

Green Bond Fact Sheet

Pepper Group			Date: 04-Feb-2019
Issue date: 06-Dec-2018 Maturity date: 18-Aug-2021 Tenor: 2.7			
Issuer Name	Pepper Group	Amount Issued	EUR110m (USD125.1m); AUD75m (USD54.1m)
Country of risk	Australia	CBI Database	Included
Issuer Type ¹	ABS	Bond Type	RMBS tranches
Green Bond Framework	Link to framework	Second party opinion	Sustainalytics
Certification Standard	Not certified	Assurance report	N/A
Certification Verifier	N/A	Green bond rating	N/A
Use of Proceeds			
<input type="checkbox"/> Energy	<input type="checkbox"/> Solar <input type="checkbox"/> Onshore wind <input type="checkbox"/> Offshore wind <input type="checkbox"/> Geothermal <input type="checkbox"/> Hydro	<input type="checkbox"/> Tidal <input type="checkbox"/> Biofuels <input type="checkbox"/> Bioenergy <input type="checkbox"/> District heating <input type="checkbox"/> Electricity grid	<input type="checkbox"/> Energy storage <input type="checkbox"/> Energy performance <input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input checked="" type="checkbox"/> Buildings	<input checked="" type="checkbox"/> Certified Buildings <input type="checkbox"/> HVAC systems <input type="checkbox"/> Energy performance	<input type="checkbox"/> Water performance <input type="checkbox"/> Energy storage/meters <input type="checkbox"/> Other energy related	<input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Transport	<input type="checkbox"/> Electric vehicles <input type="checkbox"/> Low emission vehicles <input type="checkbox"/> Bus rapid transit <input type="checkbox"/> Passenger trains <input type="checkbox"/> Urban rail	<input type="checkbox"/> Freight rolling stock <input type="checkbox"/> Coach / public bus <input type="checkbox"/> Bicycle infrastructure <input type="checkbox"/> Energy performance	<input type="checkbox"/> Transport logistics <input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Water & wastewater	<input type="checkbox"/> Water distribution <input type="checkbox"/> Water treatment <input type="checkbox"/> Wastewater treatment <input type="checkbox"/> Water storage	<input type="checkbox"/> Storm water mgmt <input type="checkbox"/> Desalination plants <input type="checkbox"/> Erosion control <input type="checkbox"/> Energy performance	<input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Waste management	<input type="checkbox"/> Recycling <input type="checkbox"/> Waste prevention <input type="checkbox"/> Pollution control	<input type="checkbox"/> Landfill, energy capture <input type="checkbox"/> Energy performance <input type="checkbox"/> Infrastructure	<input type="checkbox"/> Waste to energy <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience

<input type="checkbox"/> Land use & agriculture	<input type="checkbox"/> Afforestation/parks <input type="checkbox"/> Land remediation <input type="checkbox"/> Sustainable agriculture <input type="checkbox"/> FSC Forestry <input type="checkbox"/> Energy/water efficiency <input type="checkbox"/> Adaptation & resilience <input type="checkbox"/> FSC Cellulose & paper
<input type="checkbox"/> Other	<input type="checkbox"/> Adaptation & resilience <input type="checkbox"/> ICT <input type="checkbox"/> Industry: process
Issue details	
Reporting	The issuer has committed to annually reporting on proceed allocations. Where feasible, qualitative and/or quantitative environmental impact reporting will also be disclosed.
Company information	Pepper Group was founded in Sydney, Australia in 2001 and operates as a residential mortgage and consumer lender, and loan servicer across nine countries globally. (source)
Firsts, records and certifications	Second Australian issuer to come to market with an RMBS which includes green tranches, after NAB's AUD300m green RMBS tranche in February 2018.
Proceeds description	<p>Eligible projects include green mortgages for properties using building codes from New South Wales, Victoria, and Tasmania combined with BASIX, NatHers and NCC BCA third-party standards. This ensures that the buildings are in the top 15% of the market in terms of building energy performance.</p> <p>To be eligible, properties located in Queensland, South Australia, Western Australia, Australian Capital Territory and the Northern Territory must comply with the New South Wales' properties eligibility criteria. According to Sustainalytics, there are limitations to this approach as "applying the same building codes across different regions may not lead to the same energy efficiency improvement because of variation [regional] in climate." However, the SPO provider considers this eligibility proxy a valid approach to identify top-performing buildings in terms of energy efficiency in the absence of suitable region-specific criteria.</p>
Climate Bonds view	Eligibility criteria for buildings located in New South Wales, Victoria, and Tasmania are aligned with market best practice. We agree with Sustainalytics that the use of a proxy to identify top performing buildings for regions where specific eligibility criteria cannot be applied yet demonstrates the issuer's commitment to ensuring the financed buildings have sound green credentials.
Underwriters	
Deal comments	
Credit Rating	
Pricing summary	
Investors summary	

¹ Issuer categories: ABS, development bank, financial corporate, government-backed entity, loan, local government, non-financial corporate, sovereign