



Verifier's Report

EXECUTIVE SUMMARY



ISSUER

Peninsula Corridor Joint Powers Board

OPINION ON

Measure RR Sales Tax Revenue Bonds, 2022 Series A (Green Bonds - Climate Bond Certified)

STANDARD AND SECTOR CRITERIA

Climate Bonds Standard Version 3.0 ■ Transport (Version 2)

PAR

\$140,000,000

KEYWORDS

Low carbon transportation, public transportation, electrification, greenhouse gas emission reduction

EVALUATION DATE

February 2, 2022

SUMMARY OF FINDINGS

Kestrel Verifiers is of the opinion that the Measure RR Sales Tax Revenue Bonds, 2022 Series A ("Series 2022 Bonds") conform with the Climate Bonds Standard (Version 3.0) as follows:

■ Use of Proceeds

The Series 2022 Bonds will finance a portion of the costs of electrification of the existing Caltrain passenger rail corridor between San Francisco and San José in California (the "Project"), pay capitalized interest and pay costs of issuance. Proceeds will finance infrastructure to fully electrify the corridor, which is expected to reduce annual operational greenhouse gas emissions by approximately 24,000 metric tons CO₂e. In addition to reducing greenhouse gas emissions and improving regional air quality, the Project will improve train performance, reduce train noise, and reduce fuel costs. The Series 2022 Bonds align with the *Transport* eligible Sector Criteria under the Climate Bonds Standard.

■ Process for Evaluation and Selection of Projects & Assets

The Peninsula Corridor Joint Powers Board ("JPB") capital planning process and vision for sustainability inform decision-making and Project scope. The electrification Project directly advances goals of Caltrain's Sustainability Program and climate action plans of communities served throughout the corridor.

■ Management of Proceeds

Proceeds from the Series 2022 Bonds will only be used to finance portions of the Peninsula Corridor Electrification Project, pay capitalized interest and pay costs of issuance. JPB's Department of Treasury is responsible for overseeing the allocation of proceeds and reporting to the Board of Directors on cost allocations. Proceeds may be held in temporary investments in accordance with the JPB's conservative Investment Policy.

■ Reporting

JPB commits to posting continuing disclosures to the Municipal Securities Rulemaking Board ("MSRB") annually through the Electronic Municipal Market Access ("EMMA") system. Project updates are available in monthly Peninsula Corridor Electrification Project reports and JPB's sustainability report. JPB intends to include an update on the Series 2022 Bonds in the sustainability report until the Project is complete.

VERIFIER CONTACTS

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- **Impact and Alignment with United Nations Sustainable Development Goals**

By financing the electrification of a public transport system in a high-volume transportation corridor, JPB is directly supporting UN SDGs, including Goals 9: *Industry, Innovation and Infrastructure*, and 11: *Sustainable Cities and Communities*.

- **Assurance Conclusion**

Based on the Reasonable Assurance procedures we have conducted, in our opinion, the Series 2022 Bonds conform, in all material respects, with the Climate Bonds Standard, and the bond-financed activities are aligned with the *Transport* Sector Criteria.



Verifier's Report

Legal Name of Issuer:	Peninsula Corridor Joint Powers Board
Issue Description:	Measure RR Sales Tax Revenue Bonds, 2022 Series A (Green Bonds - Climate Bond Certified)
Project:	Peninsula Corridor Electrification Project
Standard:	Climate Bonds Standard (Version 3.0)
Sector Criteria:	Transport (Version 2)
Keywords:	Low carbon transportation, public transportation, electrification, greenhouse gas emission reduction
Par:	\$140,000,000
Evaluation Date:	February 2, 2022

CLIMATE BONDS DESIGNATION

The Peninsula Corridor Joint Powers Board ("JPB") will issue Measure RR Sales Tax Revenue Bonds, 2022 Series A (Green Bonds - Climate Bond Certified) ("Series 2022 Bonds") to finance electrification and acquire electric rail cars for the Caltrain commuter rail service in California.

This Verifier's Report reflects Kestrel Verifiers' view of JPB's projects and financing, allocation and oversight, and conformance of the Series 2022 Bonds with the Climate Bonds Standard (Version 3.0) and *Transport* Sector Criteria. In our opinion, the Measure RR Sales Tax Revenue Bonds, 2022 Series A are aligned with the internationally accepted Climate Bonds Standard (Version 3.0) and the *Transport* Sector Criteria (Version 2).

ABOUT THE ISSUER

The Peninsula Corridor Joint Powers Board ("JPB") owns and operates the Caltrain passenger rail system which runs along the San Francisco Peninsula in California. JPB acquired Caltrain in 1996, but the system has been in operation since 1863. The Caltrain system includes 31 stations in 19 cities, extending 77 miles through three counties.¹ JPB was a founding signatory of the American Public Transportation Association's Sustainability Commitment which provides a framework and performance metrics for transit agencies to manage sustainability. In 2018, Caltrain was recognized by the American Public Transportation Association with the Silver level status for continued achievements in sustainability.

JPB has made significant progress in reducing its environmental impacts. Between 2016 and 2018 Caltrain reduced its greenhouse gas emissions by nearly 44%. Between 2014 and 2018, Caltrain reduced its water consumption 27% with the use of drought-tolerant landscaping and "smart" irrigators that adjust watering schedules based on rainfall and temperature.²

JPB also demonstrates a strong commitment to environmental stewardship through its Storm Water Management Program and purchase of renewable energy. Caltrain's stormwater program includes regular removal of debris and trash from railways and corridors, maintaining storm drain inlets and other

¹ "Strategic Plan: FY2015-2024," Caltrain, September 2014, <http://www.caltrain.com/projectsplans/Plans/CaltrainStrategicPlan-2014.html>.

² "Caltrain Sustainability Report," Caltrain, 2019, https://www.caltrain.com/Assets/sustainability/pdf/Caltrain_Executive_Summary.pdf.

infrastructure, raising employee awareness of stormwater pollution prevention, and use of bioswales and other landscaping to filter and remove pollutants from stormwater before it reaches local waterways. To mitigate greenhouse gas emissions and support expansion of renewable energy, Caltrain has enrolled in several Community Choice Energy programs in its service area. These expand JPB's renewable energy options and fulfill the system's growing energy demands.

JPB's commitment to social equity can be seen in its annual Title VI Equity Analysis where it evaluates fare increases and ridership demographics. The report examines the potential for disparate impacts of fare increases on low-income and minority populations.³ JPB is incorporating equity into their 2040 Business Plan by examining ridership data and determining areas that require improvement based on the data, public outreach and stakeholder input. JPB has moved toward more equitable operations by translating policies to Spanish, Vietnamese and Chinese, adjusting service schedules to better accommodate riders who use the system for non-traditional work commutes, and prioritizing connections with low-income and minority communities during planning and growth discussions. JPB is a participant in the Metropolitan Transportation Commission Clipper START fare assistance program for low-income riders, and expands access to affordable passes through the Go Pass donation program which is administered through participating organizations. JPB also suspended fare increases due to the COVID-19 pandemic.⁴

CONFORMANCE WITH CLIMATE BONDS STANDARD AND SECTOR CRITERIA

JPB engaged Kestrel Verifiers to provide an independent verification on alignment of the Series 2022 Bonds with the Climate Bonds Standard (Version 3.0) and Certification Scheme, and the *Transport* Sector Criteria. The Climate Bonds Initiative ("CBI") administers the Standard and Sector Criteria. Additionally, Kestrel Verifiers examined alignment of the Series 2022 Bonds with the United Nations Sustainable Development Goals ("UN SDGs").

Kestrel Verifiers is a Climate Bonds Initiative Approved Verifier. The Kestrel Verification Team included environmental scientists and financial professionals. We performed a Reasonable Assurance engagement to independently verify that the Bonds meet relevant criteria, in all material respects.

For this engagement, Kestrel Verifiers reviewed JPB bond disclosure documentation, Green Bond Framework, disclosures and documentation on the allocation and uses of proceeds, as well as relevant plans and alignment to JPB's overarching climate objectives. We examined public and non-public information and interviewed members of JPB. Our goal was to understand the planned use of proceeds, procedures for managing proceeds, and plans and practices for reporting in sufficient detail to verify the Bonds.

Relevant Climate Bonds Sector Criteria and Other Standards

The Series 2022 Bonds align with the Climate Bonds Standard (Version 3.0) and *Transport* Criteria (Version 2).

Assurance Approach

Kestrel Verifiers' responsibility was to conduct a Reasonable Assurance engagement to determine whether the Series 2022 Bonds meet, in all material respects, the requirements of the Climate Bonds Standard. Our Reasonable Assurance was conducted in accordance with the Climate Bonds Standard (Version 3.0) and the *International Standard on Assurance Engagements (ISAE) 3000: Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. Information relating to this engagement and the Verifier's and Issuer's Responsibilities, and Independence and Quality Control are available in Appendix B and Appendix C.

Kestrel Verifiers has relied on information provided by JPB. There are inherent limitations in performing assurance, and fraud, error or non-compliance may occur and not be detected. Kestrel Verifiers is not responsible or liable for any opinions, findings or conclusions within the information provided by JPB that are incorrect. Our assurance is limited to JPB's policies and procedures in place as of January 2022. The

³ "FY18 Title VI Equity Analysis," Caltrain Peninsula Corridor Joint Powers Board, July 2017, <https://www.caltrain.com/Assets/TitleVI/JPB/Caltrain+Title+VI+Equity+Analysis+FY18.pdf>

⁴ "Equity Policy Framework," Caltrain, August 6, 2020, https://caltrain2040.org/wp-content/uploads/Draft-Equity-Connectivity-Recovery-and-Growth-Framework_English_e.pdf

distribution and use of this verification report are at the sole discretion of JPB. Kestrel Verifiers does not accept or assume any responsibility for distribution to any other person or organization.

Use of Proceeds

The Series 2022 Bonds will finance a portion of the costs to electrify an existing Caltrain passenger rail corridor between San Francisco and San José in California (the “Project”) and pay costs of issuance. Proceeds will finance infrastructure to fully electrify the corridor to support a new fleet of electric railcars. The financed activities are components of the Peninsula Corridor Electrification Project and will improve train performance, reduce greenhouse gas (“GHG”) emissions and improve regional air quality, reduce train noise, and reduce fuel costs. The Project is the first major US passenger rail line to be converted from diesel to a fully electrified system and is expected to be completed in 2024.

Electrification Infrastructure: The Series 2022 Bonds will primarily finance infrastructure replacement and upgrades to electrify the 52-mile section of rail line between the 4th and King Caltrain Station in San Francisco to the Tamien Caltrain Station in San José. This work includes construction of the overhead contact system and ten traction power facilities that will distribute and regulate electricity on the rail line through overhead poles and wires. The Series 2022 Bonds will also finance signal and crossing infrastructure upgrades to ensure compatibility with the newly electrified line and improve public safety. All aspects of the electrification project are designed to meet expected growth in electrified transport and the region’s transportation needs for 40 years.

Electric Powered Rolling Stock: The Peninsula Corridor Electrification Project also includes design and purchase of 133 electric railcars which will replace approximately 75% of the existing diesel fleet. A portion of the Series 2022 Bond proceeds may be used to finance railcar acquisition. A specialized railcar design allows Caltrain to meet demands for service from bicycle riders and maximize capacity and schedule efficiency. The new double-decker electric trains have improved acceleration and deceleration and will reduce travel times in the corridor. Caltrain solicited rider input on the new designs through a bicycle outreach committee, polls, and outreach at stations. The remainder of the non-electrified fleet will be replaced on an ongoing basis as trains reach the end of their service lives.

Environmental Benefits

Transportation accounts for 29% of GHG emissions in the US and efficient, accessible transportation systems are critical to reducing these emissions.⁵ The Project will reduce transportation-related GHG emissions by eliminating single-passenger vehicle trips, alleviating traffic congestion, and planning for additional expansion of fully electrified public transport. The electrification project also directly advances the goals of Assembly Bill 32 (the California Global Warming Solutions Act) and the 2017 Scoping Plan target to reduce GHG emissions by 40% below 1990 levels by 2030. The modernized line is expected to host more than 65,000 riders per day. The electrification project is expected to reduce operational GHG emissions by an estimated 24,000 metric tons CO₂e per year in 2020 and 30,000 metric tons CO₂e in 2040.⁶ The low-end estimate is equivalent to emissions from over 5,000 passenger vehicles driven for a year or the annual energy use from nearly 3,000 homes.

Climate Risk and Transition Alignment

Climate change poses significant systemic risks to US financial systems and municipal issuers. These risks may broadly be divided into physical risk and transition risk. Physical risks include effects of climate change on physical assets, such as extreme weather events and sea level rise. Transition risk includes market and technology risks, reputational risks, policy risks and legal risks. Transition and physical risk factors may interact in complex ways.

Mitigation of transition risk requires planning for the necessary structural changes to address climate change and the transition to a low carbon economy, with recognition of the risks associated with inaction. The Caltrain electrification project is mitigating climate transition risks in the transportation sector associated with unabated GHG emissions from vehicles. JPB is facilitating the transition to a decarbonized economy by

⁵ “Sources of Greenhouse Gas Emissions,” US Environmental Protection Agency, 2019, <https://www.epa.gov/ghgemissions/sources-greenhouse-gas-emissions>.

⁶ “Peninsula Corridor Electrification Project (PCEP) Final Environmental Impact Report (FEIR): Settings, Impacts, and Mitigation Measures: Greenhouse Gas Emissions and Climate Change,” January 2015, <https://www.caltrain.com/Assets/Caltrain+Modernization+Program/FEIR/3.7+Greenhouse+Gas+V2+120514.pdf>. Based on scenarios comparing existing and modernized, electrified service.

reducing reliance on fossil fuels and intentionally integrating infrastructure that will allow significant expansion of electrified transport in the future. In this way, the bond-financed activities enable and accelerate the transition to fully electrified public transportation.

The Series 2022 Bonds also finance activities which align with a *just transition*, characterized by the equitable inclusion and accommodation of all individuals, with a special focus on disadvantaged groups who may be directly or indirectly affected by the structural changes necessary to the transition to a low carbon economy. A project that aligns with the *just transition* works to balance a sustainable society, environment and economy and will consider the intersections of racial, socioeconomic, religious, cultural, intergenerational or environmental justice.

Between San Francisco and San José, Caltrain passes through multiple communities that are considered to be especially vulnerable to pollution, based on environmental, health and socioeconomic data.⁷ By replacing diesel trains with zero direct emission railcars, the Series 2022 Bonds reduce negative health impacts related to air pollution in vulnerable communities. While the Project does not directly confront environmental justice concerns, significantly reducing GHG emissions facilitates a just transition.

Sector Criteria for Transport (Version 2)

The Project aligns with the *Transport Criteria (Version 2)*. The bond-financed projects fall under the following asset types: *Rail transport networks – zero direct emissions urban rail transit lines* and *Passenger rail transport rolling stock – zero direct emissions urban rail transit*. Proceeds are expected to primarily finance *Rail transport networks*. The corridor where the Series 2022 Bond project is located is existing inter-urban rail and is not subject to additional project appraisal. Proceeds will only finance activities that are directly tied to electrification of the Caltrain rail line and facilitating future growth in zero-emission transport. These projects meet Sector Criteria eligibility with no further disclosure required.

Process for Evaluation and Selection of Projects & Assets

JPB's capital planning process, stakeholder input, and vision for sustainability inform decision-making and the scope of the Series 2022 Bond project.

JPB's capital planning process involves Short Range Transit Plans that cover 10-year planning horizons that also align with the adopted 2040 Service Vision that outlines a long-term vision for Caltrain. Capital Improvement Programs within each Short Range Transit Plan outline the required capital improvements to meet operating and service needs. Projects focus on maintaining good repair, operational enhancements, and modernization. The need for large-scale electrification and expansion of the electrified railcar fleet was identified under the modernization program area. Projections of population growth and future transportation demand informed the project's scale and prioritization.

Diverse stakeholders have been engaged in Project planning. Multiple committees such as the bicycle advisory committee and the citizens advisory committee regularly provide input on capital plans and priorities. Monthly Board of Directors meetings also facilitate active public participation.

The Project directly advances goals of Caltrain's Sustainability Program which aims to reduce impacts on communities and the environment. The Project is critical to reducing roadway congestion and decreasing regional GHG emissions by avoiding emissions from single-occupancy vehicles and replacing diesel infrastructure. Furthermore, electrification will support climate action plans of communities served throughout the corridor, as well as the State of California's Global Warming Solutions Act and the 2017 Scoping Plan target to reduce GHG emissions by 40% below 1990 levels by 2030.

Management of Proceeds

Proceeds from the Series 2022 Bonds will only be used to finance portions of the Peninsula Corridor Electrification Project and to pay costs of issuance. The JPB's Department of Treasury is responsible for overseeing the allocation of proceeds and reporting to the Board of Directors on cost allocations. It is expected that all proceeds will be spent within 12 months and may be held in temporary investments in accordance with the JPB's conservative Investment Policy.

⁷ "CalEnviroScreen," California Office of Environmental Health Hazard Assessment and California Environmental Protection Agency, accessed January 27, 2022, <https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-30>.

Reporting

JPB will submit annual continuing disclosures to the Municipal Securities Rulemaking Board (“MSRB”) through the Electronic Municipal Market Access (“EMMA”) system so long as the Series 2022 Bonds are outstanding. In accordance with the Climate Bonds Standard, Kestrel Verifiers will be engaged to provide one Post-Issuance Report within 24 months of issuance to confirm continued conformance of the Series 2022 Bonds with the relevant Standards and Criteria.

Monthly reports on the Peninsula Corridor Electrification Project are included in agendas for the JPB’s Board of Directors and are available at: www.caltrain.com/about/bod.html. JPB also produces comprehensive sustainability reports with impact metrics including overall GHG emissions, passenger miles traveled, train boardings, waste generated and diverted, and water consumed. Sustainability reports are available at: <https://www.caltrain.com/about/Sustainability.html>. JPB intends to include a Green Bonds update section in its sustainability reports until the Project is complete.

IMPACT AND ALIGNMENT WITH UN SDGS

By financing the electrification of a large-scale passenger transport network and reducing transportation emissions, the Series 2022 Bonds are helping to address UN SDGs 9 and 11. Upgrades to the Caltrain corridor between San Francisco and San José support Targets 9.1, 11.2, and 11.3. Reduction of congestion and expansion of zero direct emission public transport options advance Target 11.6. Full text of the Targets for Goals 9 and 11 is available in Appendix A, with additional information available on the United Nations website: www.un.org/sustainabledevelopment



Industry, Innovation and Infrastructure (Target 9.1)

Possible Indicators

- Number of people with access to sustainable transport systems
- Reduction in fossil fuel use as a result of bond projects



Sustainable Cities and Communities (Target 11.2, 11.3, 11.6)

Possible Indicators

- Number of individuals with access to public transportation
- Avoided greenhouse gas emissions (tons CO₂eq)
- Avoided air pollutant emissions (other than greenhouse gases)
- Number of avoided hospitalizations as a result of improved air quality

ASSURANCE STATEMENT AND CONCLUSIONS

Based on the Reasonable Assurance procedures we have conducted, in our opinion, the Peninsula Corridor Joint Powers Board Measure RR Sales Tax Revenue Bonds, 2022 Series A conform, in all material respects, with the current Climate Bonds Standard, and the bond-financed activities are completely aligned with the *Transport Sector Criteria* (Version 2). The Peninsula Corridor Electrification Project is a critical project for electrification of the transportation sector in the Bay Area of California and meeting regional GHG emission reduction goals. JPB is demonstrating leadership in accelerating the transition to a low carbon economy by planning for 40 years of growth in electrified transport and financing the first major US passenger rail line conversion to a fully electric system.

Sincerely,

April Strid, Lead Verifier
Kestrel Verifiers
Hood River, Oregon, United States
February 2, 2022

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ABOUT KESTREL VERIFIERS



For over 20 years Kestrel has been a trusted consultant in sustainable finance. Kestrel Verifiers, a division of Kestrel 360, Inc. is a Climate Bonds Initiative Approved Verifier qualified to verify transactions in all asset classes worldwide. Kestrel is a US-based certified Women's Business Enterprise.

For more information, visit www.kestrelverifiers.com

DISCLAIMER

This Verifier's Report ("Opinion") aims to explain how and why the discussed financing meets the CBI Climate Bonds Standard based on the information which was available to us during the time of this engagement (January-February 2022) only. By providing this Opinion, Kestrel Verifiers is not certifying the materiality of the projects financed by the Climate Bonds. It was beyond Kestrel Verifiers' scope of work to review for regulatory compliance and no surveys or site visits were conducted. Furthermore, we are not responsible for surveillance on the project or use of proceeds. Kestrel Verifiers relied on information provided by JPB and publicly available information. The Opinion delivered by Kestrel Verifiers does not address financial performance of the Climate Bonds or the effectiveness of allocation of its proceeds. This Opinion does not make any assessment of the creditworthiness of JPB, or its ability to pay principal and interest when due. This is not a recommendation to buy, sell or hold the Bonds. Kestrel Verifiers is not liable for consequences when third parties use this Opinion either to make investment decisions or to undertake any other business transactions. This Opinion may not be altered without the written consent of Kestrel Verifiers. Kestrel Verifiers reserves the right to revoke or withdraw this Opinion at any time. Kestrel Verifiers certifies that there is no affiliation, involvement, financial or non-financial interest in JPB or the projects discussed. We are 100% independent. Language in the offering disclosure supersedes any language included in this Verifier's Report.

Use of the United Nations Sustainable Development Goal (SDG) logo and icons does not imply United Nations endorsement of the products, services or bond-financed activities. The logo and icons are not being used for promotion or financial gain. Rather, use of the logo and icons is primarily illustrative, to communicate SDG-related activities.

Appendix A.

UN SDG TARGET DEFINITIONS

Target 9.1

Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all

Target 11.2

By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons

Target 11.3

By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries

Target 11.6

By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management



Appendix B.

ASSURANCE PROCEDURES

REQUIREMENT	ASSURANCE PROCEDURES
1. Use of Proceeds	
1.1 Project Documentation	Review documentation of the Nominated Projects assessed as likely to be Eligible Projects, and list of Nominated Projects that Issuer will keep up-to-date during the term of the bond.
1.2 Valuation	Review net proceeds of the bond to ensure they are not greater than the value of the project.
1.3 Multiple Nominations for Certified Debt Instruments	Review Nominated Projects for previous nominations to other Certified Climate Debt Instruments, green bonds, or other designated instruments.
1.3.1 Nominations to Other Debt Instruments	Review Nominated Projects to determine whether certain portions are being financed by separately designated Certified Debt Instruments.
1.3.2 Refunding Existing Certified Climate Debt	Review and confirm whether Nominated Projects have been refinanced by other Certified Debt Instruments or bonds under assessment will refinance existing Certified Debt Instruments.
2. Process for Project Evaluation and Selection	
2.1 Environmental Statement & Process (2.1.1-2.1.4)	Review statement of the climate-related objectives of the bond. Review documentation of the process that the Issuer followed to identify projects and confirm eligibility requirements for inclusion of Nominated Projects in the bond. Review planning documents which establish goals, priorities and potential impact.
2.2 Eligibility (2.2.1-2.2.2)	Review additional documentation Issuer provided on further aspects of identification process including strategic directions and standards. Review the Issuer's environmental and social integrity policy, and/or Green Bond Framework, and confirm its coverage of the Nominated Projects.
2.3 Taxonomy & Technical Criteria	Test Nominated Projects to determine whether they meet the minimum technical requirements of the Climate Bonds Standard and relevant Sector Criteria (Part C: Eligibility of Projects and Assets).
3. Management of Proceeds	
3.1 Documentation of Processes & Procedures	Confirm that the policies, processes and procedures for tracking financial flows of the bond proceeds to the Nominated Projects are in place.
3.1.1 Tracking of Proceeds	Review the allocation of funds to ensure they can be tracked against Nominated Projects.
3.1.2 Managing of Unallocated Proceeds	Review documentation for the management of bond proceeds for funds that are not allocated to a Nominated Project and review eligible temporary investments for unallocated proceeds.
3.1.3 Earmarking Funds	Confirm that the policies, processes and procedures to identify flows of proceeds related to the Bond have been established.
4. Reporting	
4.1 Bond Disclosure Documentation	Review the Issuer's Green Bond Framework and confirm plans to make the document publicly available. Confirm inclusion of necessary information within the Green Bond Framework.
4.1.1 Confirmation of Alignment	In the Green Bond Framework, confirm documentation and review areas of investment align with the Climate Bonds Standard and review statements of alignment with other relevant standards.
4.1.2 Uses of Proceeds	In the Green Bond Framework, confirm documentation and review expected uses of proceeds and the amounts allocated to activities in relevant sectors and subsectors.

REQUIREMENT	ASSURANCE PROCEDURES
4.1.3 Decision-making Process	In the Green Bond Framework, confirm documentation of decision-making processes and positioning in the context of the Issuer’s overarching objectives.
4.1.4 Sector Criteria Assumptions and Methodologies	In the Green Bond Framework, confirm documentation of assumptions and methodologies to evaluate conformance with Sector Criteria.
4.1.5 Temporary Investment Instruments	In the Green Bond Framework, confirm documentation of allowable temporary investment instruments.
4.1.6 Reporting Approach	In the Green Bond Framework, confirm disclosure of intended approach to providing Update Reports and/or undertaking periodic Assurance Engagements during term of bond to reaffirm conformance with the Climate Bonds Standard.
4.1.7 List of Nominated Projects	In the Green Bond Framework, confirm disclosure of list of Nominated Projects likely to be eligible.
4.1.8 Refinancing	In the Green Bond Framework, confirm disclosure of proportion of proceeds for refinancing, if applicable.
4.2 Disclosure Documentation	Confirm incorporation of key information in Disclosure Documentation.
4.2.1 Sector Criteria Disclosure	Confirm “investment areas,” or alignment with the Climate Bonds Taxonomy and relevant Sector Criteria for Nominated Projects.
4.2.2 Temporary Investments	Confirm disclosure of eligible temporary investments for unallocated proceeds.
4.2.3 Verifier	Confirm disclosure of Verifier selected for Pre-Issuance and Post-Issuance Engagements.
4.2.4 Ongoing Reporting	Confirm disclosure of intended ongoing reporting on the Nominated Projects and allocation of proceeds.
4.2.5 CBI Disclaimer	Confirm incorporation of the CBI Disclaimer as provided in the Certification Agreement.



Appendix C.

RESPONSIBILITIES AND QUALITY CONTROL

Verifier's Responsibilities

Kestrel Verifiers' responsibilities for confirming alignment of the Series 2022 Bonds with the Climate Bonds Standard and *Transport* Criteria include:

- assess and certify JPB's internal processes and controls, including selection process for projects and assets, internal tracking of proceeds, and the allocation system for funds;
- assess policies and procedures established by JPB for reporting;
- assess the readiness of JPB to meet the Climate Bonds Standard (Version 3.0) and *Transport* Sector Criteria; and
- express a Reasonable Assurance conclusion.

Issuer's Responsibilities

Issuer was responsible for providing detailed information and documents relating to:

- The details of the Nominated Projects and Assets and the project selection process;
- Maintaining adequate records and internal controls designed to support the Climate Bond Pre-Issuance Certification process; and
- The collection, preparation, and presentation of the subject matter in accordance with the Climate Bonds Standard and Criteria.

Independence and Quality Control

Kestrel Verifiers provides green bonds advisory services for corporate and public finance issuers. The Kestrel Verification Team is committed to providing robust, transparent, and accurate verifications. For over 20 years Kestrel has been a trusted advisor to state and local governments, non-profits, and corporations. Kestrel certifies that there is no affiliation, involvement, financial or non-financial interest in the issuer or the projects discussed. Accredited as an Approved Verifier by the Climate Bonds Initiative, Kestrel is qualified to evaluate bonds against the Climate Bonds Initiative Standards and Criteria.