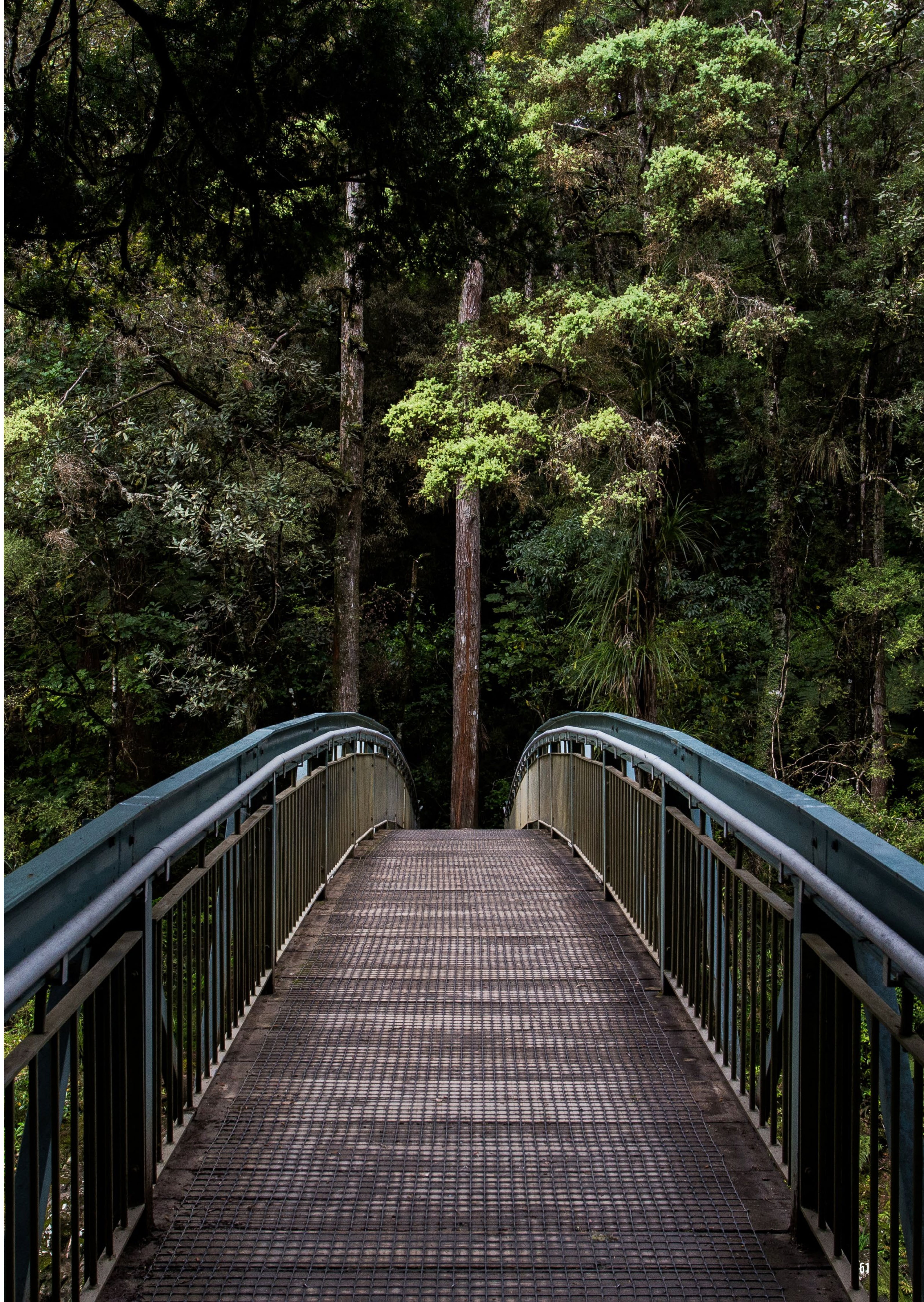
23. The trend analysis was done from 2018-21 for ASEAN and 2019-21 for Korea, Japan and International banks. The analysis included only banks and indicators for which data was available for all years

ABBREVIATIONS

ASEAN	Association of Southeast Asian Nations
AUM	Assets under management
CIX	Climate Impact X
E&S	Environmental and Social
ESG	Environmental, Social and Governance
GFANZ	Glasgow Financial Alliance for Net Zero
GHG	Greenhouse gas
GRI	Global Reporting Initiative
IPBES	Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services
IPCC	Intergovernmental Panel on Climate Change
NBS	Nature-based solutions
NGO	Non-Governmental Organization
NZBA	Net-zero Banking Alliance
PRB	Principles for Responsible Banking
SASB	Sustainability Accounting Standards Board
SBTi	Science Based Targets initiative
SDGs	Sustainable Development Goals
SGX	Singapore Stock Exchange
SUSBA	Sustainable Banking Assessment
TCFD	Task Force on Climate-related Financial Disclosures
TSVCM	The Taskforce on Scaling Voluntary Carbon Markets
UNEP	United Nations Environment Programme



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