

Sanguine Securities Sàrl

PRE-ISSUANCE VERIFICATION LETTER

SOLAR ENERGY CRITERIA OF THE CLIMATE BONDS STANDARD

Type of engagement: Assurance Engagement

Period engagement was carried out: February 2022

Approved verifier: Sustainalytics

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Scope and Objectives

Sanguine Securities Sàrl (“Sanguine” or the “Company”) has engaged Sustainalytics to review and verify that use of proceeds for a photovoltaic solar system (“PV”) and a concentrated parabolic trough (“CPT”) heater (the “Nominated Projects”) Investment under Sanguine’s green bond meets the requirements under the Solar Energy criteria of the Climate Bonds Standard¹.

Sanguine is a member of the Sanguine Impact Investment group² which invests in essential infrastructure in emerging markets and developing economies in Asia-Pacific, Southeast Asia, and Sub-Saharan Africa. Established in 2012, Sanguine targets investment in sustainable infrastructure and energy transition projects.

Sanguine’s sustainability strategy involves commitment to supporting the transition towards a low-carbon and equitable economy through renewable energy generation, sustainable transportation and green buildings. Sanguine’s sustainability focus areas include: i) stewardship and engagement, ii) ESG integration, and iii) sustainable investing solutions.

Sanguine intends to issue green bonds to finance or refinance development of solar energy projects that include PV solar system and a CPT solar thermal heater. Sanguine is committed to create meaningful environmental benefits through development of sustainable infrastructure and energy transition in emerging and developing economies.

Climate Bonds Standard Criteria

Pre-issuance requirements under Version 3.0³:

- Solar Energy
 - Onshore solar electricity generation facilities
 - Onshore solar thermal facilities

Issuing Entity’s Responsibility

Sanguine was responsible for providing information and documents relating to:

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

¹ Climate Bonds Standard, Solar Energy, Criteria under the Climate Bonds Standard. See more, at: <https://www.climatebonds.net/standard/solar>

² The Sanguine Impact Investment group includes Sanguine Holdings B.V., Sanguine Securities Sàrl, Sanguine Global Asset Management Sàrl, Sanguine Holdings (SG) Pte Ltd and Sanguine Asia Pacific Services Pte. Ltd.

³ Climate Bonds Standard, Climate Bonds Standard Version 3.0. See more, at:

https://www.climatebonds.net/files/files/Climate%20Bonds_Standard_Version%203_0_December%202017.pdf

Independence and Quality Control

Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors, conducted the verification of a part of Sanguine's green bond that issued to finance a photovoltaic solar system and a concentrated parabolic trough solar thermal heater (the "Nominated project"), and provided an independent opinion informing Sanguine as to the conformance of the green bond 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 Sanguine with respect to the Nominated Projects & Assets. Sustainalytics is not responsible nor shall it be held liable if any of the opinions, findings, or conclusions it has set forth herein are not correct due to incorrect or incomplete data provided by Sanguine.

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 bond.

Verifier's Responsibility

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

- Conformance of Sanguine's green bond with the Climate Bonds Standard Version 3.0;
- Conformance with the Solar Energy Technical 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 Bonds Standard Version 3.0 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 Sanguine's green bond meets the requirements of the Climate Bonds Standard. Upon reviewing evidence and other information, Sustainalytics is of the opinion that Sanguine will ensure compliance with Climates Bonds Standards requirements.

Conclusion

Sanguine intends to invest in a photovoltaic solar system and a concentrated parabolic trough solar thermal heater in the Northern Territory of Australia. Based on the limited assurance procedures conducted of Sanguine's green bond under the Solar Energy criteria of the Climate Bonds Standard. Nothing has come to Sustainalytics' attention that causes us to believe that, in all material aspects, Sanguine's green bond is not in conformance with the Solar Energy of the Climate Bonds Standard's Pre-Issuance Requirements.

Schedule 1: Overview of Nominated Projects

Sustainalytics has analyzed the Nominated Project that may be financed by Sanguine's Green Bond, and has determined that it complies with CBI Criteria for Solar Energy, namely onshore electricity generation facilities and onshore thermal facilities for solar energy.

Sanguine intends to finance and/or refinance the development of a PV solar system and a CPT solar thermal heater. The electricity generated by the PV solar system and heat generated by the CPT solar thermal heater will be used to generate hydrogen in the Northern Territory of Australia.

The PV system uses a Fresnel lens to concentrate incident sunlight onto high efficiency solar cells for electricity conversion. This process is approximately twice as efficient compared to regular crystalline silica PV cells, and will provide approximately 2,500kW power for each HPU to power the water maker and the electrolyser.

The CPT solar thermal heater provides process heat for the Project through parabolic through collectors using oil as the working fluid, and will provide approximately 470kW(t) of heat per unit. This facility does not include use of any fossil fuel back up for the solar thermal project.

Schedule 2A: Pre-Issuance General Requirements

Sustainalytics has conducted this verification using the following Pre-Issuance Requirements under Climate Bonds Standard Version 3.0:

<p>1. Use of Proceeds</p>	<p>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.</p> <p>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.</p> <p>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:</p> <p>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 bonds, green loans or other labelled instruments; or,</p> <p>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.</p>
<p>2. Process for Evaluation and Selection of Projects & Assets</p>	<p>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:</p> <p>2.1.1 A statement on the climate-related objectives of the Bond;</p> <p>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;</p> <p>2.1.3 The Issuer's rationale for issuing the Bond;</p> <p>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.</p> <p><i>Note to 2.1: A wide variety of climate-related objectives are possible. These can vary from increasing 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.</i></p> <p><i>The climate-related objectives of the Bond, as stated by the Issuer, have implications for the reporting requirements under the Climate Bonds Standard. See Clauses 2.3, 5.2, 5.8, 6.1.1 and 8.4.</i></p> <p>2.2 The Issuer should include under Clause 2.1 further aspects of the decision-making process, including:</p> <p>2.2.1 related eligibility criteria, including, if applicable, exclusion criteria or any other process, applied to identify and manage potentially material</p>

	<p>environmental, social or governance risks associated with the Nominated Projects & Assets;</p> <p>2.2.2 any green standards or certifications referenced in the selection of Nominated Projects & Assets.</p> <p>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.</p>
3. Management of Proceeds	<p>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:</p> <p>3.1.1 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>3.1.2 Managing unallocated proceeds: The balance of unallocated Net Proceeds can be managed as per the requirements in Clause 7.3.</p> <p>3.1.3 Earmarking funds to Nominated Projects & Assets: An 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.</p>
4. Reporting	<p>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:</p> <p>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.;</p> <p>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;</p> <p>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;</p> <p>4.1.4 Information 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.</p> <p>4.1.5 A summary of the approach to the management of unallocated Net Proceeds in accordance with Clause 3.1;</p> <p>4.1.6 The intended approach to providing Update Reports to reaffirm conformance with the Climate Bonds Standard while the Bond remains outstanding;</p> <p>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, as provided in Clause 9.1, and</p>

	<p>the Issuer shall provide an explanation of why detail on Nominated Projects & Assets is limited;</p> <p>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.</p> <p><i>Note: Issuers are encouraged to disclose as much information as possible with respect to Nominated Projects & Assets. However, in many cases it is not possible for the Issuer to disclose detailed information about specific projects & assets prior to the issuance of the Bond. This limitation may be due to confidentiality arrangements with owners of projects & assets, the dynamic nature of the project portfolio, competitive considerations, or other legal provisions which limit the disclosure of detailed information.</i></p> <p>4.2 The Issuer shall include in the Disclosure Documentation:</p> <p>4.2.1 The investment areas, as provided in Clause 9.1, into which the Nominated Projects & Assets fall;</p> <p>4.2.2 The intended types of temporary investment instruments for the management of unallocated Net Proceeds in accordance with Clause 7.3;</p> <p>4.2.3 The Verifier engaged by the Issuer for the mandatory verification engagements;</p> <p>4.2.4 The intended approach to providing Update Reports to reaffirm conformance with the Climate Bonds Standard while the Bond remains outstanding, including the location of the published documents;</p> <p>4.2.5 The Climate Bonds Initiative Disclaimer provided in the Certification Agreement.</p> <p><i>Note to 4.2.4: Issuers are encouraged to provide their Update Reports through existing reporting channels for the bond markets, such as the Electronic Municipal Market Access (EMMA) website for the US Municipality sector.</i></p>
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Schedule 2B: Conformance to the Pre-Issuance Requirements

Details of Sanguine’s internal processes and controls as per the Pre-Issuance Requirements are provided below:

Procedure Performed	Factual Findings	Error or Exceptions Identified
1. Use of Proceeds	<p>1.1 Sanguine has developed a proposed Nominated Project which complies with the Solar Energy sector criteria of the Climate Bonds Standard. Sanguine intends to keep the Nominated Project updated with all the financed projects that fall within the scope of Sanguine’s green bond program and Framework. The proposed Nominated Project includes a PV system and a CPT solar thermal heater to generate renewable power and heating needed for the Desert Bloom Hydrogen Plant located in the Northern Territory of Australia.</p> <p>1.2 Sanguine’s management confirms that the net proceeds of the bond will not be greater than the total investment exposure to the proposed Nominated Project and Assets.</p> <p>1.3 Sanguine’s management confirms that the Nominated Project will not be nominated to other Certified Climate Bonds, Certified Climate Loans, Certified Climate Debt Instrument, green bonds, green loans or other labelled instruments unless it is demonstrated by Sanguine that distinct portions of the Nominated Project are being funded by different instruments or that the existing instrument is being refinanced via another labelled instrument.</p>	None
2. Process for Evaluation and Selection of Projects & Assets	<p>2.1.1. The Sanguine Impact Investment Green Bond Framework states that the intention of the green bonds is to support the deployment of projects that will increase renewable energy generation.</p> <p>2.1.2. Sanguine’s environmental objectives are summarized in the Sanguine Impact Investment Green Bond Framework.</p> <p>2.1.3. Sanguine’s rationale for issuing green bonds is consistent with its sustainability strategy which is investing in projects facilitate the transformation to sustainable economy through renewable energy, energy efficiency and sustainable development.</p> <p>2.1.4. The Sanguine Impact Investment Green Bond Framework includes a process for project evaluation and selection in which Sanguine’s Green/ Sustainable Investment Committee, which is chaired by Sanguine’s ESG General Manager, will be responsible for evaluating and selecting projects in line with the Framework’s eligibility criteria.</p> <p>2.2.1. Sanguine has sufficient measures in place to manage and mitigate environmental and social risks that are commonly associated with the eligible category.</p> <p>2.2.2. Sanguine’s Green/Sustainable Investment Committee will verify that the proposed Nominated Project conform to the Climate Bonds Taxonomy and Solar Energy sector criteria.</p>	None

<p>3. Management of Proceeds</p>	<p>3.1.1 The Sanguine Impact Investment Green Bond Framework outlines a process by which proceeds will be tracked through a green/sustainable bond register and reviewed annually by the GSIC.</p> <p>3.1.2 Issuer will manage unallocated net proceeds by holding or investing temporarily in cash, deposits or money market instruments.</p> <p>3.1.3 The Sanguine Impact Investment Green Bond Framework details the process used to allocate and manage green bonds proceeds. This will enable the estimation of the share of the net proceeds used for financing and refinancing.</p>	<p>None</p>
<p>Reporting Prior to Issuance</p>	<p>4.1.1. Bonds issued under the Sanguine Impact Investment Green Bond Framework are intended to align with the Climate Bonds Standard.</p> <p>4.1.2. The Sanguine Impact Investment Green Bond Framework indicates that green bond proceeds will be used, 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.</p> <p>4.1.3. The Sanguine Impact Investment Green Bond Framework provides detail on its decision-making process, in which the Sanguine’s Chief Financial Officer will ensure net proceeds are applied to the Eligible Project.</p> <p>4.1.4. Sanguine’s Nominated Project will conform with the Solar Energy sector criteria. Sanguine may report on the GHG emissions avoided per year.</p> <p>4.1.5. Sanguine will manage unallocated net proceeds in accordance with Clause 3.1.</p> <p>4.1.6. Sanguine will publish on an annual basis, a Green Project Bond Report, which is aligned with the International Integrated Reporting Council, and the Sustainability Accounting Standards Board, Climate Disclosure Standards Board, ICMA Harmonized Framework for Impact Reporting and Working Towards a Harmonized Framework for Impact Reporting.</p> <p>4.1.7. Sanguine’s Nominated Project falls under Solar Energy sector criteria. Sanguine will report on the investment areas which the Nominated Project fall into by providing investors with both allocation and impact reporting annually. This will include details on outstanding Green Bonds, amounts allocated per eligible project as well as relevant impact indicators such as GHG emissions avoided.</p> <p>4.1.8. Sanguine will provide more details regarding the percentage share of financing versus refinancing in its allocation reporting and has defined a lookback period of 3 years prior to the issuance for refinancing.</p> <p>4.2.1. Sanguine’s Nominated Project will conform with the Solar Energy sector criteria.</p> <p>4.2.2. The intended types of temporary investment instruments for the management of unallocated net proceeds are in accordance with Clause 7.3 of the Climate Bonds Standard.</p> <p>4.2.3. The Sanguine has confirmed that an approved third party verifier will conduct periodic assurance within a year to</p>	<p>None</p>

	<p>reaffirm conformance of the bond with the Solar Energy criteria of the Climate Bonds Standard.</p> <p>4.2.4. Sanguine will, on an annual basis, prepare a Green Project Bond Report to update investors on the allocation and impact of the net proceeds of the Green Bonds. Both allocation report and non-financial impact report will be made publicly available on the Company's website.</p> <p>4.2.5. Sustainalytics notes that under the terms of its certification, Sanguine must include the CBI Disclaimer provided in the Certification Agreement in disclosure documentation.</p>	
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