

FOR IMMEDIATE RELEASE

Halcyon Agri Outlines Sustainability Ambitions, Inks Sustainability-Linked Facility of Up to US\$300 Million

SINGAPORE, 27 June 2022 – Halcyon Agri Corporation Limited (“**Halcyon Agri**”, the “**Company**” and together with its subsidiaries, the “**Group**”) today outlines its medium-to-long-term sustainability strategy. The Company is also pleased to announce that it has secured a syndicated Sustainability-Linked Loan (“**SLL**” or the “**Facility**”) of up to US\$300 million.

In 2021, Halcyon Agri defined key priorities covering, amongst others, net zero carbon emissions, net-positive water impact, responsible sourcing, and equitable livelihoods, to contribute to United Nations’ Sustainable Development Goals (“**UN SDGs**”). In line with the priorities, we are currently working with professionals to understand our global carbon footprint, so that we are able to commit to Science Based Targets Initiative (“**SBTi**”) by 2023.

While this exercise is ongoing, the Group has defined three (3) initial Sustainability Performance Targets (“**SPTs**”), that are critical to the Group’s processing business globally. These SPTs focus on energy efficiency (grid), water use intensity and traceable sourcing. The rationale of these SPTs is in line with our goal to reduce our carbon footprint by transitioning to renewable energy sources and water conservation, while realising cost benefits. Furthermore, as part of our Sustainable Natural Rubber Supply Chain Policy¹, establishment of source provenance of our raw materials is essential in our no deforestation commitment. Such initiative also provides some level of assurance to our customers as well as end users.

Mr Li Xuetao (李雪涛), Chief Executive Officer of Halcyon Agri commented, “*We recognise that as one of the leading natural rubber players, both in terms of scale and presence, as well as sustainability track record, we need to actively take steps to decarbonise our supply chain and protect our environment. The initial set of SPTs is an important step for rubber processing business, which is in need for modernisation, both from technology and sustainability perspective. We call on our fellow industry players to join us in this journey, and would welcome any productive engagements based on ESG principles.*”

Completion of Sustainability-Linked Loan

The Company has also attained an SLL of up to US\$300 million from a banking syndicate, a testament of financial institutions’ support of the Group’s sustainability ambition.

In establishing the SLL, the Company has refined the SPT parameters to cover the natural rubber processing business in Asia of HRC Group, a platform which serves the tyre majors globally. Moody’s ESG Solutions have reviewed the SPTs and considered this Facility to be aligned with Sustainability-Linked Loan Principles 2022².

The proceeds from this Facility will be deployed for working capital purposes of HRC Group’s natural rubber factories based in Asia, and to replace certain higher-interest loans, to bring down

¹ <https://www.halcyonagri.com/wp-content/uploads/2018/11/Sustainability-Policy-SNRSCP-V6-Approved-and-Adopted-on-22-October-2021.pdf>

² Established by Loan Market Association (LMA), Asia Pacific Loan Market Association (APLMA) and Loan Syndications and Trading Association (LSTA)

overall financing costs of the Group. The incentive mechanism allows us to attain a lower cost of funding upon achieving certain conditions, in a rising interest rate environment.

Mr Jeremy Loh, Chief Financial Officer of Halcyon Agri commented, *“We appreciate the tremendous support from leading financial institutions, and their recognition of our ongoing sustainability efforts. This puts the Group in pole position ahead of future sustainability-linked financing opportunities. Sustainability being the core of Halcyon Agri’s business, we aim to link our principles with our actions, to continue investing in our sustainability capabilities, using green or sustainability-linked funding sources.”*

This Facility is supported by the following financial institutions:

- Sole Coordinating Bank, Sole Sustainability Coordinator and Agent: **UOB**;
- Active Joint Mandated Lead Arrangers, Underwriters and Bookrunners: **China CITIC Bank International Limited** and **UOB**;
- Mandated Lead Arranger, Underwriter and Bookrunner: **Bank of Communications Co. Ltd. Singapore Branch**; and
- Senior Mandated Lead Arranger: **Shanghai Pudong Development Bank Co., Ltd. Singapore Branch**.

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About Halcyon Agri

Halcyon Agri is a leading supply chain franchise of natural rubber with global presence. Headquartered in Singapore and listed on the Singapore Exchange (SGX: 5VJ), the Group owns and operates significant assets along the natural rubber value chain, and distributes a range of natural rubber grades, latex and specialised rubber for the tyre and non-tyre industries. It has 37 processing factories in most major rubber producing origins with effective production capacity of 1.4 million mT per annum, and is one of the largest owners of commercially operated rubber plantation globally.

Halcyon Agri comprises two major business units:

- **Halcyon Rubber Company (HRC)** is the pre-eminent supplier of natural rubber to the global tyre fraternity. HRC Group owns and operates 35 factories with wide-ranging approvals from the tyre majors. The factories, compliant to stringent manufacturing standards, are located across the key rubber origins, including Indonesia, Malaysia, China, Thailand and Ivory Coast.
- **Corrie MacColl (CMC)** is a leading provider of specialist polymers for industrial and non-tyre applications. It comprises of two units: **CMC Plantations (CMCP)**, which owns one of the largest commercially owned and operated plantations globally and **CMC International (CMCI)**, a commercial and distribution platform with global third-party procurement capability, which supports the customers’ requirements by providing full suite of logistic and technical services.

With a multinational workforce of more than 15,000 employees in over 100 locations globally, Halcyon Agri embraces sustainability as its core business tenet, and has stringent standards in place to ensure its products are sustainably sourced and responsibly produced.

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