

Second-Party Opinion

Greenko Green Bond

Evaluation Summary

Sustainalytics is of the opinion that the Greenko Group (“Greenko”) Green Bond Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2018. This assessment is based on the following:



USE OF PROCEEDS The eligible category for the use of proceeds – Renewable Energy – is aligned with those recognized by the Green Bond Principles 2018. Sustainalytics considers the eligible category to have positive environmental impact and to advance the UN Sustainable Development Goals, specifically 7 (Affordable and Clean Energy).



PROJECT EVALUATION / SELECTION Greenko’s Business Development Department, Greenko Integrated Management System (GIMS) department, and the Environmental, Health, and Safety (EHS) team oversaw the project selection process, including commercial feasibility and eligibility. All eligible projects have undergone a voluntary Environmental and Social Impact Assessment (ESIA) or have an Implementation of Environmental and Social Management System (ESMS) based on the International Finance Corporation’s (IFC’s) Performance Standards on Environmental and Social Sustainability. Sustainalytics considers this to be in line with market practice.



MANAGEMENT OF PROCEEDS Greenko intends to immediately allocate the net proceeds, after bond issuance, towards refinancing the eligible green assets. The amount equal to net proceeds of the green bond will be deposited in bank account for the interim period before being disbursed to eligible assets through Greenko’s subsidiaries. This is in line with market practice.



REPORTING Greenko intends to publish an annual report on its website, once immediately allocated to eligible projects. The allocation reporting will include list of all projects refinanced with descriptions and amounts allocated to each eligible project, as well as relevant impact metrics. Sustainalytics views Greenko’s allocation and impact reporting to be in line with market practice.

Evaluation date	July 2019
Issuer Location	Hyderabad, India

Report Sections

Introduction.....	2
Sustainalytics’ Opinion	3
Appendices	6

For inquiries, contact the Sustainable Finance Solutions project team:

Ankita Shukla (New York)
 Project Manager
 ankita.shukla@sustainalytics.com
 (+1) 617 603 3329

Mayur Mukati (Toronto)
 Project Support
 mayur.mukati@sustainalytics.com
 (+1) 647 936 5656

Paramjot Kaur (New York)
 Client Relations
 susfinance.americas@sustainalytics.com
 (+1) 646 518 0184

Introduction

Greenko Group PLC (“Greenko”, “the “Group”, or the “Issuer”), comprising of Greenko Energy Holdings together with its subsidiaries, develops and operates clean energy projects in India. Greenko’s portfolio includes solar, wind, hydropower, natural gas, and biomass assets in India. Through these assets, the group generates and sells electricity to state utilities, private customers, and other electricity transmission and trading companies. Greenko was founded in 2004 and is headquartered in Hyderabad, India.¹

In August 2016 and July 2017, Greenko issued multiple green bonds to refinance expenditures related to run-of-river hydropower projects as well as wind and solar energy projects.²³ In 2019, to further its commitment to enhance access to renewable energy in India, the Group has developed the Greenko Green Bond Framework (the “Framework”) under which it intends to issue green bonds and use the proceeds to refinance, in part or in whole, existing wind and solar projects. The Framework defines eligibility criteria in the following area:

- Renewable Energy
 - Expenditures related to the development and acquisition of wind energy projects;
 - Expenditures related to the development and acquisition of solar energy projects.

A list of eligible projects for the 2019 green bond issuance is provided in Appendix 1.

The Group engaged Sustainalytics to review the Greenko Green Bond Framework, dated July 2019, and provide a second-party opinion on the Framework’s environmental credentials, as well as the alignment of the Framework with the Green Bond Principles 2018 (GBP).⁴ This Framework will be published on Greenko’s corporate website.⁵

As part of this and previous engagements, Sustainalytics held conversations with various members of Greenko’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Greenko Green Bond Framework. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Greenko Green Bond Framework and should be read in conjunction with that Framework.

¹ Greenko Group, About Us: <http://www.greenkogroup.com/about.php#company>

² Greenko Group Green Bond, Framework Overview and Second Opinion By Sustainalytics, 2016 is available at https://www.sustainalytics.com/sites/default/files/sustainability_bond_framework_and_opinion-greenkogroup.pdf

³ Greenko Group Green Bond, Framework Overview and Second Opinion By Sustainalytics, 2016 is available at https://www.sustainalytics.com/wp-content/uploads/2017/07/Sustainability-Bond-Framework-and-Opinion-GreenkoGroup_07062017-FINAL.pdf

⁴ The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

⁵ Greenko Green Bond Framework will be available on Greenko’s website in the Bondholder Information section: http://www.greenkogroup.com/investors.php#bondholder_info

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Greenko Green Bond Framework

Summary

Sustainalytics is of the opinion that the Greenko Green Bond Framework, dated July 2019, is credible and impactful, and aligns with the four core components of the GBP 2018. Sustainalytics highlights the following elements of the Framework:

- Use of Proceeds:
 - The use of proceeds category is recognized as impactful by the GBP 2018. The eligible projects in this category provide meaningful environmental contributions, including wind and solar assets.⁶ Sustainalytics views Greenko's eligible projects to promote renewable energy development in India and to provide significant environmental benefits.
- Project Evaluation and Selection:
 - Greenko's Business Development Department oversaw the commercial feasibility of eligible projects, and Greenko Integrated Management System (GIMS) department and the Environmental, Health, and Safety (EHS) team oversaw the project selection based on eligibility criteria.
 - All eligible projects have undergone a voluntary Environmental and Social Impact Assessment or have an Implementation of Environmental and Social Management System based on the International Finance Corporation's Performance Standards (2012) on Environmental and Social Sustainability. Sustainalytics considers Greenko's project selection process to be in line with market practice.
- Management of Proceeds:
 - Greenko intends to immediately allocate the net use of proceeds, after bond issuance, towards refinancing the eligible green assets. The amount equal to net proceeds of the green bond will be deposited in an account for the interim period before being disbursed to Greenko's subsidiaries that own and operate the eligible wind and solar assets. This is in line with market practice.
- Reporting:
 - Greenko intends to publish an annual report on its website, once proceeds will be immediately allocated. Sustainalytics views Greenko's allocation and impact reporting to be in line with market practice.
 - The allocation reporting will include list of all projects refinanced with descriptions and amounts allocated to each eligible project.
 - The impact reporting may include environmental indicators, such as greenhouse gas (GHG) emissions avoided.

Alignment with Green Bond Principles 2018

Sustainalytics has determined that the Greenko Green Bond Framework, dated July 2019, aligns with the four core components of the GBP 2018. For detailed information please refer to Appendix 2: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Performance of the Issuer

Contribution of the Framework to Greenko's sustainability strategy

Sustainalytics is of the opinion that Greenko has demonstrated a commitment to enhance access to renewable energy and mitigate climate change through the following efforts:^{7,8}

- Greenko's vision and missions mention focus on the "decarbonization, digitalization and decentralization of India's energy sector" and building public-private partnerships for "sustainable development."

⁶ Greenko has also confirmed that some of its eligible projects are registered under VCS (Verified Carbon Standard) program and/or Gold Standard, furthering credibility to its projects' environmental performance in terms of avoided GHG emissions.

⁷ Greenko, Integrated Report 2017-18: http://www.greenkogroup.com/assets/Investor%20pdfs/IR_2017-18.pdf

⁸ Greenko, Sustainability Report 2016-17: http://www.greenkogroup.com/assets/Investor%20pdfs/SR_2016-17.pdf

- Greenko published its first Integrated Report for the reporting period of 2017-18 in line with the International Integrated Reporting Council (IIRC) requirements. The report focused on enhancing the Group's ability "to protect and enhance value creation" for all relevant stakeholders. Greenko also identified most relevant Sustainable Development Goals for its business where the Group can make significant positive contribution, including the SDG 7: Affordable and Clean Energy.
- Greenko acknowledged to support India's ambitious targets of over 200 GW of renewable energy by 2022, aligning with the national objectives of energy security and climate action.

Considering the above, Sustainalytics is of the opinion that Greenko's sustainability strategy and efforts demonstrate the importance it places on achieving positive environmental impacts. Sustainalytics also believes that Greenko's Framework is aligned with the Group's overall sustainability efforts and can support its commitment to support decarbonization of the economy.

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

While Sustainalytics recognizes that the use of proceeds from Greenko's Framework will be directed towards eligible existing projects that are recognized by the GBP 2018 to have positive environmental impact, Sustainalytics is aware that such projects could have led to negative environmental and social outcomes. Some key environmental and social risks commonly associated with the eligible projects include a lack of pollution control during construction and/or development, an exposure of local communities to adverse effects, occupational health and safety, and biodiversity loss.

Sustainalytics is of the opinion that Greenko mitigated such risks through the following systems and processes:^{7,8}

- Greenko implemented Environmental and Social Management System (ESMS), under the supervision of its CEO and business vertical heads, through which all Greenko's projects are evaluated to understand the need for Environmental and Social Impact Assessment (ESIA) to be conducted by third parties. The need for ESIA is decided based on the identification and assessment of risks as well as screening of their potential impacts. The procedure includes all relevant environmental and social risks consistent with the International Finance Corporation's Performance Standards PS2 to PS8:⁹ (i) Labor and working conditions, (ii) Resource efficiency and pollution prevention, (iii) Community health, safety and security, (iv) land acquisition and involuntary resettlement, (v) Biodiversity conservation and sustainable management of living natural resources, (vi) Indigenous people and (vii) Cultural heritage.
- Greenko also commissions third-party audits of ESMS implementation status for certain number of projects every year, that are selected based on the stage of development, type of technology, and the stage of ESMS implementation. The annual updates of such implementation and audits are submitted to the Group's Board of Directors.
- All internal and external stakeholders involved during the construction projects, including the EPC contractors, and the OEM and civil contractors, adhere to the Group's Supplier Code of Conduct which incorporates measures to preserve and/or enhance natural capital.
- Greenko conducted materiality assessment to identify environmental, social and economic issues impacting its business and its stakeholders. Some environmental and social factors identified in high or medium priority spectrums include health & safety; climate change and greenhouse gases; as well as biodiversity and environmental protection.

Due to the above-mentioned systems and processes, Sustainalytics believes that Greenko sufficiently identified, managed and mitigated environmental and social risks commonly associated with the eligible project intended to be refinanced by the use of proceeds.

Section 3: Impact of Use of Proceeds

The green use of proceeds will be used for refinancing Renewable Energy (wind and solar energy) projects. The eligible category defined in the Greenko Green Bond Framework is recognized as impactful by the GBP 2018.

⁹ International Finance Corporation (IFC), Understanding IFC's Environmental and Social Due Diligence Process: <https://www.ifc.org/wps/wcm/connect/b58ead804942ee5da7a5ff4f5d4da76e/IFC+Process.pdf?MOD=AJPERES>

Importance of renewable energy in India’s transition to low-carbon economy

In order to achieve the commitments of the Paris Agreement, to limit global average temperature increases to well below 2°C and aim to limit the increase to 1.5°C, drastic decreases to global emissions will be required.¹⁰ Considering that GHG emissions from electricity and heat production made up approximately 49% of total fuel combustion in 2014,¹¹ increasing the share of renewable energy generation has the potential to have significant impact on meeting climate goals. According to the International Renewable Energy Agency (IRENA), the total share of renewable energy must rise to approximately 66% of the total primary energy supply (TPES) by 2050 in order to meet the 2°C target.¹² Although renewable energy grew more rapidly than other forms of generation in recent years, meeting a quarter of the global demand growth,¹³ this rate of deployment must be ramped up to meet international targets.

Moreover, in India, the target of 175 GW of solar and wind power by 2022 faces some short-term uncertainties, such as taxes and levies on solar products, and the growth rate of annual solar and wind installed capacities might reduce due to such certainties.¹⁴ Furthermore, according to Wood Mackenzie Power & Renewables,¹⁵ it was expected that the country will only achieve up to 76% of its target by 2022.

Considering the momentum needed to maintain and/or accelerate the growth of solar and wind power in India, Sustainalytics believes that Greenko is well positioned to make an impact through the use of proceeds category, and that Greenko’s green bond intends to promote the adoption of renewable energy in India and support the country’s shift towards a low-carbon economy.

Alignment with/contribution to SDGs

The UN Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. Greenko’s green bond advances the following SDG goal and target:

Use of Proceeds Category	SDG	SDG target
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.

Conclusion

Greenko Group PLC (“Greenko”) has developed the Greenko Green Bond Framework under which it intends to issue green bonds to refinance eligible wind and solar projects that deliver positive environmental outcomes. Sustainalytics believes that the Framework is aligned with its overall sustainability strategy and efforts, and that the eligible category contributes to the advancement of UN Sustainable Development Goal 7 (Affordable and Clean Energy). Additionally, Sustainalytics is of the opinion that the Greenko has identified, managed and mitigated environmental and social risks commonly associated with the eligible project intended to be refinanced by the use of proceeds.

Overall, Sustainalytics is of the opinion that the Greenko Green Bond Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2018.

¹⁰ European Commission, Paris Agreement: https://ec.europa.eu/clima/policies/international/negotiations/paris_en

¹¹ World Bank Group, CO₂ emissions from electricity and heat production: <https://data.worldbank.org/indicator/EN.CO2.ETOT.ZS>

¹² IRENA, Global Energy Transformation: https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2018/Apr/IRENA_Report_GET_2018.pdf

¹³ IEA, Global Energy & CO₂ Status Report- 2017: <https://www.iea.org/publications/freepublications/publication/GECO2017.pdf>

¹⁴ The Economic Times, India unlikely to achieve 100 GW solar power target of 2022:

<https://economictimes.indiatimes.com/industry/energy/power/india-unlikely-to-achieve-100-gw-solar-power-target-of-2022/articleshow/67899655.cms>

¹⁵ Greentech Media, India Will Miss Its Target of 175 Gigawatts Solar and Wind by 2022:

<https://www.greentechmedia.com/articles/read/woodmac-expects-india-to-miss-2022-renewables-target#gs.ladjkd>

Appendices

Appendix 1: List of Eligible Projects

Name of Entity	Technology	Capacity (MW)	Location (Indian states)
Animala Wind Power Pvt Ltd	Wind Power	84	Andhra Pradesh
Sai Puram Wind Energies Pvt Ltd	Wind Power	104.5	Andhra Pradesh
Axis Wind Farms (MPR DAM) Pvt Ltd	Wind Power	100	Andhra Pradesh
Shanay Renewables Limited	Wind Power	21	Karnataka
Orange Jaisalmer Wind Energy Private Limited	Wind Power	39.9	Rajasthan
Orange Mamatkhedha Wind Private Limited	Wind Power	100.5	Madhya Pradesh
	Wind Power	60	Karnataka
Orange DND Wind Power Private Ltd	Wind Power	22.5	Rajasthan
Orange Maha Wind Energy Private Limited	Wind Power	32	Maharashtra
Orange Bercha Wind Power Private Limited	Wind Power	50	Madhya Pradesh
Orange Agar Wind Power Private Ltd	Wind Power	40	Gujarat
Orange Uravakonda Wind Power Private Limited	Wind Power	100.8	Andhra Pradesh
Skeiron Renewable Energy- Kustugi Renewables Private Limited	Wind Power	50.4	Karnataka
NTPC- Karvy (Achintya Solar Power Limited)	Solar Power	20	Telangana
NTPC- Karvy (Grinibhrit Solar Power Limited)	Solar Power	10	Telangana
NTPC- Karvy (Suvarchas Solar Power Limited)	Solar Power	10	Telangana
NTPC- Karvy (Vishvarupa Solar Power Limited)	Solar Power	10	Telangana
Jilesh Power Pvt. Ltd.	Solar Power	45	Telangana
Zuka Power Pvt. Ltd.	Solar Power	48	Telangana

Appendix 2: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	Greenko Group PLC ("Greenko")
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: <i>[specify as appropriate]</i>	Greenko Green Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	July 2019
Publication date of review publication: <i>[where appropriate, specify if it is an update and add reference to earlier relevant review]</i>	This is Greenko's third Green Bond Framework following the development of its July 2016 and June 2017 Green Bond Frameworks and Sustainalytics' corresponding second-party opinion reports.

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other <i>(please specify)</i> : | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW *(if applicable)*

Please refer to Evaluation Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (*if applicable*):

The eligible category for the use of proceeds – Renewable Energy – is aligned with those recognized by the Green Bond Principles 2018. Sustainalytics considers the eligible category to have positive environmental impact and to advance the UN Sustainable Development Goals, specifically 7 (Affordable and Clean Energy).

Use of proceeds categories as per GBP:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Renewable energy | <input type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input type="checkbox"/> Other (<i>please specify</i>): |

If applicable please specify the environmental taxonomy, if other than GBPs:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

Greenko's Business Development Department, Greenko Integrated Management System (GIMS) department, and the Environmental, Health, and Safety (EHS) team oversaw the project selection process. Sustainalytics considers this to be in line with market practice.

Evaluation and selection

- | | |
|---|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
|---|---|

- | | |
|--|--|
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (<i>please specify</i>): |

Information on Responsibilities and Accountability

- | | |
|--|--|
| <input checked="" type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

Greenko intends to immediately allocate the net proceeds, after bond issuance, towards refinancing the eligible green assets. The amount equal to net proceeds of the green bond will be deposited in bank account for the interim period before being disbursed to eligible assets through Greenko's subsidiaries. This is in line with market practice.

Tracking of proceeds:

- | |
|--|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other (<i>please specify</i>): |

Additional disclosure:

- | | |
|--|--|
| <input type="checkbox"/> Allocations to future investments only | <input type="checkbox"/> Allocations to both existing and future investments |
| <input checked="" type="checkbox"/> Allocation to individual disbursements | <input type="checkbox"/> Allocation to a portfolio of disbursements |
| <input type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (<i>please specify</i>): |

4. REPORTING

Overall comment on section (*if applicable*):

Greenko intends to publish an annual report on its website, once proceeds will be immediately allocated. The allocation reporting will include list of all projects refinanced with descriptions and amounts allocated to each eligible project, as well as relevant impact metrics. Sustainalytics views Greenko's allocation and impact reporting to be in line with market practice.

Use of proceeds reporting:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Project-by-project | <input type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (<i>please specify</i>): |

Information reported:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Allocated amounts | <input type="checkbox"/> Green Bond financed share of total investment |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Frequency:

- | | |
|---|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Impact reporting:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Project-by-project | <input type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (<i>please specify</i>): |

Frequency:

- | | |
|---|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Information reported (expected or ex-post):

- | | |
|---|--|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input type="checkbox"/> Energy Savings |
| <input type="checkbox"/> Decrease in water use | <input type="checkbox"/> Other ESG indicators (<i>please specify</i>): |

Means of Disclosure

- | | |
|---|--|
| <input type="checkbox"/> Information published in financial report | <input type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents | <input checked="" type="checkbox"/> Other (<i>please specify</i>): website |
| <input type="checkbox"/> Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review): | |

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- | | |
|--|--|
| <input type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification / Audit | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Review provider(s):

Date of publication:

ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

- i. Second Party Opinion: An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- ii. Verification: An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- iii. Certification: An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. Green Bond Scoring/Rating: An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

Disclaimer

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The client is fully responsible for certifying and ensuring its commitments’ compliance, implementation and monitoring.

Sustainalytics

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

For more information, visit www.sustainalytics.com

Or contact us info@sustainalytics.com

