

Goldman Sachs Renewable Power

PROGRAMMATIC PRE-ISSUANCE VERIFICATION LETTER

SOLAR ENERGY CRITERIA OF THE CLIMATE BONDS STANDARD

Type of engagement: Assurance Engagement

Period engagement was carried out: September 2019

Approved verifier: Sustainalytics

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Scope and Objectives

Goldman Sachs Renewable Power (“GSRP”) has engaged Sustainalytics to review and verify that GSRP’s green debt instruments, which will be issued under its Green Finance Framework, meet the requirements under the Solar Energy criteria of the Climate Bonds Standard.

GSRP was formed by Goldman Sachs Asset Management to invest in renewable energy assets and currently owns and operates one of the largest distributed generation portfolios in the US with a diversified group of municipalities, cities, schools, corporations, utilities and the U.S. armed forces as off-takers.

GSRP intends to issue green debt instruments, including bonds and loans, and use the proceeds to finance or refinance, in whole or in part, a pool of solar energy projects and related infrastructure.

Climate Bonds Standards Criteria

Pre-issuance requirements under Climate Bond Standards Version 2.1¹:

- Solar Energy criteria²
 - Eligible Project & Assets that operate or are under construction to operate in one or more of the following activities:
 - Onshore solar electricity generation facilities;
 - Wholly dedicated transmission infrastructure and other supporting infrastructure for onshore solar electricity generation facilities including inverters, transformers, energy storage systems and control systems;
 - Onshore solar thermal facilities such as solar hot water systems.
 - Non-solar fuel use: Eligible Project & Assets that have activities in solar electricity generation facilities or solar thermal facilities shall have a minimum of 85% of electricity generated from solar energy resources.

Issuing Entity’s Responsibility

GSRP was responsible for providing information and documents relating to:

- The details concerning the selection process for the Nominated Projects;
- The details of the Nominated Projects;
- The management systems for internal processes and controls for the Nominated Projects, including tracking of proceeds, managing unallocated proceeds and Earmarking funds to Nominated Projects;
- The details of commitments for reporting prior to issuance, including investment areas, management of unallocated proceeds and frequency of periodic Assurance Engagements.

¹ Pre-Issuance Requirements under the Climate Bonds Standards:

https://www.climatebonds.net/files/files/Climate%20Bonds%20Standard%20v2_1%20-%20January_2017.pdf

² Climate Bond Standards, Solar Energy Criteria: https://www.climatebonds.net/files/files/Sector%20Criteria%20-%20Solar%20v2_1.pdf

Independence and Quality Control

Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors, conducted the verification of GSRP's green debt instruments, issued to finance Nominated Projects, and provided an independent opinion informing GSRP as to the conformance of the green debt instruments with the Pre-Issuance requirements and Solar Energy criteria of the Climate Bonds Standard.

Sustainalytics has relied on the information and the facts presented by GSRP. Sustainalytics is not responsible if any aspect of the Nominated Projects referred to in this opinion including estimates, findings, opinions, or conclusions are incorrect. Thus, Sustainalytics shall not be held liable if any of the information or data provided by GSRP's management and used as a basis for this assessment were not correct or complete.

Sustainalytics makes all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight over the assessment of the green debt instruments.

Verifier's Responsibility

The work undertaken as part of this engagement included conversations with relevant GSRP employees and review of relevant documentation to confirm the green debt instruments' conformance with the Climate Bonds Certification Pre-Issuance Requirements, which include:

- Conformance of GSRP's green debt instruments with the Climate Bonds Standard Version 2.1;
- Conformance with the Technical Criteria on Solar Energy Criteria;
- Conformance with the Internal Processes & Controls requirements;
- Conformance with Reporting Prior to Issuance requirements.

Basis of the Opinion

Sustainalytics conducted the verification in accordance with the Climate Bond Standard Version 2.1 and with International Standard on Assurance Engagements 3000 – Assurance Engagements other than Audits or Reviews of Historical Information.

Sustainalytics planned and performed the verification by obtaining evidence and other information and explanations that Sustainalytics considers necessary to give limited assurance that the GSRP Green Finance Framework meets the requirements of the Climate Bond Standard. Upon reviewing evidence and other information, Sustainalytics is of the opinion that GSRP will ensure compliance with Climate Bond Standard requirements.

Conclusion

Goldman Sachs Renewable Power (GSRP) intends to finance or refinance, in whole or in part, eligible solar energy projects and related infrastructure. Sustainalytics has assessed the Nominated Projects that GSRP has selected for this issuance and has concluded that they align with the Solar Energy criteria as outlined by the Climate Bonds Standard.

Based on the limited assurance procedures conducted, nothing has come to Sustainalytics' attention that causes us to believe that, in all material aspects, GSRP's green debt instruments are not in conformance with the Solar Energy criteria of the Climate Bond Standard Pre-Issuance Requirements.

Schedule 2A: Pre-Issuance General Requirements

<p>Selection of Nominated Projects and Assets:</p>	<p>1.1 Statement on the environmental objectives of the bond</p> <p>1.2 Confirmation that Nominated Projects and Assets meet the Climate Bonds criteria</p> <p>1.3 Document a list of Nominated Projects and Assets</p> <p>1.4 Confirmation that Nominated Projects and Assets will not be nominated to other Climate Bonds</p> <p>1.5 Confirmation that Net Proceeds of the Green Bond shall not be greater than the value of the Nominated Projects and Assets</p>
<p>Internal Processes and Controls</p>	<p>2.1.1 Tracking of proceeds</p> <p>2.1.2 Managing of unallocated proceeds</p> <p>2.1.3 Earmarking funds to Nominated Projects and Assets</p>
<p>Reporting Prior to Issuance</p>	<p>3.1.1 Investment area of Nominated Projects and Assets</p> <p>3.1.2 Intended types of temporary investments for the management of unallocated proceeds</p> <p>3.1.3 Approach of Verifier</p> <p>3.1.4 Whether periodic Assurance Engagement will be undertaken, and the expected frequency of any periodic Assurance Engagements</p>

Schedule 2B: Conformance to the Pre-Issuance Requirements

Procedure Performed	Factual Findings	Error or Exceptions Identified
Verification of requirements specified under Selection of Nominated Projects and Assets	<p>1.1 The objective of the bond is to primarily use proceeds to finance or refinance eligible solar energy projects.</p> <p>1.2 The Nominated Projects and Assets meet the Solar Energy criteria of the Climate Bond Standard.</p> <p>1.3 The Nominated Projects and Assets include:</p> <ul style="list-style-type: none"> • Solar Energy <ul style="list-style-type: none"> - Onshore solar energy generation facilities; - Wholly dedicated transmission infrastructure and other supporting infrastructure for onshore solar electricity generation facilities including inverters, transformers, energy storage systems and control systems; - Onshore solar thermal facilities such as solar hot water systems. <p>1.4 GSRP's management confirms that the projects shall not be nominated to other Climate Bonds.</p> <p>1.5 GSRP has confirmed that the Book Value of its Nominated Projects and Assets is expected to exceed net proceeds of its outstanding green debt instruments on an ongoing basis. However, due to the timing of future transactions (financings and asset sales/purchases), the net proceeds from outstanding green debt instruments may temporarily exceed the Book Value of the Nominated Projects and Assets.</p>	None
Verification of requirements specified under Internal Processes and Controls	<p>2.1.1 GSRP's management confirms that proceeds will be segregated and tracked in a systematic manner and will be exclusively used to finance Nominated Projects.</p> <p>2.1.2 All proceeds from green debt instruments will be managed according to GSRP's usual cash management policies and investment mandates. As GSRP's business is wholly dedicated to renewable energy, GSRP confirms that the proceeds will not be temporarily invested in greenhouse gas intensive projects which are inconsistent with the delivery of a low carbon and climate resilient economy.</p> <p>2.1.3 GSRP's management has confirmed that the proceeds from the Green Finance will be tracked by its Green Finance working group.</p>	None
Verification of requirements specified under Reporting Prior to Issuance	<p>3.1.1 GSRP's management confirms that the proceeds of the transaction will primarily be used to invest in Solar Energy Projects.</p>	None

	<p>3.1.2 GSRP's management confirms that unallocated proceeds shall be managed according to GSRP's usual cash management policies and investment mandates.</p> <p>3.1.3 The bond's offer letter confirms that an approved third-party verifier has been appointed to confirm the bond's conformance with pre-issuance requirements of the Solar Energy criteria of the Climate Bonds Standard.</p> <p>3.1.4 The bond's offer letter confirms that an approved third-party verifier will conduct post-issuance assurance exercise within a year's time to reaffirm conformance of the bond with the Solar Energy criteria of the Climate Bonds Standard.</p>	
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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

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