

Guidance for Verifiers

CLIMATE BOND CERTIFICATION – READINESS ASSESSMENT PROTOCOL | V 1 – PRE-ISSUANCE VERIFICATION

Annex C – Readiness Assessment Protocol & Checklist for Pre-Issuance Verification Engagements

Annex C to the Guidance for Verifiers presents potential pre-issuance agreed-upon procedures as well as an easy-to-use checklist for implementing these potential procedures. Please note that some Climate Bonds may carry unique pre-issuance features that may require additional procedures not presented in this document.

Potential Agreed-upon Procedures for Conducting a Readiness Assessment

The following presents each Climate Bonds Standard Pre-issuance requirement followed by potential agreed-upon procedures, a listing of the relevant procedural categories applied and examples of appropriate and inappropriate findings. These potential procedures are designed to gather relevant information and findings. The resulting findings report is provided by the issuer to the Climate Bonds Standard Board to assist them in making a decision regarding pre-issuance certification.

The verifier should structure the findings report to highlight any required information which may be missing, omitted, in error, or potentially misrepresented. Any explanations or clarifications from the issuer should also be provided.

Once again, for an Agreed-upon Procedures engagement no conclusion or opinion is given. However, these procedures could be a useful starting point if the verifier is planning to conduct an assurance engagement at the pre-issuance stage.

Table 1. Potential Procedures for Implementing a Readiness Assessment

Conformance Requirement	Potential Agreed-upon Procedures	Relevant Procedural Category	Potential Findings
<p>Clause 1.1</p> <p>1.1. The Issuer shall establish, document and maintain a decision-making process which it uses to determine the eligibility of the Nominated Projects & Assets. This includes, without limitation:</p> <p>1.1.1. a statement on the environmental objectives of the bond</p> <p>1.1.2. a process to determine whether the Nominated Projects & Assets meet the eligibility requirements specified in Part B (Eligibility) of the Climate Bond Standard</p>	<p>1.1) Identify issuer's decision-making process used to determine the eligibility of Nominated Projects and Assets.</p> <p>1.1.a) If available, document summary details.</p> <p>1.1.b) If unavailable, document finding and client's response.</p> <p>1.1.1) Confirm this document contains a statement of environmental objectives of the bond.</p> <p>1.1.1.a) If confirmed (objectives are present), document content of Statement of Environmental Objectives¹.</p> <p>1.1.1.b) If unconfirmed (objectives are missing), document finding and client's response.</p> <p>1.1.2) Confirm this document describes a process to determine whether the Nominated Projects & Assets meet the eligibility requirements specified in Part B (Eligibility) for the asserted Taxonomy Area of the Climate Bond Standard.</p> <p>1.1.2.a) If confirmed, document relevant content of the decision-making process relevant to Part B requirements for the asserted Taxonomy Area.</p> <p>1.1.2.b) If unconfirmed, document finding and client's response.</p>	<p>Inquiry, Inspection, & Confirmation: Establish existence of relevant information and processes; Confirm content relevant to the Climate Bonds Standard clauses 1.1.1 and 1.1.2.</p>	<p>An Appropriate Findings Description: The final pre-issuance Bond Disclosure Documentation dated XX/XX/XXXX includes an eligibility assessment process for nominated projects & assets and was presented as follows... This process also presented a statement of environmental objectives of the bond and was presented as follows... Part B (Eligibility) requirements for [asserted Taxonomy area, approval date] were addressed as follows...</p> <p>An Inappropriate Findings Description: Nothing came to our attention to lead us to believe that a statement on environmental goals doesn't exist or that the Part B (Eligibility) requirements haven't been considered in the decision making process. We believe this process is reasonable and will likely address Part B (Eligibility) requirements when implemented.</p>
<p>Clause 1.2</p> <p>The Issuer shall assess that all proposed Nominated Projects & Assets to be associated with the bond meet the bond's documented objectives as stated under Clause 1.1 and are compliant under Part B of the Climate Bond Standard.</p>	<p>1.2) Confirm that all Nominated Projects & Assets to be associated with the bond have been assessed pursuant to the stated environmental goals and eligibility process.</p> <p>1.2.1a) If available, gather documentation showing assessment results of Nominated Projects & Assets under Clause 1.1 and address conformance under Part B of the Climate Bond Standard.</p> <p>1.2.1b) If no assessment is available, document finding and client response.</p>	<p>Confirmation, Inquiry & Inspection: Establish existence of relevant information; Document required Climate Bond Standard assessment process.</p>	<p>An Appropriate Findings Description: No previous assessment pursuant to the stated environmental goals and eligibility process of proposed Nominated Projects & Assets has been made. The client is waiting to finalize what it believes to be the complete list of possible projects before conducting an assessment.</p> <p>An Inappropriate Findings Description: We believe that the lack of documented assessment as to environmental goals and eligibility will impact the future effectiveness of the proposed process.</p>

¹ Note: A wide variety of environmental objectives are possible for climate bonds. These can vary from a broad objective to increase the installed capacity of low carbon assets, such as solar power facilities, to having a specific objective focused on the operations or indirect effects of the projects & assets, such as emissions reductions from displacement of higher emitting power sources on the grid. The environmental objectives of the bond, as stated by the Issuer, have implications for the extent of the reporting requirements under the Standard.

Conformance Requirement	Potential Agreed-upon Procedures	Relevant Procedural Category	Potential Findings
<p>Clause 1.3:</p> <p>The Issuer shall document the Nominated Projects & Assets which are proposed to be associated with the bond and which have been assessed as likely to be Eligible Projects & Assets. The Issuer shall establish a list of Nominated Projects & Assets which can be kept up-to-date during the term of the bond.</p>	<p>1.3) Confirm that all Nominated Projects & Assets to be associated with the bond has been assessed (by the client) as likely to be eligible and documented.</p> <p>1.3.1a) If assessment results are available, document Eligible Projects and Assets listing and reference assessment results.</p> <p>1.3.1b) If no listing is available, document finding and client response.</p> <p>1.3.2) Confirm listed Eligible Projects and Assets have been Assessed.</p> <p>1.3.3) Test: Reconcile list of Eligible Projects and Assets against assessed Projects and Assets. (see 1.2).</p> <p>1.3.3.1a) if confirmed, document findings.</p> <p>1.3.3.1b) if unconfirmed, document finding and client response.</p>	<p>Inquiry, Inspection, Re-performance & Confirmation: Establish existence of a list of Nominated Projects & Assets that match the results of previously conducted assessment (see Clause 1.2)</p>	<p>An Appropriate Findings Description: The list of Nominated Projects & Assets indicated that 4 projects have been assessed likely to be Eligible Projects & Assets (see Exhibit A). Comparison to client's assessment results (Exhibit B) indicated that 1 project was assessed likely to be eligible on Exhibit A but not found on list of Eligible Projects & Assets (Exhibit B). This discrepancy has since been corrected.</p> <p>An Inappropriate Findings Description: Although 1 project was missing from the Eligible Projects & Assets list, the client has corrected the error; thus we conclude the eligible project selection process will work effectively in the future.</p>
<p>Clause 1.4:</p> <p>Nominated Projects & Assets shall not be nominated to other Climate Bonds unless it is demonstrated by the Issuer that distinct portions of the Nominated Projects & Assets are being funded by different Climate Bonds or that the existing Climate Bond is being refinanced via another Climate Bond.</p>	<p>1.4) Identify (Inquire and Inspect) if any Nominated Projects have been nominated to other Certified Climate Bonds that may have been issued.</p> <p>1.4.1.1a) If Nominated Projects have been nominated to other Certified Climate Bonds, document what distinct portions of the Nominated Projects & Assets are being refinanced via another climate bond.</p> <p>1.4.1.1b) If a distinct estimated portion cannot be identified, document finding and client response.</p> <p>1.4.2) If applicable, document what process and controls, if any, are in place to keep from double counting specified Eligible Projects & Assets to previously issued Climate Bonds.</p> <p>1.4.3) Confirm Certified Climate Bonds are being used partial funding or refinancing.</p> <p>1.4.4) Test: Compare CBI data base listing of Certified Climate Bonds against referenced other Certified Climate Bond/s.</p> <p>1.4.4.1a) If confirmed, document findings.</p> <p>1.4.4.1b) If unconfirmed, document finding and client's response.</p>	<p>Inquiry, Inspection, & Confirmation: Establish that Projects and Assets have not been nominated to other Climate Bonds. If so, Confirm a listed Certified Climate Bond is being used to fund distinct portions of Projects & Assets or being used to refinance.</p>	<p>An Appropriate Findings Description: According to the Bond Disclosure Documents, it was established that the Nominated Projects & Assets under the existing Climate bond are being refinanced by another Climate Bond that is listed as such on CBI's database of past Climate Bonds.</p> <p>An Inappropriate Findings Description: According to the Bond Disclosure Documents, it was established that the Nominated Projects & Assets under the existing Climate bond are being refinanced by what appears to be another, albeit unlabeled, Green Bond. Because this Green Bond was used to fund similar green infrastructure as the proposed Climate Bond, we conclude conformance with 1.4 is confirmed.</p>
<p>Clause 1.5:</p> <p>The expected Net Proceeds of the bond shall be no greater than the Issuer's debt obligation to the proposed Nominated Projects & Assets, or the Fair Market Value of the proposed Nominated Projects & Assets.</p> <p><i>Note: The Issuer may choose whether to use its debt obligation to the Nominated Projects & Assets or their Fair Market Value when satisfying Clause 1.5</i></p>	<p>1.5) Identify the proposed issuance amount of the Climate Bond from Bond Disclosure Document and query of Lead Bond Underwriter for any anticipated changes based on demand.</p> <p>1.5.1a) If available, what is the anticipated debt obligation or the Fair Market Value to the proposed Nominated Projects & Assets?</p> <p>1.5.1b) If unavailable, document finding and client response.</p> <p>1.5.2) Test: Compare proposed issuance amount to anticipated debt obligation or Fair Market Value.</p> <p>1.5.3) Confirm that the Net Proceeds is not greater than the Issuer's debt obligation or FMV of Nominated Projects & Assets. Document results.</p>	<p>Confirmation, Inquiry, Inspection, & Recalculation: Confirm use of debt obligation or FMV. Establish expected proceeds of the bond. Establish expected debt obligation to the Nominated Projects & Assets or their Fair Market Value. Recalculate expected Net Proceeds of the bond. Confirm</p>	<p>An Appropriate Findings Description: Anticipated Proceeds Amount was identified to \$XX million pursuant p. X of the Bond Disclosure Document dated XX/XX/XX. This amount is expected not to change prior to issuance according to the Lead Underwriter. The issue chose to use its expected debt obligation that was confirmed to be \$XX million (see page ...). The expected Net Proceeds of the Bond as found to be \$XXX and was calculated using the following formula... The expected Net Proceeds is not greater than the Issuer's debt obligation.</p> <p>An Inappropriate Findings Description: Based on what was shown to us, we expect the Net</p>

Conformance Requirement	Potential Agreed-upon Procedures	Relevant Procedural Category	Potential Findings
		Net Proceeds is not greater than the Issuer's debt obligation or FMV of Nominated Projects & Assets	Proceeds to be not greater than the Issuer's debt obligation thus satisfying clause 1.5
Clauses 2:			
<p>2.1. The systems, policies and processes to be used for management of bond funds and investments made shall be documented by the Issuer and disclosed to the Verifier, and shall include arrangements for the following activities:</p> <p>2.1.1. Tracking of proceeds: The Net Proceeds of the bond can be credited to a sub-account, moved to a sub-portfolio, or otherwise tracked by the Issuer in an appropriate manner and documented.</p> <p>2.1.2. Managing unallocated proceeds: The balance of unallocated Net Proceeds can be managed as per the requirements in Clause 6.2</p> <p>2.1.3. Earmarking funds to Nominated Projects & Assets: An earmarking process that can be used to manage and account for funding to the Nominated Projects & Assets and enables estimation of the share of the Net Proceeds being used for financing and refinancing.</p>	<p>2.1) Identify and document documents describing systems, policies, processes, and controls for the management of bond funds and investments.</p> <p>2.1.1) Confirm method of Tracking of Proceeds such that net proceeds can be credited to a sub-account, or moved to a sub-portfolio, or otherwise tracked in an appropriate manner.</p> <p>2.1.1.1a) If confirmed, document process and inquiry as to possible controls – such as who will be responsible for the tracking and if there will be internal signoff or other appropriate controls.</p> <p>2.1.1.1b) If unconfirmed, document finding and client response.</p> <p>2.1.2) Confirm method of managing balance of unallocated Net Proceeds can be managed as per the requirements in Clause 6.2.</p> <p>2.1.2.1a) If confirmed, document process and inquiry as to possible controls.</p> <p>2.1.2.1b) If unconfirmed, document finding and client response.</p> <p>2.1.3) Confirm method of earmarking funds to Nominated Projects & Assets.</p> <p>2.1.3.1a) If confirmed, document process and inquiry as to possible controls.</p> <p>2.1.3.1b) If unconfirmed, document finding and client's response.</p>	<p>Inquiry, Inspection & Confirmation: Identify systems, policies and processes to be used for management of bond funds. Confirm process and controls, if available, for Tracking of proceeds, Managing unallocated proceeds, and Earmarking funds to Nominated Projects & Assets.</p>	<p>An Appropriate Findings Description: The systems, policies, processes, and controls (were available) for management of bond funds and investments were identified and described as follows:</p> <p>Tracking of proceeds: ... Managing unallocated proceeds: ... Earmarking funds to Nominated Projects & Assets: ...</p> <p>An Inappropriate Findings Description: Because no process for managing unallocated proceeds could be found, we believe that future management of the bond funds and investments may be problematic and may not conform to clause 2.1.2.</p>

Conformance Requirement	Potential Agreed-upon Procedures	Relevant Procedural Category	Potential Findings
<p>Clause 3:</p> <p>3.1. The Issuer shall disclose in the Bond Disclosure Documentation:</p> <p>3.1.1. The investment areas, as provided in Clause 9.1, into which the Nominated Projects & Assets fall.</p> <p>3.1.2. The intended types of temporary investment instruments for the management of unallocated proceeds in accordance with Clause 2.1.2.</p> <p>3.1.3. The approach the Verifier has taken to pre-issuance procedures (i.e., whether an Assurance Engagement or an Agreed-Upon Procedures Engagement was undertaken)</p> <p>3.1.4. Whether periodic Assurance Engagements will be undertaken during the term of the bond to reaffirm conformance with the Climate Bonds Standard, and the expected frequency of any periodic Assurance Engagements <i>Note: Conducting periodic Assurance Engagements over the term of the bond is at the discretion of the bond Issuer. Any Periodic Assurance Engagements undertaken are in addition to the mandatory post-issuance Assurance Engagement which must be undertaken following issuance of the Climate Bond.</i></p>	<p>3.1) Identify investment areas as disclosed in the Bond Disclosure Documentation into which the Nominated Projects & Assets fall.</p> <p>3.1.1) Test: Compare identified investment areas with those listed in Clause 9.1.</p> <p>3.1.1.1) Confirm identified investment areas are also listed in Clause 9.1.</p> <p>3.1.1.1a) if confirmed, document findings.</p> <p>3.1.1.1b) If unconfirmed, document finding and client response.</p> <p>3.1.2) Identify intended types of temporary investment instruments.</p> <p>3.1.2.1) Confirm identified investment instruments are listed in Clause 2.1.2/6.2.</p> <p>3.1.2.2) Test: Compare identified investment instruments with acceptable instruments listed in Clause 2.1.2/6.2.</p> <p>3.1.2.3) Confirm identified investment instruments match one of the acceptable investment instruments. Document results.</p> <p>3.1.2.3.1a) If confirmed, document findings..</p> <p>3.1.2.3.1b) if unconfirmed, document finding and client response.</p> <p>3.1.3) Confirm if the Bond Disclosure Documentation identifies either an Assurance Engagement or an Agreed-Upon Procedures Engagement was undertaken.</p> <p>3.1.3.1a) If confirmed, document findings.</p> <p>3.1.3.1b) If unconfirmed, document finding and client response.</p> <p>3.1.4) Confirm if the Bond Disclosure Documentation identifies periodic Assurance over the life of the bond and the expected frequency.</p> <p>3.1.4.1a) If confirmed, document findings.</p> <p>3.1.4.1b) If unconfirmed, document finding and client response.</p>	<p>Inquiry, Inspection, & Confirmation: Establish that Projects and Assets have not been nominated to other Climate Bonds. If so, Confirm a listed Certified Climate Bond is being used to fund distinct portions of Projects & Assets or being used to refinance.</p>	<p>An Appropriate Findings Description: According to the Bond Disclosure Documents (dated XX/XX/XX), the following investment areas were listed into which the Nominated Projects & Assets fall as follows:... These investment areas are also listed in Clause 9.1.</p> <p>An Inappropriate Findings Description: According to the Bond Disclosure Documents [no version control given], it was established that the listed investment areas appear to be either listed in Clause 9.1 or are under consideration by the Climate Bonds Standards Board.</p>

Readiness Assessment Checklist

The following checklist of questions is a simplified (fill-in the blank) tool for implementing the potential agreed upon procedures presented in Table 1. Please note this checklist is designed to be implemented by a professional practitioner who is conducting the Verification Engagement under a relevant standard. The purpose is to gather relevant findings that are presented to the Climate Bonds Standard Board to assist them in making their pre-issuance certification decision.

Since any negative responses could indicate a potential non-conformance with a Climate Bonds Standard requirement, make sure to thoroughly document a full response. When implementing agreed upon procedures, it is important to provide the Climate Bonds Standard Board as much relevant information to assist them in making a pre-issuance certification decision. When conducting an agreed upon procedures agreement, draw no conclusions.

Conformance Requirement	Verification Inquiry and/or Test	If Response is “Yes”	If Response is “No” or “N/A” or “Don’t Know”
<p>P1. Initiating the certification process P1.1. Issuers seeking Climate Bond Certification and the use of the Climate Bond Certification Mark to a bond prior to its issuance shall complete the Climate Bonds Information Form and submit the completed form to the Climate Bonds Standard Secretariat prior to issuance of the bond.</p>	<p>Has the bond issuer completed and submitted a Climate Bonds Information Form to the Climate Bonds Standard Secretariat prior to the issuance of the bond?</p>	<p>File copy of completed form and evidence that it was sent and received by the Climate Bonds Standard Secretariat.</p> <p>Completed form: <input type="checkbox"/></p> <p>Evidence sent and received: <input type="checkbox"/></p>	<p>Why? Document response:</p>

Conformance Requirement	Verification Inquiry and/or Test	If Response is "Yes"	If Response is "No" or "N/A" or "Don't Know"
<p>P1.1.1. The Issuer shall identify within the Climate Bonds Information Form what components of the information provided are confidential and what components can be publically disclosed by the Climate Bonds Initiative once Climate Bond Certification has been confirmed.</p>	<p>Have confidential information and publically available components been declared?</p>	<p>Review Form for declarations.</p> <p>Confidential information declared: <input type="checkbox"/></p> <p>Publically available declared: <input type="checkbox"/></p>	<p>Why? Document response:</p>
<p>P2. Use of a Verifier Prior to Issuance P2.1. Issuers seeking Climate Bond Certification and the use of the Climate Bond Certification Mark to a bond prior to its issuance shall engage a Verifier to undertake either: Assurance Engagement; or An Agreed-Upon Procedures Engagement</p>	<p>N/A. Based on submitted findings report to Climate Bonds Standard Board.</p>	<p>Assurance Engagement or Agreed-Upon Procedures: _____</p> <p>If an Assurance Engagement, Limited or Reasonable? _____</p> <p>Relevant Assurance Standard Applied: _____</p>	<p>N/A</p>
<p>Clause 1.1 Check for proof of existence of documented decision-making process which is used to determine the eligibility of Nominated Projects and Assets.</p>	<p>Does a documented decision-making process exists which is used to determine the eligibility of Nominated Projects and Assets?</p>	<p>Document the decision-making process.</p> <p>Decision-making process: <input type="checkbox"/></p>	<p>Why? Document response:</p>
<p>This includes, without limitation: 1.1.1. a statement on the environmental objectives of the bond</p>	<p>Does this document contain a statement of environmental objectives?</p>	<p>Document content of Statement of Environmental Objectives:</p> <p>Environmental Objectives Present: <input type="checkbox"/></p>	<p>Why? Document response:</p>

Conformance Requirement	Verification Inquiry and/or Test	If Response is “Yes”	If Response is “No” or “N/A” or “Don’t Know”
<p>1.1.2. a process to determine whether the Nominated Projects & Assets meet the eligibility requirements specified in Part B (Eligibility) of the Climate Bond Standard</p>	<p>Does this document describe a process to determine whether the Nominated Projects & Assets meet the eligibility requirements specified in Part B (Eligibility) of the Climate Bond Standard?</p>	<p>Highlight relevant content of the statement of environmental objectives:</p> <p>Eligibility Process Present: <input type="checkbox"/></p>	<p>Why? Document response:</p>
<p>Clause 1.2</p> <p>The Issuer shall assess that all proposed Nominated Projects & Assets to be associated with the bond meet the bond’s documented objectives as stated under Clause 1.1 and are compliant under Part B of the Climate Bond Standard.</p>	<p>Have all Nominated Projects & Assets to be associated with the bond have been assessed pursuant to the stated environmental goals and eligibility process?</p>	<p>Gather documentation showing assessment results of Nominated Projects & Assets under Clause 1.1 and address conformance under Part B of the Climate Bond Standard.</p> <p>Nominating Results Present: <input type="checkbox"/></p>	<p>Why? Document response:</p>
<p>Clause 1.3:</p> <p>The Issuer shall document the Nominated Projects & Assets which are proposed to be associated with the bond and which have been assessed as likely to be Eligible Projects & Assets. The Issuer shall establish a list of Nominated Projects & Assets which can be kept up-to-date during the term of the bond.</p>	<p>Have all Nominated Projects & Assets been assessed (by the client) as likely to eligible?</p> <p>Have the results been Documented?</p> <p>Test: Reconcile list of Eligible Projects and Assets against assessed Projects and Assets. (see 1.2)</p>	<p>Nominated P&A Assessed: <input type="checkbox"/></p> <p>Assessment Results Present: <input type="checkbox"/></p> <p>Test results documented: <input type="checkbox"/></p>	<p>Why? Document response:</p>

Conformance Requirement	Verification Inquiry and/or Test	If Response is "Yes"	If Response is "No" or "N/A" or "Don't Know"
<p>Clause 1.4:</p> <p>Nominated Projects & Assets shall not be nominated to other Climate Bonds unless it is demonstrated by the Issuer that distinct portions of the Nominated Projects & Assets are being funded by different Climate Bonds or that the existing Climate Bond is being refinanced via another Climate Bond.</p>	<p>Can you demonstrate that no Nominated Projects & Assets been nominated to other Climate Bonds?</p>	<p>Document response and any collaborating evidence.</p> <p>No Nominated P&A nominated to other Climate Bonds: <input type="checkbox"/></p>	<p>Can you demonstrate that distinct portions of the Nominated Project & Assets are being funded by different Climate Bonds or that the existing Climate Bond is being refinanced via another Climate Bond?</p> <p>Document Response.</p> <p>Distinct Portions or refinanced by another Climate Bond:</p> <p><input type="checkbox"/></p>
<p>Clause 1.5:</p> <p>The expected Net Proceeds of the bond shall be no greater than the Issuer's debt obligation to the proposed Nominated Projects & Assets, or the Fair Market Value of the proposed Nominated Projects & Assets.</p>	<p>What is the proposed issuance amount of the Climate Bond from the Bond Disclosure Document?</p> <p>What is the anticipated debt obligation or Fair Market Value of proposed P&A?</p> <p>Test: Compare proposed issuance amount to anticipated debt obligation or Fair Market Value</p>	<p>Issuance amount: _____</p> <p>Proposed issuance amount: <input type="checkbox"/></p> <p>Document stated debt obligation or FMV.</p> <p>Anticipated debt obligation or FMV: <input type="checkbox"/></p> <p>Document test results.</p>	<p>Why? Document response:</p>

Conformance Requirement	Verification Inquiry and/or Test	If Response is "Yes"	If Response is "No" or "N/A" or "Don't Know"
<p>Clause 2:</p> <p>2.1. The systems, policies and processes to be used for management of bond funds and investments made shall be documented by the Issuer and disclosed to the Verifier, and shall include arrangements for the following activities:</p>	<p>What documents describing systems, policies, processes, and controls for the management of bond funds and investments are available?</p>	<p>Document results.</p> <p>Relevant Documents Identified: <input type="checkbox"/></p>	<p>Why? Document response:</p>
<p>2.1.1. Tracking of proceeds: The Net Proceeds of the bond can be credited to a sub-account, moved to a sub-portfolio, or otherwise tracked by the Issuer in an appropriate manner and documented.</p>	<p>Can net proceeds be credited to a sub-account, or moved to a sub-portfolio, or otherwise tracked in an appropriate manner? What controls are documented to be in place?</p>	<p>Confirm method of tracking proceeds involves sub-account or other appropriate manner. Document tracking mechanism and any related controls</p> <p>Method of Tracking has sub-account: <input type="checkbox"/> If other, Document tracking method:</p>	<p>Why? Document response:</p>

Conformance Requirement	Verification Inquiry and/or Test	If Response is “Yes”	If Response is “No” or “N/A” or “Don’t Know”
<p>2.1.2. Managing unallocated proceeds: The balance of unallocated Net Proceeds can be managed as per the requirements in Clause 6.2:</p> <p>6.2.1. Held in temporary investment instruments that are cash, or cash equivalent instruments, within a Treasury function; or</p> <p>6.2.2. Held in temporary investment instruments that do not include greenhouse gas intensive projects which are inconsistent with the delivery of a low carbon and climate resilient economy; or</p> <p>6.2.3. Applied to temporarily reduce indebtedness of a revolving nature before being redrawn for investments or disbursements to Nominated Projects & Assets.</p>	<p>What evidence is available that managing the balance of unallocated Net Proceeds managed is being conducted per the requirements in Clause 6.2?</p> <p>“Held in temporary investment instruments that are cash, or cash equivalent instruments, within a Treasury function?; or</p> <p>Held in temporary investment instruments that do not include greenhouse gas intensive projects which are inconsistent with the delivery of a low carbon and climate resilient economy?; or</p> <p>Applied to temporarily reduce indebtedness of a revolving nature before being redrawn for investments or disbursements to Nominated Projects & Assets?”</p>	<p>Document management of unallocated proceeds.</p> <p>Management of Unallocated Proceeds: <input type="checkbox"/></p> <p>Gather evidence of potential conformance with the requirements of Clause 6.2.</p> <p>Temporarily held in cash or equivalent: <input type="checkbox"/></p> <p style="text-align: center;">Or</p> <p>Temp investment is no or low-carbon: <input type="checkbox"/></p> <p style="text-align: center;">Or</p> <p>Temporarily reduce indebtedness: <input type="checkbox"/></p>	<p>Why? Document response:</p>

Conformance Requirement	Verification Inquiry and/or Test	If Response is "Yes"	If Response is "No" or "N/A" or "Don't Know"
<p>Clause 3:</p> <p>3.1. The Issuer shall disclose in the Bond Disclosure Documentation:</p> <p>3.1.1. The investment areas, as provided in Clause 9.1, into which the Nominated Projects & Assets fall.</p>	<p>Do the investment areas disclosed in the Bond Disclosure Documentation fall within those provided in Clause 9.1?</p> <p>Test: Compare identified investment areas in Bond disclosure with those listed in Clause 9.1</p>	<p>Document test results.</p> <p>Investment Areas Coincide with 9.1: <input type="checkbox"/></p>	<p>Why? Document response:</p>
<p>3.1.2. The intended types of temporary investment instruments for the management of unallocated proceeds in accordance with Clause 2.1.2.</p>	<p>Are the intended types of temporary investment instruments for the management of unallocated proceeds disclosed in the Bond Disclosure in accordance with Clause 2.1.2</p>	<p>Document disclosure of temporary investment instruments and conformance with 2.1.2.</p> <p>Temp investments disclosed and conform To Clause 2.1.1: <input type="checkbox"/></p>	<p>Why? Document response:</p>
<p>3.1.3. The approach the Verifier has taken to pre-issuance procedures (i.e., whether an Assurance Engagement or an Agreed-Upon Procedures Engagement was undertaken).</p>	<p>N/A. Based on submitted findings report to Climate Bonds Standard Board.</p>	<p>Document type of Engagement</p> <p>Assurance: <input type="checkbox"/> If an Assurance Engagement, Limited or Reasonable? _____ Relevant Assurance Standard Applied pursuant Climate Bonds Standard's definition of Assurance Engagement? _____</p> <p>or</p> <p>Agreed-upon Procedures: <input type="checkbox"/> Relevant Assurance Standard Applied? _____</p>	<p>N/A</p>

Conformance Requirement	Verification Inquiry and/or Test	If Response is “Yes”	If Response is “No” or “N/A” or “Don’t Know”
<p>3.1.4. Whether periodic Assurance Engagements will be undertaken during the term of the bond to reaffirm conformance with the Climate Bonds Standard, and the expected frequency of any periodic Assurance.</p>	<p>Does the Bond Disclosure Documentation identify periodic Assurance in conformance of the Climate Bonds Standard over the life of the bond and the expected frequency?</p>	<p>Document disclosure of periodic assurance and frequency.</p> <p>Periodic assurance in disclosure: <input type="checkbox"/></p> <p>Frequency: <input type="checkbox"/></p>	<p>Why? Document response:</p>