

Second-Party Opinion

American Municipal Power Green Bond

Evaluation Summary

Sustainalytics is of the opinion that the American Municipal Power Green Bond Framework is credible and impactful, and aligns with the four core components of the Green Bond Principles 2018. This assessment is based on the following:



USE OF PROCEEDS The eligible category for the use of proceeds – renewable energy – is aligned with those recognized by the Green Bond Principles. Sustainalytics considers that the financing of solar energy projects will lead to positive environmental impacts and advance UN Sustainable Development Goal 7: Affordable and Clean Energy.



PROJECT EVALUATION / SELECTION AMP selected the eligible green projects as a result of its long-term supply planning process, which evaluated all power supply options and made recommendations to its members. This is in line with market practice.



MANAGEMENT OF PROCEEDS The Framework specifies that, other than expenses related to the issuance of the bond(s) and a deposit to a Debt Service Reserve account, that the proceeds will be used exclusively to refinance amounts payable under the power purchase agreement for approximately 36.8 MW associated with solar energy facilities that entered service between January 2017 and January 2019. At time of issuance, the proceeds will be allocated to AMP's revolving credit facility to repay expenses related to operational projects. This is in line with market practice.



REPORTING AMP has committed to quarterly reporting on a number of quantitative impact metrics, as well as allocation reporting at the category level. Based on the stringent impact reporting, Sustainalytics considers this to be representative of best practice.

Evaluation date	December 11, 2018
Issuer Location	Columbus, Ohio

Report Sections

Introduction.....	2
Sustainalytics' Opinion	3
Appendices	7

For inquires, contact the Sustainable Finance Solutions project team:

Marion Oliver (Toronto)
 Project Manager
 marion.oliver@sustainalytics.com
 (+1) 647 317 3644

Zach Margolis (Toronto)
 Project Support
 zach.margolis@sustainalytics.com
 (+1) 647 695 4341

Trisha Taneja (Toronto)
 Product Manager
 susfinance.americas@sustainalytics.com
 (+1) 646 518 9623

Introduction

American Municipal Power (“AMP”, the “Company”, or the “Issuer”) is an owner and operator of electrical power facilities, and provider of wholesale power and electricity services. AMP coordinates, negotiates, and develops power-supply options on behalf of its members, as well as operating an energy control center to meet its member communities’ needs.

AMP has developed the American Municipal Power Green Bond Framework (the “Framework”) under which it is planning to issue green bond(s) and use the proceeds to finance or refinance, in whole or in part, existing and future solar energy projects. AMP will use the net proceeds of the bond(s) to finance power purchase agreements to pre-purchase 25 years of electricity supply from solar energy facilities developed and owned by DG AMP Solar, LLC, a subsidiary of NextEra, that are located behind the meter at sites of AMP members.

AMP intends to allocate the funds of the initial issuance to refinance the prepayments for approximately 36.8 MW that entered or are expected to enter service between January 2017 and January 2019.

AMP engaged Sustainalytics to review the American Municipal Power Green Bond Framework and provide a second-party opinion on the alignment of the green bond with the Green Bond Principles 2018 (the “GBP”), as administered by the International Capital Market Association (the “ICMA”),¹ and the Framework’s environmental credentials. This Framework has been published in a separate document.²

As part of this engagement, Sustainalytics held conversations with various members of AMP’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Issuer’s green bond. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the American Municipal Power Green Bond Framework and should be read in conjunction with that Framework.

¹ ICMA’s Green Bond Principles 2018 <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

² <https://www.ampinvestorrelations.com>

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the American Municipal Power Green Bond Framework

Summary

Sustainalytics is of the opinion that the American Municipal Power Green Bond Framework is credible and impactful, and aligns with the four core components of the Green Bond Principles 2018. Sustainalytics highlights the following elements of AMP's green bond framework:

- Use of Proceeds:
 - The eligible use of proceeds category – renewable energy – is recognized by the Green Bond Principles 2018. Sustainalytics considers solar photovoltaic facilities to provide environmental benefits.
 - Sustainalytics notes that by signing a long-term power purchase agreement, AMP has facilitated the construction of new solar energy facilities, and considers that the ownership structure of the facilities does not negatively impact the environmental benefits of the expansion of renewable energy.
- Project Selection Process:
 - The eligible projects for the green bond were selected by an evaluation process which evaluated all power supply options, based on a long-term view of the overall supply needs of AMP's members. The behind-the-meter solar projects were recommended by the 2014 long-term power supply plans, which was then recommended to AMP's members.
 - Sustainalytics notes that no project selection committee has been specified, however, based on the narrow nature of the eligible projects, considers this to be in line with market practice.
- Management of Proceeds:
 - The Framework states that, other than expenses related to the issuance of the bond(s) and a deposit to a Debt Service Reserve account, that the proceeds will be used to finance or refinance the prepayment of energy under the power purchase agreement as defined in the use of proceeds section.
 - At the time of issuance, funds will be allocated to repay AMP's revolving credit facility, which has been used to provide interim financing for amounts due under the power purchase agreement allocable to the facilities in commercial operation.
 - Sustainalytics considers this to be in line with market practice.
- Reporting:
 - AMP has committed to reporting the amount allocated to eligible projects; full allocation is expected to occur upon closing.
 - AMP has committed to impact reporting, as part of its annual sustainability report as well as quarterly updates published to the Company's website. Key performance indicators (KPIs) reported on will include capacity installed (MW) energy generated (MWh), greenhouse gas emissions avoided (tons CO₂), and sulfur dioxide emissions avoided (tons).
 - Based on the commitment to quarterly reporting of quantitative KPIs, Sustainalytics considers AMP's reporting regimen to be indicative of market best practice.

Alignment with Green Bond Principles 2018

Sustainalytics has determined that the American Municipal Power Framework aligns to the four core components of the Green Bond Principles 2018. For detailed information, please refer to Appendix 1: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Strategy of the Issuer

Contribution of framework to issuer's sustainability strategy

AMP's sustainability strategy is guided by its Sustainability Principles, six goals including "providing a balanced and sustainable power supply portfolio", "reducing our overall emissions profile", and "reaching out to stakeholders". These Principles, last revised in 2018, build upon previous Sustainability Principles as well as the 2005 Environmental Stewardship Principles.³

Although AMP has not established time-bound targets for performance, in its Annual Sustainability Report,⁴ AMP reports on progress across each of the six Sustainability Principles, as well as providing quantitative information across various environmental and social categories. Highlights of the 2017 report include:

- Total avoided emissions of 3,619,353 tons of pollutants⁵ from generation projects, including hydropower, solar, wind and landfill gas projects, energy efficiency, and reforestation-carbon offset programs.
- Workplace health and safety information, which includes zero work-related fatalities, zero lost work-day incidents, and one reportable accident.
- Zero permit violations, fines or penalties in 2017; this achievement has been consistent since 2014.

Additionally, AMP has demonstrated its commitment to improving its sustainability performance through the issuance of green bonds. In the most recent quarterly report,⁶ AMP reported that the Meldahl Hydroelectric project had generated 80,795 MWh of renewable energy, while the Combined Hydro projects (consisting of Cannelton, Willow Island, and Smithland) had generated 145,156 MWh; together this resulted in 1070,101 tons of avoided carbon emissions.

Based on the strength of its sustainability principles, as well as demonstrated performance through quantitative reporting, Sustainalytics views positively AMP's sustainability strategy, and considers it well-placed to issue green bonds.

Well positioned to address common environmental and social risks associated with the projects

The solar energy projects financed by the green bond proceeds are expected to deliver overall environmental benefits. Nevertheless, as with all infrastructure development and construction, there may be associated environmental and social risks. These may include worker health and safety, air, water, and soil pollution at the construction site, impacts on biodiversity, and impacts on the local community. AMP has policies and procedures in place to ensure that such risks are mitigated, including:

- AMP has an Enterprise Risk Management (ERM) process by which all types of risks are identified, and mitigation plans proposed at the corporate level. The Risk Management Committee (RMC) performs annual risk assessments⁷.
- AMP provides a variety of environmental services to its members, including permitting applications, compliance monitoring, inspections, and interaction with the Ohio Environmental Protection Agency. In 2017, the Company submitted 325 compliance reports and carried out over 100 on-site inspections, with no substantive violations noted.⁸
- A health and safety approach which AMP makes available to all its members, aligned with the requirements of Occupational Safety & Health Administration (OSHA) and Public Employee Risk Reduction Program (PERRP) programs.⁹ Furthermore, AMP will, on request, offer safety presentations to its members' schools and first responders.¹⁰
- Stakeholder outreach, which AMP lists as one of its six core Sustainability Principles.¹¹ Stakeholders included as part of this effort include, but are not limited to, government, business, academia, media,

³ <https://www.ampinvestorrelations.com/investor-relations/additional-info/i4009?i=3>

⁴ http://www.amppartners.org/docs/default-source/investors/annual-reports/2017/2017_sustainability_report.pdf?sfvrsn=2

⁵ AMP includes CO₂, SO₂, and NO_x. The vast majority of emissions avoided, by volume, consists of CO₂.

⁶ http://www.amppartners.org/docs/default-source/Sustainability/at_a_glance_q1_2018-v6.pdf?sfvrsn=2

⁷ AMP has discussed its ERM approach with Sustainalytics and provided a brief overview; the ERM's documentation is confidential and was not reviewed.

⁸ http://www.amppartners.org/docs/default-source/investors/annual-reports/2017/2017_sustainability_report.pdf?sfvrsn=2

⁹ <https://www.amppartners.org/services/safety-programs/osha-compliance>

¹⁰ <https://www.amppartners.org/services/safety-programs>

¹¹ <https://www.amppartners.org/sustainability/principles>

and utility organizations. Additionally, through its Community Outreach program,¹² AMP engages directly with the public. AMP also encourages its members to engage with their own stakeholders.

Based on the above, and considering the low-risk nature of the nominated projects, Sustainalytics is of the opinion that AMP is well-positioned to mitigate the potential environmental and social risks which may be associated with the projects funded by the green bonds. Sustainalytics encourages AMP to make public risk management processes where possible.

Section 3: Impact of Use of Proceeds

The use of proceeds category is recognized as impactful by the Green Bond Principles 2018. Sustainalytics discusses below how the impact is specifically relevant in the local context.

The role of renewable energy is addressing climate change

In order to achieve the commitments of the Paris Agreement, to limit global average temperature increases to well below 2°C and aim to limit the increase to 1.5°C, drastic decreases to global emissions will be required.¹³ Considering that, according to data from the World Bank, greenhouse gas emissions from electricity and heat production make up 49% of all fuel combustion,¹⁴ increasing the share of renewable energy generation has the potential to have significant impact on meeting climate goals. A study from the International Energy Agency (IEA) and the International Renewable Energy agency (IRENA) supports this assessment, estimating that 65-70% of worldwide primary energy demand would need to be met by low-carbon energy sources by 2050 in order to meet the 2°C target.¹⁵ Although in 2017, renewable energy grew more rapidly than other forms of generation, meeting a quarter of the global demand growth,¹⁶ this rate of deployment must be ramped up to meet international targets.

As a provider of electricity to a majority of its 135 members across nine US states,¹⁷ AMP has the capacity to play a significant role in the transition to low-carbon energy. The projects funded by the green bonds will build upon AMP's existing portfolio of renewable energy assets, which in 2017 made up approximately 21% of its members' resource mix.¹⁸ Sustainalytics is of the opinion that the indirect financing of solar photovoltaic facilities, through the power purchase agreement outlined in the Framework, will further the expansion of renewable energy resulting in fewer greenhouse gas emissions.

Contribution to state-level renewable energy target

Seven of the nine US states¹⁹ in which AMP's members are located – Indiana, Kentucky, Maryland, Michigan, Ohio, Pennsylvania, Virginia, West Virginia, and Delaware – have state Renewable Portfolio Standards (RPS) programs which set voluntary or mandatory targets for renewable energy production. These targets range from 10% in Indiana²⁰ to 25% in Delaware²¹ and Maryland,²² over various time frames. By financing the expansion of renewable energy production facilities behind the meter at AMP member sites, Sustainalytics is of the opinion that the green bond proceeds will advance various state RPS goals.

¹² <https://www.ampppartners.org/services/community-outreach>

¹³ https://ec.europa.eu/clima/policies/international/negotiations/paris_en

¹⁴ <https://data.worldbank.org/indicator/EN.CO2.ETOT.ZS>

¹⁵ http://www.irena.org//media/Files/IRENA/Agency/Publication/2017/Mar/Perspectives_for_the_Energy_Transition_2017.pdf?la=en&hash=56436956B74DBD22A9C6309ED76E3924A879D0C7

¹⁶ <https://www.iea.org/publications/freepublications/publication/GECO2017.pdf>

¹⁷ <https://www.ampppartners.org/about/member-list>

¹⁸ http://www.ampppartners.org/docs/default-source/investors/annual-reports/2017/2017_sustainability_report.pdf?sfvrsn=2

¹⁹ Kentucky and West Virginia do not have renewable portfolio standards <https://www.eia.gov/state/analysis.php?sid=KY>, <https://www.nrel.gov/solar/rps/wv.html>

²⁰ <http://programs.dsireusa.org/system/program/detail/4832>

²¹ <http://programs.dsireusa.org/system/program/detail/1231>

²² <http://programs.dsireusa.org/system/program/detail/1085>

Alignment with and contribution to the UN Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. This green bond advances the following SDG goals and targets:

Use of Proceeds Category	SDG	SDG target
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix

Conclusion

American Municipal Power has developed a Framework under which it will issue green bonds, with the proceeds being directed to finance prepayment through a power purchase agreement for solar photovoltaic energy facilities. Sustainalytics is of the opinion that the assets described by the Framework will expand AMP's ability to deliver renewable energy to its members and provide positive environmental impacts.

The use of proceeds category specified in the Framework is aligned with those of the Green Bond Principles 2018; AMP has described transparent procedures for project selection and the management and tracking of funds; and commitments have been made to report on allocation and impacts. Furthermore, Sustainalytics believes that the initiatives funded by the green bonds will contribute to the advancement of UN Sustainable Development Goal 7: Affordable and Clean Energy.

Based on the above, Sustainalytics is confident that American Municipal Power is well-positioned to issue green bonds, and that the American Municipal Power Green Bond Framework is robust, transparent, and in alignment with the Green Bond Principles 2018.

Appendices

Appendix 1: Green Bond / Green Bond Programme - External Review Form Section 1. Basic Information

Issuer name:	American Municipal Power
---------------------	--------------------------

Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: <i>[specify as appropriate]</i>	American Municipal Power Green Bond Framework
--	---

Review provider's name:	Sustainalytics
--------------------------------	----------------

Completion date of this form:	December 11, 2018
--------------------------------------	-------------------

Publication date of review publication: <i>[where appropriate, specify if it is an update and add reference to earlier relevant review]</i>	
--	--

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other <i>(please specify):</i> | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (if applicable)

Please refer to Evaluation Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (if applicable):

The eligible category for the use of proceeds – renewable energy – is aligned with those recognized by the Green Bond Principles. Sustainalytics considers that the financing of solar energy projects will lead to positive environmental impacts and advance UN Sustainable Development Goal 7: Affordable and Clean Energy.

Use of proceeds categories as per GBP:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Renewable energy | <input type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input type="checkbox"/> Other (please specify): |

If applicable please specify the environmental taxonomy, if other than GBPs:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

AMP selected the eligible green projects as a result of its long-term supply planning process, which evaluated all power supply options and made recommendations to its members. This is in line with market practice.

Evaluation and selection

- | | |
|--|--|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (<i>please specify</i>): |

Information on Responsibilities and Accountability

- | | |
|--|--|
| <input checked="" type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

The Framework specifies that, other than expenses related to the issuance of the bond(s) and a deposit to a Debt Service Reserve account, the proceeds will be used exclusively to finance amounts due under a power purchase agreement. At time of issuance proceeds will be allocated to repay AMP's revolving credit facility used to provide interim financing of amounts due under the power purchase agreement related to operational projects. This is in line with market practice.

Tracking of proceeds:

- | |
|--|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other (<i>please specify</i>): |

Additional disclosure:

- | | |
|--|---|
| <input type="checkbox"/> Allocations to future investments only | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input type="checkbox"/> Allocation to a portfolio of disbursements |
| <input type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (<i>please specify</i>): |

4. REPORTING

Overall comment on section (if applicable):

AMP has committed to impact and allocation reporting, as part of its annual sustainability report, as well as quarterly impact updates published to the Company's website. Key performance indicators (KPIs) reported on will include capacity installed (MW) energy generated (MWh), greenhouse gas emissions avoided (tons CO₂), and sulfur dioxide emissions avoided (tons). Based on the commitment to quarterly reporting of quantitative KPIs, Sustainalytics considers AMP's reporting regime to be indicative of market best practice.

Use of proceeds reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (<i>please specify</i>): |

Information reported:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Allocated amounts | <input type="checkbox"/> Green Bond financed share of total investment |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Frequency:

- | | |
|--|--------------------------------------|
| <input type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): | |

Impact reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (please specify): |

Frequency:

- | | |
|---|--------------------------------------|
| <input type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input checked="" type="checkbox"/> Other (please specify): Quarterly | |

Information reported (expected or ex-post):

- | | |
|---|--|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input type="checkbox"/> Energy Savings |
| <input type="checkbox"/> Decrease in water use | <input type="checkbox"/> Other ESG indicators (please specify): Energy generated, capacity installed, pollutants avoided |

Means of Disclosure

- | | |
|---|---|
| <input type="checkbox"/> Information published in financial report | <input checked="" type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents | <input checked="" type="checkbox"/> Other (please specify): Quarterly sustainability update |
| <input type="checkbox"/> Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review): | |

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

<https://www.ampinvestorrelations.com>

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- | | |
|--|--|
| <input type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification / Audit | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Review provider(s):

Date of publication:

ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

- i. Second Party Opinion: An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- ii. Verification: An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- iii. Certification: An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. Green Bond Scoring/Rating: An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

Disclaimer

© Sustainalytics 2018. All rights reserved.

The intellectual property rights to this Second-Party Opinion (the “Opinion”) are vested exclusively in Sustainalytics. Unless otherwise expressly agreed in writing by Sustainalytics, no part of this Opinion may be reproduced, disseminated, comingled, used to create derivative works, furnished in any manner, made available to third parties or published, parts hereof or the information contained herein in any form or in any manner, be it electronically, mechanically, through photocopies or recordings, nor publicly released without the “Green Bond Framework” in conjunction with which this Opinion has been developed.

The Opinion was drawn up with the aim to provide objective information on why the analyzed bond is considered sustainable and responsible, and is intended for investors in general, and not for a specific investor in particular. Consequently, this Opinion is for information purposes only and Sustainalytics will not accept any form of liability for the substance of the opinion and/or any liability for damage arising from the use of this Opinion and/or the information provided in it.

As the Opinion is based on information made available by the client, the information is provided “as is” and, therefore Sustainalytics does not warrant that the information presented in this Opinion is complete, accurate or up to date, nor assumes any responsibility for errors or omissions. Any reference to third party names is for appropriate acknowledgement of their ownership and does not constitute a sponsorship or endorsement by such owner.

Nothing contained in this Opinion shall be construed as to make a representation or warranty, express or implied, regarding the advisability to invest in or include companies in investable universes and/or portfolios. Furthermore, nothing contained in this Opinion shall be construed as an investment advice (as defined in the applicable jurisdiction), nor be interpreted and construed as an assessment of the economic performance and credit worthiness of the bond, nor to have focused on the effective allocation of the funds’ use of proceeds.

The client is fully responsible for certifying and ensuring its commitments’ compliance, implementation and monitoring.

Sustainalytics

Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that support 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. Global Capital named Sustainalytics the "Most Impressive Second Party Opinion Provider in 2017. In 2018, the firm was recognized as the "Largest External Reviewer" by the Climate Bonds Initiative as well as Environmental Finance. In addition, Sustainalytics received a Special Mention Sustainable Finance Award in 2018 from The Research Institute for Environmental Finance Japan for its contribution to the growth of the Japanese Green Bond Market.

For more information, visit www.sustainalytics.com

Or contact us info@sustainalytics.com

