

INDEPENDENT LIMITED ASSURANCE REPORT

- ▶ **UniLeasing, Inc.**
- ▶ **Panama**
- ▶ **July 2023**



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▶ **Verification details**

TYPE OF ENGAGEMENT: ASSURANCE ENGAGEMENT
RENEWABLE ENERGIES AND LOW CARBON TRANSPORT FACILITIES CRITERIA OF THE CLIMATE BONDS STANDARD
PERIOD ENGAGEMENT WAS CARRIED OUT: JULY 2023.
APPROVED VERIFIER: PACIFIC CORPORATE SUSTAINABILITY – PACIFIC CREDIT RATING GROUP
PRE-ISSUANCE ENGAGEMENT LEADER: DIANA VIA, DVIA@PCSLATAM.COM.



1. Introduction

This is an independent pre-issuance assurance report of the proposed US Dollar denominated bond aggregating up to US\$ 10,000,000.00 (Green bond Framework) by UNILEASING, INC. located in Grand Bay Tower Building, PB, located on Avenida Balboa, Panama City with PO Box No. 0831-01144, (“Issuer”) in accordance with the pre-issuance requirements of “Limited Assurance” under Climate Bonds Standard Version 3.0.

2. Assurance Scope

The objective of this assurance engagement is to obtain a Limited Assurance level of the internal procedures generated by UniLeasing to comply with the requirements of The Green Bonds Principles published by International Capital Market Association, the Climate Bonds Standard Version 3.0 and the Sector Criteria for Solar Sector 2.3 and Low Carbon-Land transport 2.2 published by Climate Bonds Initiative. The following principles have been included in the assessment:

1. Use of Proceeds.
2. Process for Project Evaluation and Selection.
3. Management of Proceeds.
4. Reporting.

3. Performed Procedures

Procedures undertaken for this verification included interviews with key staff and reviews of internal and public documents have been carried on the following aspects:

- PCS’s review included an examination of the relevant procedures, policies, and processes, as well as verification of the data provided by the issuer.
- The issuer provided an overview of the project nominated and the relevant processes and documentation regarding the proceeds (e.g., use of proceeds, management of proceeds) to PCS.
- The issuer filled in a questionnaire that covers all criteria of the Climate Bonds Standard V.3.
- The issuer provided background documents that elaborate further on the information mentioned in the questionnaire.
- Using the questionnaire and background documents, PCS carried out an assessment of the CBI criteria. In case any answers were unclear, PCS contacted the issuer for more details and clarification.

4. Conclusion

Based on the limited assurance procedures conducted and evidence obtained, PCS states the following conclusion about UniLeasing in relation to finance (or re-finance) the nominated projects and assets falling under the categories: solar sector criteria and low carbon-land transport criteria.

Nothing has come to PCS attention that causes us to believe that the UniLeasing, in terms of use of proceeds, process or evaluation and selection, internal processes and controls for the management of proceeds and reporting prior to issuance, does not meet the requirements of The Green Bond Principles, the Climate Bonds Standard Version 3, published by Climate Bonds Initiative.

5. Limitations of Assurance Engagement

This assurance engagement was limited to the Pre-Issuance of the UniLeasing; therefore, our procedures did not constitute an examination or evaluation of the following:

- Data and information beyond the defined reporting boundary and period.
- Credit rating and financial performance and of the prospective issuer.
- Environmental, social, or governance impact of the proposed projects/investments, except to the extent required for compliance with Climate Bonds Initiative Version 3.0.

6. Independence and Quality Control

As an approved verifier by the Climate Bonds Initiative, PCS ensures that the results of the independent Pre-Issuance Verification Report are of the highest quality and reflect an impartial review process of Climate Bonds Standards Version 3.0.

PCS carried out Limited Assurance procedures in accordance with the International Standard on Assurance Engagements (ISAE 3000) established by the International Auditing and Assurance Board (IAASB) of the International Federation of Accountants (IFAC).

PCS nor any member of the verifier team is involved in any way in the issuance or management of Green Bond. PCS has applied internal procedures to confirm no conflicts of interest for this verification engagement.

7. Issuers' Responsibility

UniLeasing was responsible for providing information and preparing the Green Bond Framework relating to:

- The details concerning the selection process for the nominated projects.
- The details of the nominated projects and methodology applied.
- The management systems for internal processes and controls for nominated projects.
- The details of commitments for reporting prior to issuance, including investment areas, management of unallocated proceeds and frequency of periodic Assurance Engagements.

8. Verifier's Responsibility

The work undertaken by PCS as part of this Limited Assurance Engagement of Climate Securities Certification Pre-Issuance Requirements included the assessment of the following:

- Conformance of UniLeasing Framework with the Climate Bonds Standard Version 3.0.
- Conformance with the Technical Criteria on the Sector Criteria for Renewables energies and Low Carbon transport projects.
- Conformance with the Internal Processes & Controls requirements.
- Conformance with Reporting Prior to Issuance requirements.



Diana Via Aronez

Head of Sustainability of Pacific Corporate Sustainability (PCS)
Pacific Credit Rating Group

Annex A: List of Nominated Projects & Assets

UniLeasing, Inc. is a Panamanian corporation subsidiary of UniBank, S.A., which seeks to support business and personal growth, through the financing of productive assets. Its business is mainly focused on the management of industrial, agricultural, medical, automobile, solar panels and other equipment, through financial leasing.

The issuance of series D of the UniLeasing Green Bond of up to US\$ 10,000,000.00 is intended to refinance loans currently granted to customers, for the installation of photovoltaic systems and electric transport. The operation includes projects carried out by UniLeasing during the last 24 months, considering a 24.3% of funds allocation for refinancing operations and 67.7% for primary placement.

Tabla 1: Nominated projects

| Category | Subcategory | Projects | Expected Environmental impact | Percent by Category | Current balance |
|----------------------|--|--|---|---------------------|--------------------|
| Renewable Energy | Renovation, photovoltaic installation, operation, and maintenance of energy-efficient equipment will be considered | Installation of solar panels in Micro and small enterprises (MSEs) and residences. | Installed renewable energy capacity | 80% | US\$ 10,000,000.00 |
| Low Carbon Transport | Electric vehicles or sustainable mobility projects | Financing of electric vehicles. | GHG emissions avoided in tCO ₂ e | 20% | |

Annex B: Climate Bonds Standard Version 3.0 Pre-Issuance

Certification Checklist

| Item | Section | Clause | Assurance procedures | Compliance |
|------|-----------------|--------|--|------------|
| 1 | USE OF PROCEEDS | 1.1 | The issuer has prepared a Green Bond Framework, based on the Green Bond Principles of the International Capital Market Association (ICMA) and the principles of the Climate Bonds Standard in version 3.0. UniLeasing intends to use the proceeds of the bond to finance nominated projects and assets falling under the following category: Renewable energy and low carbon transport. PCS has verified the nominated category of Solar Energy and Low carbon-land transport to be aligned with the CBS Taxonomy. | Meets |
| | | 1.2. | UniLeasing confirmed that the foreseen net income of the issuance will not be greater than the total exposure of the issuer’s investment to the proposed projects and Nominated Assets. | Meets |
| | | 1.3 | Nominated Projects and Assets are not nominated for other Certified Climate Bonds, Certified Climate Loans, Certified Climate Debt Instruments, green bonds, green loans, or other labeled instruments (such as social bonds or SDG bonds). | Meets |
| | | 1.3.1 | | |
| | | 1.3.2 | | |

| Item | Section | Clause | Assurance procedures | Compliance |
|------|---|--------|--|------------|
| 02 | PROCESS FOR EVALUATION AND SELECTION OF PROJECTS AND ASSETS | 2.1 | UniLeasing has a decision-making process that it will use to determine the eligibility of eligible projects and assets associated with this issuance based on environmental objectives and criteria, and compliant with relevant sector eligibility criteria of the Climate Bond Standards. | Meets |
| | | 2.1.1 | UniLeasing exhibits a strong commitment to mitigate climate change and achieve the Sustainable Development Goals (SDGs). UniLeasing has decided to issue a series under the Green Bond label that will focus its financing within the Renewable Energy and Clean Transport sectors, with the aim of guiding and accompanying its clients towards awareness in the use of energy and the reduction of greenhouse gas emissions. | Meets |
| | | 2.1.2 | The issuer has an Environmental Policy that includes a specific target of gradually reducing the intensity of greenhouse gas emissions and is committed to supporting borrowers in development and the implementation of environmentally and socially sustainable projects The climate related objectives of the bond conform to the issuer’s policy and strategy. | Meets |
| | | 2.1.3 | The Issuer is pretended to refinance loans currently granted to customers, for the installation of photovoltaic systems and electric transport. | Meets |
| | | 2.1.4 | Processes to determine whether the Nominate Projects and Assets meet the eligibility requirements specified in Part C of the CBI Standards v.3. are in place. | Meets |
| | | 2.2 | UniLeasing aspects of the decision-making process are described in 2.2.1, 2.2.2 and 2.2.3. | Meets |

| | | | | |
|--|--|--------------|---|-------|
| | | 2.2.1 | UniLeasing has established related eligibility criteria and system, managed the nominated projects and assets that applied to identify and manage potentially material environmental, social or governance risks associated with the Nominated Projects and Assets | Meets |
| | | 2.2.2 | UniLeasing offers asset financing solutions for products that have been fully verified for ecological and low-carbon performance throughout their entire life cycle, with certifications such as French Carbon Footprint and UL Environmental Product Declarations Program for solar receivables. | Meets |
| | | 2.2.3 | UniLeasing has assessed that all proposed Nominated Projects & Assets 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, as UniLeasing has put in place a diligent project evaluation and selection process. (See 2.2.1). | Meets |

| Item | Section | Clause | Assurance procedures | Compliance |
|------|------------------------|--------------|---|------------|
| 3 | MANAGEMENT OF PROCEEDS | 3.1 | The net proceeds are appropriately tracked by UniLeasing and documented (see points 3.1.1., 3.1.2., and 3.1.3.). | Meets |
| | | 3.1.1 | The net proceeds will be appropriately tracked by UniLeasing and documented. UniLeasing, through the Treasury area, will ensure that the resources of the Bond are used to finance eligible projects, the sustainability committee will manage the funds and the Accounting Department will issue the reports as a result of the distribution operations of the allocated funds. | Meets |
| | | 3.1.2 | Unallocated Net Proceeds will be managed in compliance with the requirements in Clause 7.3. of CBI standards: The balance of unallocated Net Proceeds will be documented in the Register. Any balance of issuance proceeds not allocated to fund eligible loans will be held in accordance with UniLeasing’s liquidity management policy. | Meets |
| | | 3.1.3 | UniLeasing will maintain a Register to manage and account for funding to the Nominated Projects & Assets and enable estimation of the share of the Net Proceeds being used for financing. | Meets |

| Item | Section | Clause | Assurance procedures | Compliance |
|------|-----------------------------|--------------|---|------------|
| 4 | REPORTING PRIOR TO ISSUANCE | 4.1 | UniLeasing Green Bond Framework will be found here: https://www.unibank.com.pa/es/banca-corporativa/unileasing | Meets |
| | | 4.1.1 | The issuer will base its management system on the ICMA (International Capital Market Association) Green Bond Principles and the Climate Bonds Standard version 3.0 standards. | Meets |
| | | 4.1.2 | PCS confirms that UniLeasing’s Green Bond Framework includes a summary of the expected use of proceeds’ contribution to achieve the goals of the Paris Agreement. | Meets |
| | | 4.1.3 | PCS confirms that UniLeasing’s Green Bond Framework includes a descriptive decision-making process to ensure a diligent project evaluation and selection process as stated in 2.1. | Meets |

| Item | Section | Clause | Assurance procedures | Compliance |
|------|---------|--------|---|------------|
| | | 4.1.4 | PCS confirms that UniLeasing's Green Bond Framework includes a description of the relevant Sector Eligibility Criteria, as well as relevant impact metrics, on which UniLeasing's intends to report on. | Meets |
| | | 4.1.5 | PCS confirms that UniLeasing's Green Bond Framework clearly states the approach used to managed unallocated net proceeds. | Meets |
| | | 4.1.6 | UniLeasing will prepare a report with the details of the total allocation of proceeds (including a breakdown by project category and revenue allocation). The company will annually publish a set of sustainability indicators to inform about the project's contributions to environmental development. The indicators are described in the Green Bond Framework. The issuer will engage a qualified independent third party to conduct post issuance assurance to providing Update Reports to reaffirm conformance with the Climate Bonds Standard while the Bond remains outstanding | Meets |
| | | 4.1.7 | There are no limits specified on the amount of information that can be submitted for the nominated project. | Meets |
| | | 4.1.8 | According to the informative prospectus, the net proceeds will be used to refinance loans currently granted to customers, for the installation of photovoltaic systems and electric transport. The estimate of the share of the Net Proceeds used for financing, is disclosed in the Green Bond Framework. | Meets |
| | | 4.2 | UniLeasing Disclosure Documentation meets the criteria defined by the CBI Standards Version 3. | Meets |
| | | 4.2.1 | The investment areas, as provided in Clause 9.1, into which the Nominated Projects fall are disclosed in Table 1 | Meets |
| | | 4.2.2 | Any balance of issuance proceeds not allocated to fund eligible loans will be held in accordance with UniLeasing's liquidity management policy. | Meets |
| | | 4.2.3 | UniLeasing's Green Bond Framework that the issuance is backed by two layers of external reviews to ensure maximum transparency and certainty for investors: - Layer one, Verification by PCS - Layer two, CBI Certification. | Meets |
| | | 4.2.4 | UniLeasing will engage an approved verifier to conduct post-issuance assurance to the Update Reports to reaffirm conformance with the Climate Bonds Standard while the Bond remains outstanding. | Meets |
| | | 4.2.5 | UniLeasing confirmed that the prospectus or final terms will include a CBI disclaimer provided in the Certification Agreement. | Meets |



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PCS has the objective of integrating sustainability standards into business strategies, based on global trends with potential investors and society. PCS belongs to Pacific Credit Rating Group (PCR), the only rating group with a real and direct international presence in Latin America, with 27 years of experience providing quality service in the region.

The PCR Group is a signatory member of the Principles of Responsible Investment promoted by the United Nations, being the only Latin American rating group that is part of the Financial Rating Agencies Initiative at a global level. It has also been recognized as a supporting institution for the Financial Initiative of the United Nations Environment Program (UNEP FI) to promote sustainable finance.

PCR Group has been certified by the Climate Bonds Standard Board as an approved verifier organization since March 2020. This accreditation has reinforced its commitment to promote sustainable finance in the region, highlighting the generation of awareness and benchmarking of good practices.

