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PRELIMINARY PRICING SUPPLEMENT DATED 6 SEPTEMBER 2021

Pricing Supplement

NATIONAL ENVIRONMENT AGENCY

S\$3,000,000,000  
Multicurrency Medium Term Note Programme

SERIES NO: 001  
TRANCHE NO: 001  
S\$[•] [•] per cent. Notes Due 2031  
Issue Price: [100] per cent.

DBS Bank Ltd.

Fiscal Agent and Registrar

DBS Bank Ltd.  
10 Toh Guan Road  
#04-11 (Level 4B)  
Jurong Gateway  
Singapore 608838

The date of this Pricing Supplement is [•] September 2021.



The terms of the Notes and additional provisions relating to their issue are as follows:

1. Series No.: 001
2. Tranche No.: 001
3. Currency: Singapore dollars
4. Principal Amount of Series: S\$[•]
5. Principal Amount of Tranche: S\$[•]
6. Denomination Amount: S\$250,000
7. Calculation Amount (if different from Denomination Amount): Not applicable
8. Issue Date: [•] September 2021
9. Redemption Amount (including early redemption): Denomination Amount
10. Interest Basis: Fixed Rate
11. Interest Commencement Date: [•] September 2021
12. **Fixed Rate Note**
  - (a) Maturity Date: Unless previously redeemed or purchased and cancelled, the Notes will be redeemed at their principal amount on [•] September 2031
  - (b) Day Count Fraction: Actual/365 (Fixed)
  - (c) Interest Payment Date(s): Interest on the Notes will be payable semi-annually in arrear on [•] March and [•] September in each year, commencing [•] March 2022
  - (d) Initial Broken Amount: Not applicable
  - (e) Final Broken Amount: Not applicable
  - (f) Interest Rate: [•] per cent. per annum
13. Floating Rate Note: Not applicable
14. Issuer's Redemption Option: No  
Issuer's Redemption Option Period (Condition 5(d)):

|     |   |  |
|-----|---|--|
| 15. | Noteholders' Redemption Option<br>Noteholders' Redemption Option Period<br>(Condition 5(e)):  | No   |
| 16. | Issuer's Purchase Option<br>Issuer's Purchase Option Period<br>(Condition 5(b)):  | No   |
| 17. | Noteholders' Purchase Option<br>Noteholders' Purchase Option Period<br>(Condition 5(c)(ii)):  | No   |
| 18. | Redemption for Taxation Reasons<br>(Condition 5(f)):  | Yes  |
| 19. | Form of Notes:  | Registered<br><br>Global Certificate   |
| 20. | Talons for future Coupons to be attached to<br>Definitive Notes (and dates on which<br>such Talons mature):   | No   |
| 21. | Applicable TEFRA exemption:   | Not applicable   |
| 22. | Listing:  | Not applicable   |
| 23. | ISIN Code:  | [•]  |
| 24. | Common Code:  | [•]  |
| 25. | Delivery:   | Delivery free of payment   |
| 26. | Method of issue of Notes:   | Individual Dealer  |
| 27. | The following Dealer is subscribing for the Notes:  | DBS Bank Ltd.  |
| 28. | The aggregate principal amount of Notes<br>issued has been translated in Singapore<br>dollars at the rate of [ ] producing a sum of<br>(for Notes not denominated in Singapore<br>dollars): | Not applicable   |
| 29. | Use of proceeds:  | The Issuer will allocate the net<br>proceeds to finance or refinance<br>new or existing Green Projects<br>which meet the Eligibility Criteria as<br>set out in the "Use of Proceeds"<br>section of the Green Bond<br>Framework of the Issuer (attached<br>as Appendix 2 to the Pricing<br>Supplement and as may be |

updated or amended from time to time, the “**Green Bond Framework**”)

- |     |   |   |
|-----|---|---|
| 30. | Prohibition of Sales to EEA Retail Investors:   | Not applicable  |
| 31. | Prohibition of Sales to UK Retail Investors:  | Not applicable  |
|     | Provisions relating to Green Bonds  |   |
| 32. | Green Bonds:  | Yes   |
| 33. | Reviewer:   | The Issuer’s Green Bond Framework has been reviewed by V.E, part of Moody’s ESG Solutions, who has issued an independent Second Party Opinion. The Second Party Opinion documents are made available at the Issuer’s website at <a href="https://www.nea.gov.sg/corporate-functions/resources/medium-term-note-programme">https://www.nea.gov.sg/corporate-functions/resources/medium-term-note-programme</a> . |
| 34. | Date of Opinion by the Reviewer:  | 14 April 2021   |
| 35. | Other terms:  | Please see Appendix 1 to this Pricing Supplement  |
| 36. | Details of any additions or variations to terms and conditions of the Notes as set out in the Information Memorandum: | Not applicable  |
| 37. | Any additions or variations to the selling restrictions:  | Not applicable  |

## Appendix 1

The following additional risk factors shall be inserted in the section “RISK FACTORS – RISKS RELATING TO THE NOTES” on page 60 of the Information Memorandum:

**“The Notes may not be a suitable investment for all investors seeking exposure to green assets.**

Pursuant to the recommendation in the voluntary process guidelines for issuing Green Bonds published by the International Capital Market Association in 2018 (the “**Green Bond Principles**”) that issuers use external assurance to confirm their alignment with the key features of the Green Bond Principles, at the Issuer’s request, V.E, part of Moody’s ESG Solutions, has issued an independent second party opinion dated 14 April 2021 (the “**V.E Report**”) in relation to the Issuer’s Green Bond Framework (as set out in Appendix 2 to the Pricing Supplement in respect of the Notes comprised in Series 001 and Series 002 and as may be updated or amended from time to time, the “**Green Bond Framework**”).

The V.E Report is not incorporated into nor does it form part of, such Pricing Supplement or the Information Memorandum. Neither the Issuer nor the Dealer makes any representation as to the suitability of the V.E Report. The V.E Report is not a recommendation to buy, sell or hold notes and is only current as of the date it was initially issued. Furthermore, the V.E Report is for information purposes only and V.E does not accept any form of liability for the substance of the V.E Report and/or any liability for loss arising from the use of the V.E Report and/or the information provided therein.

The Issuer has agreed to certain reporting and use of proceeds obligations as described in the Green Bond Framework and also under “Use of Proceeds” in the Pricing Supplement in respect of the Notes comprised in Series 001 and Series 002; however, it will not be an Event of Default under the Terms and Conditions of the Notes if the Issuer fails to comply with such obligations. A withdrawal of the V.E Report (for any reason whatsoever) may affect the value of the Notes and/or may have consequences for certain investors with portfolio mandates to invest in green assets.

**There is no current market consensus on what constitutes a “green” or “sustainable” project**

There is no current market consensus on what precise attributes are required for a particular project to be defined as “green” or “sustainable” and therefore the “Eligible Green Projects” as set out in the “Use of Proceeds” section of the Green Bond Framework may not meet the criteria and expectations of all investors regarding environmental impact and sustainability performance. Although the underlying projects have been selected in accordance with the eligibility criteria outlined in the Green Bond Framework and will be developed in accordance with relevant legislation and standards, there can be no guarantee that adverse environmental and/or social impacts will not occur during the design, construction, commissioning and operation of the projects. In addition, where negative impacts are insufficiently mitigated, the projects may become controversial, and/or may be criticised by activist groups or other stakeholders. The Issuer may not meet or continue to meet the investment requirements of certain environmentally focused investors with respect to the Notes, which may also have consequences for certain investors with portfolio mandates to invest in green assets. Each potential purchaser of the Notes should determine for itself the relevance of the information contained in the Pricing Supplement in respect of the Notes comprised in Series 001 and Series 002 and the Information Memorandum regarding the use of proceeds of the Notes.



While it is the intention that the proceeds of any Notes so specified for Eligible Green Projects be applied by the Issuer in the manner described under the section "Use of Proceeds" in the Pricing Supplement in respect of the Notes comprised in Series 001 and Series 002, there can be no assurance that the relevant project(s) or use(s) the subject of, or related to, any Eligible Green Projects will be capable of being implemented in, or substantially in, such manner and/or accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such projects. Nor can there be any assurance that such Eligible Green Projects will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer."

## Appendix 2

# Green Bond Framework

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## About National Environment Agency

National Environment Agency (“NEA”) was established on 1 July 2002 by the National Environment Agency Act as a statutory board under the Ministry of Sustainability and Environment (“MSE”) (renamed from Ministry of Environment and Water Resources (“MEWR”) with effect from 27 Jul 2020). It is the public environment agency responsible for ensuring a clean and green environment, and the sustainable development of Singapore.

NEA’s five key sectors are public health, hawker centres, environmental management, energy and waste management and meteorological services. Its key roles are to maintain a high standard of public health, improve and sustain a clean environment, provide timely and reliable meteorological services and promote resource efficiency and conservation in collaboration with its partners and the community.

NEA's work is highly diverse and forms part of the Singapore Government's efforts to protect Singapore by mitigating the damaging effects of climate change, in order to sustain a quality living environment for present and future generations.

### **Our vision**

A clean environment, towards a liveable and sustainable Singapore

### **Our mission**

To ensure a clean and sustainable environment for Singapore, together with our partners and the community

## Introduction

Singapore recognises that sustainable development is an integral part of building and sustaining a City in a Garden, with vibrant spaces to live, work and play, today and for our future generations. Maintaining the delicate balance between Singapore's economic, social, and environmental priorities requires a Whole-of-Nation approach with meaningful stakeholder collaborations. As Singapore's challenges become increasingly complex and cross-cutting, it is only through strategic partnerships, that Singapore can design innovative, sustainable solutions that will continue to shape the Singapore Story.

### **Singapore's approach to the United Nations 2030 Agenda for Sustainable Development and the Paris Agreement on Climate Change**

The 2030 Agenda is a global development framework adopted by World Leaders at the United Nations ("UN") Sustainable Development Summit in September 2015. It comprises the [17 Sustainable Development Goals \("SDGs"\)](#) which apply to all countries in order to mobilise efforts to protect the planet and improve the lives and prospects of everyone, everywhere. Singapore's ambitions and contributions to the SDGs are disclosed in the latest publication of [Singapore's Voluntary National Review Report](#).

Building on strategies earlier reflected in the [National Climate Change Strategy 2012](#) and [Sustainable Singapore Blueprint 2015](#), Singapore launched its *Climate Action Plan* in July 2016. The first part "[A Climate-Resilient Singapore, for a Sustainable Future](#)" details Singapore's plans to adapt to the impacts of climate change, such as in coastal protection and infrastructure. The second part "[Take Action Today, for a Carbon-Efficient Singapore](#)" explains the key tenets of Singapore's approach to reduce carbon emissions up to 2030, which include: (i) improving energy efficiency; (ii) reducing carbon emissions from power generation; (iii) developing and demonstrating cutting-edge low-carbon technologies; and (iv) responding through the collective action of government agencies, individuals, businesses and the community. These steps outlined in the *Climate Action Plan* go towards fulfilling Singapore's climate pledge (i.e. [Singapore's Nationally Determined Contribution](#)) under the United Nations Framework Convention on Climate Change ("UNFCCC"). In July 2015, Singapore announced its target of reducing emissions intensity by 36 percent from 2005 levels by 2030, and stabilising emissions with the aim of peaking around 2030<sup>1</sup>. In March 2020, the National Climate Change Secretariat published "[Charting Singapore's Low-Carbon and Climate Resilient Future](#)", mapping out a long-term low-emissions development strategy, that aspires to halve the nation's emissions from its peak to 33MtCO<sub>2</sub>e by 2050, with a view to achieving net zero emissions as soon as viable in the second half of the century.

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<sup>1</sup> Singapore's Government. (2015). Singapore's Intended Determined Contribution (INDC).

## **NEA's role in galvanising the shifts to sustainability**

NEA strives to be a leading public agency in sustainable practices that benefit Singapore's environment, economy and society. Visionary leadership is important in galvanising action, with long-term planning, sound laws and policies, good infrastructure, proper governance, effective execution and diligent enforcement being the drivers of positive change. It recognises the important role it plays and endeavours to advance its strategies in order to fulfil the national sustainability vision, through the work it does.

## **Waste management in Singapore**

Cities, as the engines of economic growth, are also the highest producers of waste and pollution. Present day Singapore is highly urbanised and industrialised, with limited land area and a high population density posing a major challenge. NEA plans, develops and administers Singapore's solid and hazardous waste management systems. Prudent management of our waste is crucial in ensuring public health, environmental sustainability and efficient use of scarce land resources. In 2003, about 4.7 million tonnes of solid waste was generated in Singapore<sup>2</sup>. By 2018, this had increased to about 7.7 million tonnes<sup>3</sup>. Currently, 59% of the solid waste is recycled and 39%, which is incinerable, is managed through incineration which reduces the quantity by 90% and produces steam for running steam turbines for electricity generation<sup>4</sup>. The ash from the incineration plants and non-incineratable waste is transferred to Semakau Landfill for disposal. Today, Semakau Landfill receives more than 2,100 tonnes of waste – approximately 1,500 tonnes of incinerated ash and 600 tonnes of non-incinerable waste<sup>5</sup>. In 2019, Singapore set a national target to reduce the amount of waste sent to Semakau Landfill by 30 percent by 2030 in order to extend its lifespan<sup>6</sup>. To achieve this, the [Resource Sustainability Bill](#) was passed to regulate three waste streams, namely e-waste, food waste and packaging waste. Singapore is also actively studying means to utilise the incinerated ash.

## **Sustainable finance, a catalyst for climate action**

For the nation and the world to achieve its sustainable development goals, large investments will need to be mobilised. Sustainable financing will play a key role in driving action to meet these goals, including mitigating and adapting to the adverse impacts of climate change. NEA aims to support the development of Singapore's green finance market with the issuance of green bonds, with the view to inspire others to follow suit and build critical mass to the market.

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<sup>2,3</sup> <https://www-nea.gov.sg-admin.cwp.sg/docs/default-source/our-services/waste-management/waste-stats---2003---2017e44f4011546a42c2b736db5193758791.pdf>

<sup>4</sup> Solid Waste Management Infrastructure. Retrieved from <https://www-nea.gov.sg/our-services/waste-management/3r-programmes-and-resources/waste-management-infrastructure/solid-waste-management-infrastructure>.

<sup>5</sup> The Straits Times. (2019). Singapore aims to send one-third less waste to Semakau Landfill by 2030: Amy Khor. <https://www.straitstimes.com/singapore/environment/spore-aims-to-send-one-third-less-waste-to-semakau-landfill-by-2030-amy-khor>.

<sup>6</sup> Foreword. Towardszerowaste.sg. (2019). Retrieved from <https://www.towardszerowaste.sg/zero-waste-masterplan/foreword/>.

## Green Bond Framework



The NEA Green Bond Framework (the “Framework”) aligns with the voluntary guidelines of the Green Bond Principles (“GBP”) formulated by the International Capital Market Association (“ICMA”), framed by four core components: (1) Use of Proceeds, (2) Process for Project Evaluation & Selection, (3) Management of Proceeds and (4) Reporting.

For the avoidance of doubt, the green bonds raised under this Framework may be in any currency, tenor or on such terms and conditions in accordance with the financing strategy of NEA and in consultation with the dealer banks and having regard to market expectation of the green bond investors.

### 1. Use of Proceeds

The net proceeds from each green bond issuance under this Framework will be allocated to finance or refinance new or existing Green Projects which meet the Eligibility Criteria outlined below, with a two-year lookback period for refinancing projects. Such projects are defined as “Eligible Green Projects” under this Framework.

#### Eligibility Criteria

| Green Project Categories            | Eligible Green Projects  | Environmental Benefits  | Contribution to the UN SDG Targets  |
|-------------------------------------|--|---|---|
| <b>Sustainable waste management</b> | <ul style="list-style-type: none"> <li>Design, construction, operation, management and capacity building, and/or upgrade of infrastructure, assets and/or plant relating to activities such as:</li> <li>Waste-to-energy with 26% gross waste-to-energy efficiency<sup>1</sup></li> <li>Food Waste Treatment that treats food waste into high-quality bio-pulp</li> <li>Sludge Incineration with 70% thermal efficiency</li> <li>Material Recovery of Recyclables including waste collection and sorting (including pre-sorting)</li> <li>Waste Processing and Recycling (for non-hazardous waste only)</li> </ul> | <ul style="list-style-type: none"> <li>Pollution Prevention and Control</li> <li>Energy/Emission-efficient Energy Recovery</li> <li>Resource Recovery</li> <li>Minimise Environmental Impact</li> <li>Optimise Land Use</li> <li>Minimise landfill</li> </ul> |  <p>11.6</p>  <p>12.3, 12.5</p> |

<sup>1</sup> Only solid waste collected from domestic and commercial and industrial waste sources (Type A & Type B) will be treated. Refer to NEA’s [website](#) for more details.

For the avoidance of doubt, the Eligible Green Projects shall in all cases exclude fossil fuel-based electric power generation or improvement in the efficiency of fossil fuel-based electric power generation.

## 2. Process for Project Evaluation & Selection

### Environmental Sustainability Objectives

The process for evaluating and selecting Eligible Green Projects aligns with NEA's key roles in providing a safe, healthy and conducive living environment, as well as building a resource efficient and sustainable Singapore.

### Governance

NEA has established a governance process for project evaluation and selection as follows:

- **Green Bond Working Group** comprising representative members from various functions and is responsible for identifying and proposing Green Projects using the Eligibility Criteria. In addition, the Green Bond Working Group will be responsible for managing any future updates of the Framework, including any expansion of requirements of use of proceeds.
- **Green Bond Committee** comprising senior leadership of NEA and is responsible for reviewing and endorsing the Eligible Green Projects proposed by the Green Bond Working Group to ensure compliance with the Framework.
- **Board Finance Committee** comprising key members of the Board and will approve the Eligible Green Projects to be financed by green bond issuances drawn under the Framework.

Additionally, the Green Bond Committee will review the approved Eligible Green Projects annually until the maturity of the green bond and endorse the compliance of these projects according to the Eligibility Criteria set out in the Framework.

### Risk Management

NEA adopts its Enterprise Risk Management ("ERM") Framework for its activities to manage risks and opportunities, including those of Environment, Social and Governance ("ESG"), in a structured, integrated and effective manner. The ERM programme enables NEA to proactively identify, assess, prioritise, treat and monitor key strategic and operational risks on an ongoing basis. Any potential negative environmental and social impacts of the selected Eligible Green Projects will be carefully assessed and managed under the ERM programme.

More information on the ERM programme can be obtained from NEA's Annual Sustainability Report.



### 3. Management of Proceeds

The net proceeds of green bonds will be allocated in full to Eligible Green Projects, which are selected in accordance with the Eligibility Criteria and using the evaluation and selection process as described above.

NEA's Finance team will track the proceeds of the green bonds in a segregated bank account and periodically adjust the balance of the tracked proceeds to match allocations to the Eligible Green Projects.

Where the allocation of the proceeds is pending, such amounts will be held in a portfolio of liquid instruments including cash and cash equivalents, in accordance with NEA's treasury policy. Any unallocated amount will not be used to directly finance projects or activities, or knowingly invested in any securities, which may contribute to any carbon intensive activities or facilities. NEA expects to allocate the net green bond proceeds to Eligible Green Projects within 24 months from the date of issuance.

Where the Eligible Green Projects portfolio is smaller than the net green bond proceeds outstanding or where a financed Eligible Green Project no longer complies with this Green Bond Framework (e.g. following divestment, postponement or cancellation), NEA will use its best endeavours to allocate the proceeds to Eligible Green Projects as soon as reasonably practicable.

### 4. Reporting

NEA will provide information on the allocation of proceeds towards the Eligible Green Projects and environmental impact of those projects on an annual basis.

In connection, NEA will engage an external auditor to provide independent assurance on our reporting of the allocation and impact reports in accordance with the Framework, until full allocation and in case of material changes.

#### **Allocation Report**

Until the maturity of the green bonds, NEA will provide information on:

- List of Eligible Green Projects with descriptions and allocated amount;
- Information about the share of green bond proceeds between new Eligible Project and re-financing, if applicable;
- Percentage of co-financing for projects financed by green bond proceeds and other financing sources, if any;
- Remaining balance of proceeds yet to be allocated at the end of the reporting period; and
- Types of temporary unallocated funds placements and uses.

Where confidentiality limits the amount of detail that can be made available, NEA may choose to present the information in generic terms.

## Impact Report

To the extent relevant and practicable, NEA will provide information on qualitative and quantitative environmental impact indicators resulting from each Eligible Green Projects, including any material developments or ESG controversies. Example list of indicators are outlined in Table 1 below:

| <b>Environmental aspect</b>  | <b>Example performance indicators</b>  |
|------------------------------|--|
| Energy Recovery              | <ul style="list-style-type: none"><li>• Overall Gross Power Efficiency for WTE (%)<sup>1</sup></li><li>• Energy recovery from waste and sludge incineration (MWh per annum or MJ per annum)</li></ul>  |
| Resource Recovery            | <ul style="list-style-type: none"><li>• Incineration Bottom Ash (IBA) sent to off-site facility for recovery of Ferrous metals and Non-Ferrous metals (tonnes per annum)</li><li>• Recovery of Recyclables consisting of Ferrous metals, Non-Ferrous metals, Plastics and Paper (tonnes per annum)</li></ul> |
| Reduced Environmental Impact | <ul style="list-style-type: none"><li>• Compliance with Singapore's air emissions requirements as per statutory requirements</li><li>• Reduction in Carbon Emission (tonnes of CO2 equivalent per annum)</li></ul>   |
| Landfill avoidance           | <ul style="list-style-type: none"><li>• Bottom Ash Recovery (tonnes per annum)</li><li>• Diversion of IBA from landfill (tonnes per annum)</li></ul>   |

<sup>1</sup> Figure of Overall Gross Power Efficiency is subject to change based on calorific value of waste, actual load during operations and power degradation curve.

Any key underlying methodologies and assumptions used in the quantitative determination will be included in the impact report.

The Green Bond Committee will review and approve the allocation report and the impact report to be made available on NEA's website. The opinion of the external auditor will also be made available at NEA's website.

## External Review

This Green Bond Framework has been reviewed by V.E who has issued an independent Second Party Opinion. The Second Party Opinion documents are made available at NEA's website.

## Disclaimer

This Green Bond Framework contains certain forward-looking statements that reflect NEA's current views with respect to future events and its financial and operational performance. These forward-looking statements are based on NEA's current expectations and projections about future events. Because these forward-looking statements are subject to risks and uncertainties, actual future results or performance may differ materially from those expressed in or implied by these statements due to any number of different factors, many of which are beyond the ability of NEA to control or estimate precisely, including changes in the regulatory environment, future market developments, fluctuations in price and other risks. You are cautioned not to place undue reliance on the forward-looking statements contained herein, which are made only as of the date of this document. This Green Bond Framework does not constitute a recommendation regarding any securities of NEA. This Green Bond Framework is not, does not contain and may not be intended as an offer to sell or a solicitation of any offer to buy any securities issued by NEA. In particular, neither this document nor any other related material may be distributed or published in any jurisdiction in which it is unlawful to do so, except under circumstances that will result in compliance with any applicable laws or regulations. Persons into whose possession such documents may come must inform themselves about, and observe, any applicable restrictions on distribution.