

Second-Party Opinion

AC Energy Green Bond Framework

Evaluation Summary

Sustainalytics is of the opinion that the AC Energy 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 Projects - is aligned with those recognized by the Green Bond Principles. Sustainalytics considers that the solar energy projects, the wind (onshore and offshore) energy projects and the geothermal energy projects will contribute to reduce total GHG emissions by increasing the renewable energy output in countries where AC Energy operates. Sustainalytics views that AC Energy’s eligible projects will also advance the UN Sustainable Development Goal 7.



PROJECT EVALUATION / SELECTION AC Energy’s project evaluation and selection is executed by the joint-collaboration of representatives from AC Energy’s Business Development, Finance and Sustainability Teams. AC Energy’s Board of Directors and Senior Management is responsible for the validation and approval of the shortlisted projects. This process is aligned with market practices.



MANAGEMENT OF PROCEEDS Proceeds of the green bond will be registered separately and tracked internally through AC Energy’s information systems. Pending full allocation, the unallocated green bond proceeds will be invested in cash or cash equivalents or used to repay existing credit obligations of the AC Energy Group according to AC Energy’s own internal liquidity management policies and may be transferred to other entities within the AC Energy Group. Sustainalytics views this process in line with market practice.



REPORTING AC Energy will provide an annual allocation report comprising a list of Eligible Green Projects, including allocated amounts and the remaining balance of unallocated proceeds. Where possible, case studies may be added within the report. With regards to the impact report, AC Energy commits on a best effort basis to disclose data on KPIs such as the energy generated from renewable sources in (kWh) and the greenhouse gas emissions reduced or avoided (in tonnes of CO_{2e}) on a portfolio basis. Sustainalytics views AC Energy’s reporting practices as aligned with market practices and encourages the company to report annually on impact indicators.

Evaluation date	January 2019
Issuer Location	Makati City, Manilla, Philippines

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Introduction

AC Energy, Inc. (“AC Energy” or “the company”) develops and operates power generation facilities, including those used for the production of renewable energy using solar, wind and geothermal technologies. The company is based in the Philippines and is 100%-owned by Ayala Corporation. The company has developed the AC Energy Green Bond Framework (the “Framework”) under which it is considering to issue green bonds and use the proceeds to finance and/or refinance, in whole or in part, existing and/or future projects that expand the renewable energy capacity and outputs in countries where AC Energy has operations. The Framework defines eligibility criteria in one area:

1. Renewable Energy Projects

AC Energy engaged Sustainalytics to review the its Green Bond Framework and provide a second-party opinion on the alignment of the framework with the Green Bond Principles 2018 (the “GBP”), as administered by the International Capital Market Association (the “ICMA”),¹ and the Framework’s environmental credentials. This Framework will be published on AC Energy’s website.²

As part of this engagement, Sustainalytics held conversations with various members of AC Energy 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 AC Energy’s green bond. Sustainalytics also reviewed relevant public documents and non-public information.

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

¹ ICMA’s Green Bond Principles 2018 <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

² AC Energy corporate website: www.acenergy.com.ph

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the AC Energy Green Bond Framework

Summary

Sustainalytics is of the opinion that the AC Energy Green Bond Framework is credible and impactful, and aligns with the four core components of the Green Bond Principles 2018. Sustainalytics highlights the following elements of AC Energy's green bond framework:

Use of Proceeds:

- The use of proceeds category of the AC Energy Green Bond Framework, i.e. Renewable Energy Projects, is recognized as impactful by the Green Bond Principles 2018.
- Sustainalytics considers AC Energy's framework to be transparent and to help expand the renewable energy capacity and total renewable energy outputs in the countries where AC Energy has operations. The eligible projects include renewable energy generation, i.e. solar, wind (on- and off-shore) and geothermal (<100g CO₂ per kWh).
- AC Energy's look-back period for refinancing previous investments is 24 months prior to the issuance date of the notes and during the life of the notes. Sustainalytics views this practice as aligned with local and regional market expectations.

Project Selection and Evaluation Process:

- AC Energy has a two-step project selection and evaluation process, which is in line with current market practices. AC Energy confirmed that its project selection and evaluation process will be executed through the joint-collaboration of various representatives from the AC Energy's Business Development, Finance, and Sustainability Teams. The validation and approval process is then performed by AC Energy's Board of Directors and Senior Management.

Management of Proceeds:

- Sustainalytics assesses AC Energy's management of proceeds process to be aligned with market practices. AC Energy confirmed that all green bond proceeds will be monitored and tracked through a separate register. The register will include relevant transaction information, as well as data on the allocation of proceeds and description of projects financed. Pending full allocation, the unallocated proceeds may be invested in cash or cash equivalents or used to repay AC Energy's existing credit obligations according to AC Energy's own internal liquidity management policies and may be transferred to other entities within the AC Energy Group.

Reporting:

- AC Energy commits to provide an annual allocation report, which will be made available to investors annually. The (i) allocation report will include a list of Eligible Green Projects, the allocated amounts and the remaining balance of unallocated proceeds, covering all requirements advanced by the Green Bond Principles. With regards to the (ii) impact report, AC Energy will disclose data on a best effort basis, on the total output of energy generated through renewable energy sources (in kWh) and the total GHG emissions reduced or avoided (in tonnes of CO_{2e}) on a portfolio basis. Sustainalytics encourages AC Energy to disclose impact progress data on an annual basis along with the allocation report. Sustainalytics assesses, however, AC Energy's reporting commitment to be in line with the market practices due to scope and granularity of its impact coverage.

Alignment with Green Bond Principles 2018

Sustainalytics has determined that AC Energy's green bond aligns to the four core components of the Green Bond Principles 2018. For detailed information please refer to Appendix 1: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Performance of the Issuer

Contribution of framework to issuer's sustainability mandate

AC Energy was established to fulfil commitments towards promoting affordable and clean energy of its parent company, Ayala Corporation ("Ayala").³

Within Ayala's Environmental Policies,⁴ AC Energy commits towards environmental responsibility, energy conservation, protection of biodiversity and reducing GHG emissions. Moreover, one of AC Energy's sustainability goals is to generate at least 50% of energy from renewables by 2025,⁵ demonstrating the company's commitment to renewable energy generation. The company also reports on its environmental progress, disclosing that in 2017 its' renewable energy (thermal, solar) generation assets produced 410.3 GWh, which was 20% higher than in 2016, and reduced its GHG emissions by 23% from the 2016 levels.⁶

Given AC Energy's mandate and sustainability targets and progress reporting, Sustainalytics believes that AC Energy is well placed to issue green bonds and that the issuance will help the company advance in its sustainability strategy.

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

While Sustainalytics recognizes the positive impact of the use of proceeds, it is acknowledged that the eligible projects have environmental and social risks related to the impact of large renewable energy facilities and infrastructure on local communities and biodiversity, as well as workers' health and safety. Sustainalytics highlights the following risk mitigation processes of AC Energy:

- As a wholly-owned subsidiary of Ayala, the policies of Ayala are also applicable to AC Energy. Ayala is a member of the UN Global Compact Network Philippines,⁷ and has a commitment to uphold its 10 principles, including provisions to supporting precautionary approaches towards environmental challenges, undertaking initiatives to promote environmental responsibility, and encouraging the development and diffusion of environmentally friendly technologies,⁸ demonstrating awareness and commitment to environmental risks. In addition, AC Energy confirmed to Sustainalytics that environmental impact assessments (EIA) are conducted in line with regulatory requirements.
- As part of the EIA, the company collects feedback from the local communities prior to project start, reducing risks of community backlash. In addition, for project approval the company presents the project and its impact on the community in a hearing for endorsement by the local legislature.
- Ayala's HR Policies⁹ includes occupational health and safety and commitments to comply with local and global regulations on industrial health standards. While Sustainalytics welcomes compliance with local laws and regulation, Sustainalytics encourages AC Energy to implement structured health and safety programmes for employees and contractors.

Overall, Sustainalytics is of the opinion that AC Energy has implemented important policies and efforts to mitigate environmental and social risks but encourages the company to develop structural programmes to address workers and contractors' health and safety.

³ Ayala Our Sustainability Philosophy; accessed December 2018; <http://www.ayala.com.ph/commitment-sustainability>

⁴ Ayala Environmental Policies; accessed December 2018; <http://www.ayala.com.ph/business-conduct-and-ethics>

⁵ AC Energy Corporate Website; accessed December 2018; <https://www.AC.Energyenergy.com.ph/about/>

⁶ Ayala Integrated Report 2017; accessed December 2018; http://www.ayala.com.ph/sites/default/files/pdfs/Ayala%20Corp%202017%20IR_lowres.pdf

⁷ Ayala Integrated Report 2017; accessed December 2018; http://www.ayala.com.ph/sites/default/files/pdfs/Ayala%20Corp%202017%20IR_lowres.pdf

⁸ The Ten Principles of the UN Global Compact; accessed December 2018; <https://www.unglobalcompact.org/what-is-gc/mission/principles>

⁹ Ayala HR Policies; accessed December 2018; http://www.ayala.com.ph/sites/default/files/governance/HR%20Policies_0.pdf

Section 3: Impact of Use of Proceeds

Relevance of Renewable Energy in Southeast Asia

Southeast Asia is one of the fastest-growing regions in the world economically and demographically,¹⁰ and as a result energy consumption in Southeast Asia almost doubled between 1995 and 2015, growing around 3.4% annually.¹¹ Fossil fuels (natural gas and coal) comprised 74% out of the total energy mix of the region,¹² with natural gas contributing the largest share (41%) to the power mix in 2015, followed by coal (33%) and hydropower (16%),¹³ indicating the importance of decarbonizing the energy sector in the region. The 10 member states of the Association of Southeast Asian Nations (ASEAN)¹⁴, have committed to achieving 23% renewables in their total primary energy supply by 2025.¹⁵ Moreover, ASEAN countries have set up individual action plans for meeting the Paris Agreement, including the Philippines targeting 15 GW installed renewable capacity by 2030 (4.7 GW in 2018).¹⁶ The Philippines' Paris Agreement climate commitments also include a reduction of 70% GHG emissions by 2030.¹⁷

Given the context, Sustainalytics is of the opinion that AC Energy's renewable energy projects have the potential to help decarbonize the energy sector in Southeast Asia and contribute to the ASEAN countries' climate-related goals.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. This green bond advances the following SDG goals and targets:

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

Conclusion

AC Energy has developed its Green Bond Framework to finance existing and future renewable energy projects, including solar, wind and geothermal in countries where AC Energy operates. The eligible category is aligned with those recognized as impactful by the Green Bond Principles and Sustainalytics is of the opinion that the financed projects can contribute to GHG reduction in the energy sector of the target countries.

AC Energy's processes of project evaluation and selection, as well as management of proceeds are aligned with market practices. While AC Energy's allocation reporting and proposed impact KPIs are aligned with market practice, Sustainalytics recommends AC Energy to report on impact on an annual basis.

Based on the above, Sustainalytics considers the AC Energy green bond to be robust and credible.

¹⁰ Center for Strategic & International Studies, Fuel Competition in the Expanding Power Market; June 11, 2018; <https://www.csis.org/analysis/fuel-competition-expanding-power-market>

¹¹ Executive Summary. Renewable Energy Market Analysis. Southeast Asia; accessed December 2018; https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2018/Jan/IRENA_Market_Southeast_Asia_2018_summary.pdf?la=en&hash=13DB344A7F8C8EBE30E2EB1A4CAFEC9A63BDED11

¹² International Renewable Energy Agency (IRENA) Executive Summary. Renewable Energy Market Analysis. Southeast Asia; accessed December 2018; https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2018/Jan/IRENA_Market_Southeast_Asia_2018_summary.pdf?la=en&hash=13DB344A7F8C8EBE30E2EB1A4CAFEC9A63BDED11

¹³ Executive Summary. Renewable Energy Market Analysis. Southeast Asia; accessed December 2018; https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2018/Jan/IRENA_Market_Southeast_Asia_2018_summary.pdf?la=en&hash=13DB344A7F8C8EBE30E2EB1A4CAFEC9A63BDED11

¹⁴ Member states are the following: Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam. 1 Observer – Papua New Guinea. <https://www.nti.org/learn/treaties-and-regimes/association-southeast-asian-nations-asean/>

¹⁵ Executive Summary. Renewable Energy Market Analysis. Southeast Asia; accessed December 2018; https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2018/Jan/IRENA_Market_Southeast_Asia_2018_summary.pdf?la=en&hash=13DB344A7F8C8EBE30E2EB1A4CAFEC9A63BDED11

¹⁶ Executive Summary. Renewable Energy Market Analysis. Southeast Asia; accessed December 2018; https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2018/Jan/IRENA_Market_Southeast_Asia_2018_summary.pdf?la=en&hash=13DB344A7F8C8EBE30E2EB1A4CAFEC9A63BDED11

¹⁷ Climate Action Tracker Philippines; accessed December 2018; <https://climateactiontracker.org/countries/philippines/>

Appendices

Appendix 1: Green Bond / Green Bond Programme - External Review Form Section 1. Basic Information

Issuer name:	AC Energy Finance International Limited
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: <i>[specify as appropriate]</i>	AC Energy Green Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	January 2019
Publication date of review publication: <i>[where appropriate, specify if it is an update and add reference to earlier relevant review]</i>	

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 use of proceeds category of the AC Energy Green Bond Framework, i.e. Renewable Energy Projects, is recognized as impactful by the Green Bond Principles 2018. Sustainalytics considers AC Energy's framework to be transparent and to help expand the renewable energy capacity and total renewable energy outputs in countries AC Energy has operations. The eligible projects include renewable energy generation only, i.e. solar, wind (on-shore and off-shore) and geothermal (<100g CO2 per kWh). AC Energy's look-back period for refinancing previous investments is 24 months prior to the issuance date of the notes and during the life of the notes. Sustainalytics views this practice as aligned with local and regional market expectations.

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):

AC Energy has a two-step project selection and evaluation process, which is in line with current market practices. AC Energy confirmed that its project selection and evaluation process will be executed through the joint-collaboration of various representatives from the AC Energy's Business Development, Finance, and Sustainability Teams. The validation and approval process is then performed by AC Energy's Board of Directors and Senior Management.

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 checked="" 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*):

Sustainalytics assesses AC Energy's management of proceeds process to be aligned with market practices. AC Energy confirmed that all green bond proceeds will be monitored and tracked through a separate register. The register will include relevant transaction information, as well as data on the allocation of proceeds and description of projects financed. Pending full allocation, the unallocated proceeds may be invested in cash or cash equivalents or used to repay AC Energy's existing credit obligations according to AC Energy's own internal liquidity management policies, and may be transferred to other entities within the AC Energy Group.

Tracking of proceeds:

- | |
|---|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input checked="" 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 checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input type="checkbox"/> Allocation to a portfolio of disbursements |
| <input checked="" 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):

AC Energy commits to provide an annual allocation report, which will be made available to investors annually. The (i) allocation report will include a list of Eligible Green Projects, the allocated amounts and the remaining balance of unallocated proceeds, covering all requirements advanced by the Green Bond Principles. With regards to the (ii) impact report, AC Energy will disclose data on the total output of energy generated through renewable energy sources (in kWh) and the total GHG emissions reduced or avoided (in tonnes of CO2eq) on a portfolio basis. Sustainalytics encourages AC Energy to disclose impact progress data on a regular basis along with the allocation report. Sustainalytics assesses, however, AC Energy's reporting commitment to be in line with the market practices due to scope and granularity of its impact coverage.

Use of proceeds reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" 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 type="checkbox"/> Project-by-project | <input checked="" 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 type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input checked="" type="checkbox"/> Other (<i>please specify</i>): best effort basis | |

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 checked="" type="checkbox"/> Other ESG indicators (<i>please specify</i>): renewable energy generated |

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 (please specify): allocation report and impact report likely to be reported together in the Ayala Corp's sustainability report |
| <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.)

AC Energy corporate website: https://www.acenergy.com.ph/
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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 recognized 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 specialized 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 Opinion was drawn up with the aim to provide objective information on why the analyzed bond is considered sustainable and responsible, and is intended for investors in general, and not for a specific investor in particular. Consequently, this Opinion is for information purposes only and Sustainalytics will not accept any form of liability for the substance of the opinion and/or any liability for damage arising from the use of this Opinion and/or the information provided in it.

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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 support 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. Global Capital named Sustainalytics the "Most Impressive Second Party Opinion Provider in 2017". In 2018, the firm was recognized as the "Largest External Reviewer" by the Climate Bonds Initiative as well as Environmental Finance. In addition, Sustainalytics received a Special Mention Sustainable Finance Award in 2018 from The Research Institute for Environmental Finance Japan for its contribution to the growth of the Japanese Green Bond Market.

For more information, visit www.sustainalytics.com

Or contact us info@sustainalytics.com

