



Cu Ne Wind Power Investment and
Management Company Ltd.

Climate Bonds Standard v3.0

Pre-Issuance Verification Report

By Carbon Care Asia Ltd.

Introduction

Cu Ne Wind Power Investment and Management Company Limited (the Borrower), has commissioned Carbon Care Asia Ltd (the Verifier) to provide an independent assessment on the conformity of its Green Loan Framework (the Framework) with the requirements set out in the Climate Bonds Standard for a Pre-Issuance certification of its green loan. The net proceeds of the loan will be allocated to a single project, the Dak Lak 4x50MW Wind Farm Project (the Project), located in Vietnam.

The Borrower is one of the four Project Companies of the Dak Lak 4x50MW Wind Farm Project. A pure-player in wind energy generation, the Borrower is a special-purpose entity, the sole existence of which is to build, operate and own one of the four wind farms in the Project.

This report presents the Verifier's opinion on the conformance of the loan with the requirements set out in the Climate Bonds Standard Version 3.0 and the Wind Sector Eligibility Criteria Version 1.2.

Summary of Findings

The Borrower has established appropriate internal processes and controls prior to the arrangement of the loan. Based on the limited assurance procedures performed and evidence obtained, nothing has come to the Verifier's attention that would indicate non-conformance of the loan with the eligibility criteria as outlined in the Climate Bonds Standard's Pre-Issuance requirements.

Verification Scope

This engagement covers the verification and conformance on the material aspects of the loan based on the requirements of the Climate Bonds Standard. The verification has been conducted in line with ISAE 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information.

- Use of proceeds
- Process for evaluation and selection of projects and assets
- Management of proceeds
- Reporting prior to issuance

Work Undertaken

The Verifier's approach on assessing the conformity of the loan with the requirements of the Climate Bonds Standard is outlined below:

- Verification planning and management;
- Desktop review of the associated documents provided by the Borrower;
- Conduct interviews with the management and key responsible staff to understand the processes and systems in relation with the loan;
- Assessment of the environmental objectives of the loan, purpose of the use of proceeds, internal controls and procedure in place for the selection of nominated projects and assets, management of proceeds, intended types of temporary investment for the unallocated proceeds and the intended approach to disclose the update reports;
- Document findings against requirements set out in the Climate Bonds Standard; and
- Provision of the verification report.

Borrower's Responsibility

The Borrower's management is responsible for the collection and presentation of information within this verification. The Borrower is accountable to ensure their internal processes and controls are sufficient to enable conformance of the loan with the Climate Bonds Standard. This report relies on the information provided by the Borrower to the Verifier: documentation, interviews with selected staff, and explanations presented during the assessment.

Verifier's Responsibility

The Verifier's responsibility, per engagement term with the Borrower, is to provide independent verification findings on the conformity of the loan to the Pre-Issuance requirements of the Climate Bonds Standard as per the scope of this verification.

Independence

With the exception of this task, the Verifier provides no other services relating to the Borrower's operation and green finance instruments. The Verifier has applied internal procedures to confirm no conflicts of interest for this verification engagement. Neither the Verifier nor any Verifier's representatives is/ are involved in the arrangement and management of the Loan in any form.



Lorene Delhoume, Assistant Director (Sustainable Finance)

Carbon Care Asia Ltd

29 November 2021

Disclaimer

This verification report shall be read in the context of the inherent limitations of its intended use of the Issuer and Climate Bonds Standard Board.

The scope of verification is limited to the confirmation of information substantiated as evidence and criteria outlined in the Framework. With the exception of reviewing documents and interviewing selected staff of the Issuer the Verifier did not conduct any site visit at Nominated Projects and Assets.

This report does not assure the financial performance or the value of the loan. The Verifier is not liable for the induced consequences when third parties use this opinion either to make investments decisions or any kind of business transaction.

Appendix A – Overview of Nominated Projects

Green Asset List under Dak Lak Project Companies (as at Nov 21)						
Project Name	Asset Name	Type	Location	Run by	Status	Capacity (MW)
Dak Lak 4x50MW Wind Farm Project	Krong Buk 1	wind farm	Dak Lak Province, VN	Krongbuk New Energy	Under construction	50
	Krong Buk 2	wind farm	Dak Lak Province, VN	Krongbuk Wind Energy	Under construction	50
	Cu Ne 1	wind farm	Dak Lak Province, VN	Cu Ne Renewable Energy	Under construction	50
	Cu Ne 2	wind farm	Dak Lak Province, VN	Cu Ne Wind Power	Under construction	50
	Total					
Total Green Assets						200
Financing Status						Financing

Appendix B – Pre-issuance Requirements

1. Use of Proceeds		
Climate Bonds Standard Requirement	Findings	Requirement Met
1.1 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.	The Borrower has documented the only Nominated Project that will be financed by the loan.	Yes
1.2 The expected Net Proceeds of the Bond shall be no greater than the Issuer's total investment exposure to the proposed Nominated Projects & Assets, or the relevant proportion of the total Market Value of the proposed Nominated Projects & Assets which are owned or funded by the Issuer.	The management provided evidence that the net proceeds of the loan will not exceed the total amount of the Nominated Project.	Yes
1.3 Nominated Projects & Assets shall not be nominated to other Certified Climate Bonds, Certified Climate Loans, Certified Climate Debt Instruments, green bonds, green loans or other labelled instruments (such as social bonds or SDG bonds) unless it is demonstrated by the Issuer that: 1.3.1 Distinct portions of the Nominated Projects & Assets are being funded by different Certified Climate Bonds, Certified Climate Loans, Certified Climate Debt Instruments, green bond, green loans or other labelled instruments or; 1.3.2 The existing Certified Climate Bond, Certified Climate Loan or Certified Climate Debt Instrument is being refinanced via another Certified Climate Bond, Certified Climate Loan or Certified Climate Debt Instrument.	Each of the four wind farms shall be financed by a distinct green loan borrowed by the Project Companies that run the respective wind farms.	Yes

2. Process for Evaluation and Selection of Projects and Assets		
Climate Bonds Standard Requirement	Findings	Requirement Met
2.1 The Issuer shall establish, document and maintain a decision-making process which it uses to determine the eligibility of the Nominated Projects & Assets. The decision-making process shall include, without limitation:	The Borrower is a wind pure-player which was created to build, operate and own the wind farm. There will not be any other project electable.	Yes

2.1.1. A statement on the climate-related objectives of the Bond.	Specified in the Borrower's Green Loan Framework.	Yes
2.1.2 How the climate-related objectives of the Bond are positioned within the context of the Issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability.	This loan is positioned within the context of the parent company's carbon emissions and renewable energy targets.	Yes
2.1.3 Issuer's rationale for issuing the Bond.	Specified in the Borrower's Green Loan Framework.	Yes
2.1.4 A process to determine whether the Nominated Projects & Assets meet the eligibility requirements specified in Part C of the Climate Bonds Standard.	The Nominated Project is an onshore wind energy generation facility. Wind farms meet the eligibility criteria for the Wind Sector Criteria of the Climate Bonds Standard.	Yes
2.2 Issuer should include under Clause 2.1 further aspects of the decision making process, including:	The Framework discloses further aspects of the decision-making process.	Yes
2.2.1 Related eligibility criteria, including, if applicable, exclusion criteria or any other process, applied to identify and manage potentially material environmental, social or governance risks associated with the Nominated Projects & Assets.	An Environmental and Social Impact Assessment was conducted for the Dak Lak Project.	Yes
2.2.2 Green standards or certifications referenced in the selection of Nominated Projects & Assets.	No green standard or certification applicable for the wind energy category.	Yes
2.2.3 The issuer shall assess that all proposed Nominated Projects & Assets to be associated with the Bond meet the documented objectives as stated under Clause 2.1.1 and are likely to conform to the relevant eligibility requirements under Part C of the Climate Bonds Standard.	The only Nominated Project is an onshore wind farm, which is eligible under Part C of the Climate Bonds Standard.	Yes

3. Management of Proceeds

Climate Bonds Standard Requirement	Findings	Requirement Met
3.1 The systems, policies and processes to be used for management of the Net Proceeds shall be documented by the Issuer and disclosed to the Verifier, and shall include arrangements for the following activities:	The Borrower documented the management of proceeds in the Green Loan Framework.	Yes
3.1.1 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.	The Borrower shall deposit and disburse all amounts payable to or receivable by the Company in the bank accounts explicitly stated in the Accounts Management Agreement.	Yes
3.1.2 The balance of unallocated Net Proceeds can be managed as per the requirements in Clause 7.3.	There will not be any unallocated proceeds. All the proceeds are immediately allocated to the Nominated Project.	Yes
3.1.3 The earmarking process 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.	The earmarking process can be used to manage and account for funding to the nominated projects and assets and enables estimation of the share of the net proceeds being used for financing and refinancing.	Yes

4. Reporting Prior To Issuance		
Climate Bonds Standard Requirement	Findings	Requirement Met
4.1 The Issuer shall prepare a Green Bond Framework and make it publicly available prior to Issuance or at the time of Issuance. The Green Bond Framework shall include, without limitation:	The Framework will be made publicly available.	Yes
4.1.1 Confirmation that the Bonds issued under the Green Bond Framework are aligned with the Climate Bonds Standard. This may include statements of alignment with other applicable standards, such as the EU Green Bond Standard, the ASEAN Green Bond Standard, Chinese domestic regulations, Japanese Green Bond Guidelines, etc.	The Framework states that the Loan is aligned with the Climate Bond Standard, ICMA's Principles and the Asia Pacific Loan Market Association's Green Loan Principles.	Yes
4.1.2 A summary of the expected use of proceeds, as defined under Clause 1.1, and the expected contribution of the relevant sectors or sub-sectors to the rapid transition required to achieve the goals of the Paris Climate Agreement.	The Framework describes the Nominated Project and its expected environmental contribution.	Yes
4.1.3 A description of the decision-making process, as defined under Clause 2.1, with particular reference to the requirements in Clause 2.1.2.	The Framework explains that the Nominated Project is the only electable and no other Project will be considered in the future.	Yes
4.1.4 on the methodology and assumptions to be used for: confirming, where required by relevant Sector Eligibility Criteria, the characteristics or performance of Nominated Projects & Assets required to conform to the relevant eligibility requirements under Part C of the Climate Bonds Standard; and any other additional impact metrics that the issuer will define.	The Framework states that the only Nominated Project is the wind farm, which is compliant with the Climate Bonds Standard's Wind Sector criteria.	Yes
4.1.5 A summary of the approach to the management of unallocated Net Proceeds in accordance with Clause 3.1.	There will not be any unallocated proceeds. The Framework reiterates that the proceeds are earmarked to cover the Project's costs only.	Yes
4.1.6 The intended approach to providing Update Reports to reaffirm conformance with the Climate Bonds Standard while the Bond remains outstanding.	The Framework discloses the intended approach to providing Update Reports.	Yes
4.1.7 The list of proposed Nominated Projects & Assets associated with the Bond and the investment areas, as provided in Clause 9.1, into which the Nominated Projects & Assets fall. Where there are limits on the amount of detail that can be made available about specific Nominated Projects & Assets, information shall be presented on the investment areas which the Nominated Projects & Assets fall into, provided in Clause 9.1, and the Issuer shall provide an explanation of why details on Nominated Projects & Assets is limited.	An Appendix is added after the Framework to disclose the nominated projects and assets associated with the loan.	Yes
4.1.8 Where a proportion of the Net Proceeds are used for refinancing, an estimate of the share of the Net Proceeds used for financing and refinancing, and the relevant Nominated Projects & Assets or investment areas which may be refinanced. This may also include the expected look-back period for refinanced Nominated Projects & Assets.	The Appendix in the Framework discloses that the proceeds will go to financing assets that are under construction.	Yes
4.2 The Issuer shall include in the Disclosure Documentation:		
4.2.1 The investment areas, as provided in Clause 9.1, into which the Nominated Projects & Assets fall.	The Nominated Projects and Assets fall into the Wind Sector.	Yes
4.2.2 The intended types of temporary investment instruments for the management of unallocated Net Proceeds in accordance with Clause 7.3.	There will not be any unallocated Net Proceeds as all the proceeds solely finance the Nominated Project.	Yes
4.2.3 The Verifier engaged by the Issuer for the mandatory verification engagements.	The Borrower included in the Documentation that it has engaged Carbon Care Asia Ltd for the mandatory verification.	Yes
4.2.4 The intended approach to providing Update Reports to reaffirm conformance with the Climate Bonds Standard while the Bond	The Framework details the intended approach to providing Update Reports including the	Yes

remains outstanding, including the location of the published documents.	location of the published documents.	
4.2.5 The CBI Disclaimer provided in the Certification Agreement.	The CBI Disclaimer is included at the end of the Framework.	Yes

- End of report -