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Sustainable Finance

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A. Objective

- Sustainability to Link Asset Management Limited (“**Link**”) means delicately balancing Environmental, Social, and Governance (“**ESG**”) and prosperity considerations in a way that enables the organisation to grow responsibly, and this extends to how Link finances its business activities.
- This Sustainability Linked Finance Policy’s (“**This Policy**”) objective is to provide a clear procedure on how to proceed with setting, ongoing monitoring and reporting of sustainability key performance indicators that are used in sustainability linked finance transactions.

B. Policy Scope

- This Policy applies to all financing activities where a Sustainability Performance Target (“**SPT**”), including ESG, is set as a pre-requisite for receiving financing.

C. Policy Content

1. Sustainable Finance Framework

- Our Sustainable Finance Framework (the “**Framework**”), published in February 2022, governs our Sustainable Finance Transactions (“**SFTs**”), including use of proceeds transactions and Sustainability-Linked Transactions (“**SLT**”). Please refer to Appendix 1 for details.
- This Framework has been developed in alignment with international market standards and best practices and serves as an update of our 2016 Green Bond Framework and 2019 Green Finance Framework.
- The Framework shall be reviewed and, if necessary, updated each year to take into account contemporary best practices.
- SFTs may include the following debt instruments:
 - Green, Social and Sustainability Bonds, as well as Green and Social Loans;
 - Sustainability-Linked Bonds and Loans; and
 - Any other financing instruments (including but not limited to Private Placements, Revolving Credit Facilities, Bank Loans and Commercial Paper and equity linked structures) that may be designated under this Framework.

2. Setting Sustainability Performance Targets

- When there is an intention to engage in SLT, the Sustainability Function shall be notified as early as practicable, but no less than one month prior to the anticipated execution date.
- Sustainability to Link means delicately balancing environmental, social, governance and prosperity considerations in a way that enables the organization to grow responsibly. Therefore, it is imperative that all of Link’s transactions labelled as “sustainable” or “sustainability-linked” will include, at a minimum, one performance indicator/target under each of the Environment, Social and Governance headers.
- The Sustainability Function has overall responsibility for proposing SPTs to Link’s Sustainability Committee (“**SC**”) for consideration and endorsement for use in SLTs. This includes:

- Ensuring proposed SPTs are aligned with Link's strategic initiatives including Net Zero 2035;
 - Seeking feedback and alignment from respective departments; and
 - Coordinating with external parties including, but not limited to, financial institutions auditors and credit agencies to complete second opinion reports as necessary.
- All SPTs must be signed off by the chair of Link's SC.
 - To minimize liabilities of greenwashing, SPTs shall, to best knowledge of the Sustainability Function, result in measurable additional and material improvements in Link's performance across ESG.
 - Recycling of SPTs for multiple SFTs is allowable up to 6 months from date of first use, or upon expiry of last SFT using the specific SPT(s).
 - For each SLT on issue, an appropriate external verification must be undertaken. This includes obtaining an assurance of sustainability performance prior to issuance.

3. Monitoring and Reporting Progress

- The Sustainability Function shall be responsible for monitoring the progress of SPTs and disclosing performance in Link's annual report and corporate sustainability website. This includes:
 - Collecting and collating performance data from respective business units; and
 - Ensuring performance against SPTs is independently verified by a qualified external reviewer such as an auditor, environmental consultant and/or independent ratings agency, at least once a year.
- The Treasury Department shall be responsible for informing financial institutions when annual updates are available.