

# Williams Caribbean Capital

## POST-ISSUANCE VERIFICATION LETTER

### SOLAR ENERGY CRITERIA OF THE CLIMATE BONDS STANDARD

**Type of engagement:** Assurance Engagement

**Period engagement was carried out:** September 2020

**Approved verifier:** Sustainalytics

**Contact address for engagement:** 125 Maiden Lane, Suite 602, New York NY 10038, U.S.A.

**Post-Issuance Engagement Leader:** Zach Margolis, zach.margolis@sustainalytics.com, (+1) 647 695 4341

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### Scope and Objectives

In May 2019, Williams Caribbean Capital (WCC) issued green bonds aimed at financing solar PV deployment on commercial rooftops and land, namely in Barbados, through a special purpose entity, Williams Renewable Energy Limited. In 2020, WCC engaged Sustainalytics to review the projects funded through the issued green bonds, and provide an assessment as to whether the projects met the Post-Issuance Requirements (Part A, Part B and Part C) of the Climate Bonds Standard.

Green bond projects include:

- Renewable Energy: solar PV deployment on commercial rooftops and land

Schedule 1 provides details of the green bond projects and Disbursement of Proceeds.

### Compliance Evaluation Criteria

Post-issuance requirements under Climate Bonds Standards Version 2.1:

- Part A: General Requirements - All the requirements in Part A shall be met to be eligible for post-issuance certification.
- Part B: Eligible Projects & Assets - Part B requirements shall be met based on the projects & assets associated with the bond and the specified eligibility criteria.
- Part C: Requirements for Specific Bond Types - Part C requirements shall be met to be eligible for post-issuance certification and are used selectively, depending on the type of bond in question.

### Issuing Entity's Responsibility

WCC is responsible for providing accurate information and documentation relating to the details of the projects that have been funded, including description of projects, total development cost of each project, and disbursed amounts.

### Independence and Quality Control

Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors, conducted the verification of WCC's green bond, issued to finance solar PV projects, and provided an independent opinion informing WCC as to the conformance of the green bond with the Post-Issuance requirements and Solar Energy criteria of the Climate Bonds Standard.

Sustainalytics has relied on the information and the facts presented by WCC with respect to the Nominated Projects. 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 WCC.

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

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

The work undertaken as part of this engagement included conversations with relevant WCC employees and review of relevant documentation to confirm the conformance of WCC’s green bonds with the Programmatic Post-Issuance Requirements (Part A, Part B and Part C) of the Climate Bonds Standard Version 2.1.

### Exceptions

No exceptions were identified. All projects aligned with the Post-Issuance requirements of the Climate Bonds Standard and were in conformance with the Solar Energy criteria.

### Conclusion

Based on the limited assurance procedures conducted, nothing has come to Sustainalytics’ attention that causes us to believe that, in all material respects, the allocation of BDS\$ 19 million from the WCC green bonds, issued to fund eligible green projects, is not in conformance with the Post-Issuance requirements of the Climate Bonds Standard.

### Detailed Findings

Eligibility Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
Compliance to Part A: General Requirements	Verification of 22 projects funded by the green bond in 2019 to determine if Part A: General Requirements were met (See Schedule 2A and 2A).	All 22 projects reviewed complied with the General Requirements.	None
Compliance to Part B: Eligible Projects & Assets	Verification of 22 projects funded by the green bond in 2019 to determine if projects fall into (i) one of the investment areas of the Climate Bonds Taxonomy (ii) meet the Solar Energy technical criteria.	All 22 projects fall under the Solar Energy criteria and meet the Solar Energy technical requirements.	None
Compliance to Part C: Requirements for Specific Bond Types	Bond Type Applicable: Use of Proceeds Bond.	The requirements of Project Holding, Settlement Period and Earmarking have been met.	None

## Schedule 1: Detailed Overview of Nominated Projects and Assets

Details of the Nominated Projects are provided below:

<b>Project Name</b>	<b>Tranche</b>	<b>Location</b>	<b>Size - Mega Watt peak (MWp)</b>
BRC North PV	T1	St. Michael, Barbados	598.23
Coles Engineering PV	T1	Christ Church, Barbados	146.63
Ionics Freshwater PV	T1	St. Michael, Barbados	57.38
NSR Bridge Street Mall PV	T1	St. Michael, Barbados	101.24
NSR Sky Mall PV	T1	St. Michael, Barbados	171.36
SRBC PV	T1	St. Thomas, Barbados	417.52
BARPAC PV	T1	St. Thomas, Barbados	576.98
Williams Towers PV	T1	St. Michael, Barbados	57.12
BRC South (WII) PV	T1	St. Michael, Barbados	486.06
Mount Gay PV	T1	St. Thomas, Barbados	209.36
Structural Systems (H&B) PV	T1	St. Michael, Barbados	172.64
Williams Equipment PV	T1	St. Michael, Barbados	525.64
Caribbean Metals St. Lucia	T1	La Clery, St. Lucia	28.08
Ionics Freshwater PV	T2	St. Michael, Barbados	133.53
NSR Sky Mall PV	T2	St. Michael, Barbados	361.50
DIGICEL Warehouse	T2	St. Michael, Barbados	90.00
Structural Systems PV	T2	St. Michael, Barbados	591.00
WII – Main Building	T2	St. Michael Barbados	87.04
H&B Hardware Warrens	T3	St. Michael, Barbados	235.55
Lot 5 A Gym	T3	St. Michael, Barbados	283.50
COW – Main Office	T3	St. Michael Barbados	66.00
COW – Work Shop	T3	St. Michael Barbados	315.00
<b>Total installed capacity</b>			<b>5,711.31</b>

## Schedule 2A: Post-Issuance General Requirements of the Climate Bonds Standard

Nominated Projects & Assets	<p>4.1 Statement on the environmental objectives of the bond</p> <p>4.2 Nominated Projects meet the Climate Bonds criteria</p> <p>4.3 Confirmation that Nominated Projects and Assets will not be nominated to other Climate Bonds</p>
Use of Proceeds	<p>5.1 Net Proceeds of the bond allocated to the Nominated Projects</p> <p>5.2 Funds allocated to Nominated Projects within 24 months of issuance of the bond</p> <p>5.3 Estimate of the share of the Net Proceeds used for financing and re-financing</p> <p>5.4 Net Proceeds of the bond shall be tracked by the Issuer following a formal internal process</p> <p>5.5 Net Proceeds of the bond shall be no greater than the total investment or the total Fair Market Value of the Nominated Projects &amp; Assets at the time of issuance</p>
Non-Contamination of Proceeds	<p>6.1 Tracking of proceeds</p> <p>6.2 Managing of unallocated proceeds</p> <p>6.3 In the case of a Force Majeure, the Issuer may apply to the Climate Bonds Standard Board for an extension to the asset allocation period</p>
Confidentiality	<p>7.1 Information about the Nominated Projects &amp; Assets provided to the Verifier and to the Climate Bonds Standard Board</p> <p>7.2 Issuer should disclose information about the bond and the Nominated Projects &amp; Assets to the market</p>
Reporting Post-Issuance	<p>8.1 Report containing the list of Nominated Projects &amp; Assets to which proceeds of the bond have been allocated</p>

## Schedule 2B: Conformance to the Post-Issuance Requirements of the Climate Bonds Standard

<b>Procedure Performed</b>	<b>Factual Findings</b>	<b>Error or Exceptions Identified</b>
Verification of Nominated Projects & Assets	<p>4.1 The objective of the bond is to primarily use proceeds to finance solar PV projects.</p> <p>4.2 WCC’s management confirms that the nominated projects meet the Eligibility Criteria.</p> <p>4.3 WCC’s management confirms that the projects shall not be nominated to other Climate Bonds.</p>	None
Verification of requirements specified under Use of Proceeds	<p>5.1 Net Proceeds of the bond have been allocated to the 22 Nominated Projects.</p> <p>5.2 WCC’s management has confirmed that funds have been allocated to Nominated Projects in accordance with the forecast staggered payment schedules which was within 9 months of receipt of the funds</p> <p>5.3 WCC’s management has confirmed that all Net Proceeds of the bond were used for financing only.</p> <p>5.4 WCC’s management has confirmed that Net Proceeds of the bond shall be tracked by the Issuer following a formal internal process.</p> <p>5.5 WCC’s management has confirmed that the Net Proceeds of the bond shall be no greater than the total investment in the Nominated Projects or the Total Development Cost of the Nominated Projects.</p>	None
Verification of requirements specified under Non-Contamination of Proceeds	<p>6.1 WCC’s management confirms that the proceeds have been segregated and tracked in a systematic manner and were exclusively used to finance Nominated Projects.</p> <p>6.2 WCC’s management confirms that pending the investment of proceeds, the bond Trustee maintains the funds in a separate account.</p> <p>6.3 N/A</p>	None
Verification of requirements specified under Confidentiality	<p>7.1 WCC’s management confirms that all relevant information about the Nominated Projects has been provided to the Verifier and to the Climate Bonds Standard Board to support the assessment of conformance with the Climate Bonds Standard.</p> <p>7.2 WCC’s management confirms that all relevant information about the bond and the Nominated Projects has been disclosed to the market.</p>	None
Verification of requirements specified under Reporting Post-Issuance	<p>8.1 WCC’s management has provided a report containing the list of Nominated Projects to which proceeds of the bond have been allocated (See Schedule 1).</p>	None

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