



Second-Party Opinion

Goldman Sachs Sustainable Home Improvement Loans Use of Proceeds ABS Framework

Evaluation Summary

Sustainalytics is of the opinion that the Sustainable Home Improvement Loans Use of Proceeds ABS Framework is credible and impactful and aligns to the four core components of the Green Bond Principles 2021. This assessment is based on the following:



USE OF PROCEEDS The eligible category for the use of proceeds – ABS that finance Solar Energy Systems, batteries, and other improvements throughout the home – is aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments in the eligible category will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 7: Affordable and Clean Energy.



PROJECT EVALUATION / SELECTION GoodLeap originates the Sustainable Home Improvement Loans and leverages proprietary technology and processes to evaluate and approve prospective customers. The Company’s custom credit-underwriting algorithm helps GoodLeap’s credit underwriters to make an immediate and informed decision on the approval of customers for financing. Once a customer meets GoodLeap’s underwriting requirements and the project satisfies GoodLeap’s criteria, funds are disbursed to the GoodLeap-approved installer and installation. GoodLeap approved installer and installation assess contractors on meeting certain risk assessment criteria. Sustainalytics considers this risk management systems to be adequate and the project evaluation and selection to be in line with market practice.



MANAGEMENT OF PROCEEDS The proceeds of the Notes, directed to an underlying trust, will be used to acquire and hold Sustainable Home Improvement Loans and other related Sustainable Home Improvement Assets on behalf of the Issuer and the holders of Notes, including Class R Subordinate Notes. Once the Notes are issued, all Sustainable Home Improvement Loans will be assigned to the underlying trust. Sustainalytics believes that Goldman Sachs’s management of proceeds, through securitization structure, mechanisms, and involved entities, is in line with the market practice.



REPORTING Goldman Sachs Asset-Backed Securities Corp. will publish the allocation of the proceeds in the offering memorandum upon the issuance of the Notes. GoodLeap utilizes models to estimate the aggregate capacity of the solar energy, and energy efficient systems that are financed by the Sustainable Home Improvement Loans, as a part of impact reporting. Sustainalytics views GoodLeap’s allocation and impact reporting as aligned with market practice.

Evaluation Date	December 10, 2021 ¹
Issuer Location	New York City, US

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¹ This Second-Party Opinion is an updated version of the previous Goldman Sachs Solar Green Use of Proceeds Securitized Bonds Second-Party Opinion, dated July 2019. Goldman Sachs updated its Frameworks in order to align with the updated GBP and it renamed its Framework to Goldman Sachs Sustainable Home Improvement Loans Use of Proceeds ABS Framework. The scope of Sustainalytics’ Second-Party Opinion update consists of confirming that the addition to the energy products categories remain compliant with the intention of the original Framework and sustainable finance market practice.

Introduction

GoodLeap LLC (“GoodLeap” or the “Company”), a California limited liability company previously known as Loanpal, operates a financial technology platform that provides homeowners with loans used to finance the purchase and installation of sustainable home improvement technologies through a network of US-based, third-party contractors (each a “Partner” and collectively the “Partners”). The Company offers loans to homeowners to fund the purchase of their solar energy systems, batteries, and other home improvements. GoodLeap originated all the loans (the Sustainable Home Improvement Loans) and sold, transferred, assigned and conveyed the Sustainable Home Improvement Loans and other related products (the “Sustainable Home Improvement Assets”) to Goldman Sachs Bank USA, GoodFinch 1 and 3, Blackstone 1 and 2, Lime Residential, Davidson Kempner, Varadero, or warehouse financing subsidiaries.

Goldman Sachs Asset Backed Securities Corp. (“Goldman Sachs” or the “Issuer”) has developed Goldman Sachs Sustainable Home Improvement Loans Use of Proceeds ABS Framework (the “Framework”) under which it will be issuing Notes which will be secured by the loans originated by GoodLeap, to finance the projects based on the eligibility criteria. The projects funded by the proceeds of the Notes must meet the following eligibility criteria:

- a) Fall within selected renewable and alternative energy product categories:
 - i. Solar Panel Modules
 - ii. Solar Inverters
 - iii. Solar Systems with or without Battery Storage
 - iv. Standalone Solar Battery Storage
 - v. Heating Venting and Air Conditioning (HVAC)
 - vi. Geothermal Pumps, and Whole House Fans
 - vii. Home Performance, Smart Home, and LED Lighting
 - viii. Water Efficiency, Water Heating, and Water Filtration
 - ix. Generators
 - x. Solar Thermal Pool and Efficient Pool Pumps
 - xi. Artificial Turf, Irrigation, and Landscaping
 - xii. Roofing and Insulation
 - xiii. Windows, Doors, and Siding
 - xiv. Electric Vehicle Charging Equipment
 - xv. Services related to the installation of products under i. to xiv.
- b) Installed by GoodLeap approved Partner
- c) Use GoodLeap approved equipment

Goldman Sachs engaged Sustainalytics to review the Sustainable Home Improvement Loans Use of Proceeds ABS Framework, received on December 2021, and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP).² This Framework has been published as an Appendix 1 within this document.

Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent³ opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Green Bond Principles 2021, as administered by ICMA;
- The credibility and anticipated positive impacts of the use of proceeds; and

² The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

³ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.11, which is informed by market practice and Sustainalytics’s expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of Goldman Sachs’ 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 Framework. Goldman Sachs representatives have confirmed (1) they understand it is the sole responsibility of Goldman Sachs to ensure that the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’s opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Goldman Sachs.

Sustainalytics’ Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics’ Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner. The Second-Party Opinion is valid for issuances aligned with the respective Framework for which the Second-Party Opinion was written for a period of twenty-four (24) months from the evaluation date stated herein.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realised allocation of the bond proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Goldman Sachs has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics’ Opinion

Section 1: Sustainalytics’ Opinion on the Framework

Sustainalytics is of the opinion that the Goldman Sachs Sustainable Home Improvement Loans Use of Proceeds ABS Framework is credible and impactful, and aligns to the four core components of the GBP. Sustainalytics highlights the following elements of the Framework:

- Use of Proceeds:
 - The eligible category –Solar Energy Systems and Energy Efficiency Improvements – is aligned with those recognized by the GBP, namely Renewable Energy and Energy Efficiency.
 - The Framework intends to finance solar systems consisting of solar panels or modules, inverters, electricity storage, charging, energy-efficient monitoring equipment and related equipment, and solar energy storage systems. Additionally, GoodLeap may finance energy efficiency technologies including solar systems with or without battery storage, standalone solar battery storage, HVAC systems, geothermal pumps, whole-house fans, home performance, smart home, and LED lighting, water efficiency, water heating and water filtration, generators, solar thermal pool and efficient pool pumps, artificial turf, irrigation and landscaping,⁴ roofing and insulation, windows, doors and siding, or electric vehicle charging equipment.
 - Financing may, in some cases, be applied to fossil fuel appliances, including furnaces, boilers, water heaters, and others. While the intention of the projects is to incentivize the adoption of

⁴ Artificial turf, irrigation and landscaping are practices aimed at reducing water use and improved climate resilience

- high-efficiency models of these devices, the ongoing use of fossil fuels, in particular for new appliances which may have long lifespans, is not aligned with broadly accepted international decarbonization objectives. While the percentage of proceeds being directed to fossil fuel-powered appliances is anticipated to be small, at under 10% of the portfolio, Sustainalytics nevertheless identifies this use of proceeds as a limitation of the Framework.
- Sustainalytics notes that heat pumps offer an energy-efficient heat transfer alternative to conventional systems. Nevertheless, Sustainalytics recommends that GoodLeap exclude financing of heat pumps with high global warming potential refrigerants and promote robust refrigerant leak control, detection and monitoring while ensuring recovery, reclamation, recycling or destruction of refrigerants at the end of life.
 - Sustainalytics notes that financing may be provided for generators running on fossil fuels, generally expected to be used as backup power for homes. Goldman Sachs has confirmed that the financing of these expenses will comprise less than 10% of each bond issued under this Framework. While recognizing the intent to improve climate resilient, Sustainalytics considers the financing of fossil fuel energy generation to be a significant deviation from green bond market practice and views this to be a limitation to the Framework
 - Project Evaluation and Selection:
 - All projects approved by GoodLeap meet the eligibility criteria described above. In order to facilitate each sale, GoodLeap provides prompt underwriting decisions through an automated electronic credit decision system. GoodLeap's electronic credit decision-making system evaluates a customer's profile to decide whether the customer meets GoodLeap's underwriting requirements. Upon meeting the underwriting requirements and project eligibility criteria, funds are dispersed to the GoodLeap-approved Partner at installation.
 - GoodLeap's Partner Underwriting Policy, as outlined in Appendix 2, contains the description of the thorough application process and questionnaire to understand potential partners' interests, business experience, sales & marketing, and historical performance, including financial strength. All Approved Installers typically access GoodLeap's platform during the process of selling equipment related to Eligible Projects to qualify homeowners for a loan while making the sale.
 - GoodLeap determines the eligibility of the projects financed based on "Installer Approval policies" and "Equipment qualification criteria" (as outlined in Appendix 2: "Partner Underwriting Policy"). Eligible projects must be undertaken with GoodLeap's Approved Installers, as of the statistical cutoff date, and use equipment from the Approved Vendor List. Goldman Sachs will rely on GoodLeap's screening criteria which is applicable to all allocation decisions made under the Framework. Sustainalytics considers this risk assessment and mitigation process to be adequate and aligned with market expectation. For additional detail see Section 2.
 - GoodLeap's project evaluation and selection processes, to disburse the funds to GoodLeap's Approved Installers and commence the Solar System installation and energy efficiency improvements for homeowners, are aligned with market practice.
 - Management of Proceeds:
 - The proceeds of the Notes, directed to an underlying trust, will immediately be used to acquire and hold the Sustainable Home Improvement Loans and other related Sustainable Home Improvement Assets on behalf of the Issuer and the holders of Notes, including Class R Subordinate Notes. Once the Notes are issued, all Sustainable Home Improvement Loans will be assigned to the underlying trust. There are credit enhancement mechanisms in place, such as (i) over-collateralization where the principal balance of the Sustainable Home Improvement Loans exceeds that of Notes (excluding the notional amount of the Class R Subordinate Notes), (ii) subordination of Notes, (iii) a yield supplement and a (iv) liquidity reserve account.
 - Sustainalytics believes that the management of proceeds, through securitization structure, mechanisms, and involved entities, is in line with the market practice.
 - Reporting:
 - Goldman Sachs has confirmed to Sustainalytics through the Framework that all proceeds of Notes will be immediately allocated to acquire Sustainable Home Improvement Loans and the verification on the allocation of proceeds will be disclosed in the offering memorandum upon the issuance of the Notes. Therefore, Sustainalytics believes that allocation reporting is aligned with market practice.

- GoodLeap utilizes models to estimate the aggregate capacity of the solar energy systems that are financed by the Sustainable Home Improvement Loans, the total assumed renewable energy produced by the solar energy systems (during assumed useful life), and total assumed energy generation saved by the home efficiency improvement (during assumed useful life). These metrics provide investors with insights on the scale of the impact of the solar energy systems and energy efficiency improvements funded by the Notes and are aligned with market practices

Alignment with Green Bond Principles 2021

Sustainalytics has determined that the Framework aligns to the four core components of the GBP. For detailed information please refer to Appendix 3: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Strategy of the Issuer

Contribution of the Framework to GoodLeap's sustainability strategy

Sustainalytics is of the opinion that GoodLeap demonstrates a commitment to achieve positive environmental and social impacts by enhancing homeowners' access to Sustainable Home Improvement Loans. The Company estimates that over 31 million metric tons of CO₂ have been avoided by its systems.⁵ Sustainalytics also believes that the Framework is aligned with GoodLeap's overall sustainability efforts as a provider of sustainable home solutions marketplace for sustainable products, including solar panels, battery storage, smart home devices, modern HVAC systems, energy-efficient windows, upgraded roofing, and water-saving turf.

Sustainalytics recognizes the importance of the above commitments and encourages the development of a comprehensive sustainability strategy with defined time-bound and quantifiable targets.

Approach to managing environmental and social risks associated with the projects

While Sustainalytics recognizes that the net proceeds from the notes issued under the Framework will be directed towards eligible projects that are expected to have a positive environmental impact, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks associated with the eligible projects could include occupational health and safety and waste management.

Sustainalytics is of the opinion that GoodLeap implements an adequate process to ensure that the Sustainable Home Improvement Loans underlying the Notes will be disbursed directly to the approved Partners that meet GoodLeap's criteria, as outlined in Appendix 1.⁶ Furthermore, the Sustainable Home Improvement Loans will not be permitted to be used for any purpose other than the purchase and installation of home improvement systems and related items and services.

Financed projects must be undertaken by GoodLeap's Approved Installers and only use equipment from GoodLeap's Approved Vendor List. In order to select Partners, GoodLeap has approval policies and procedures through which it performs due diligence on its potential channel partners. This assessment includes, among others, an evaluation of a Partner's financial health, business operations experience, reputation and credit, insurances, and active licenses.

GoodLeap has confirmed to Sustainalytics that approved Partners will comply with all applicable laws and regulations and will manage the environmental and social risks associated with their installation of home improvement fittings for homeowners, including raw material sourcing for equipment and health & safety during installation. Sustainalytics notes that all of the projects to be financed are located in the US, which has been identified as a "Designated Country" by the Equator Principles, suggesting the existence of strong environmental and social governance systems and institutional capacity designed to protect the local environment and communities.⁷

Due to the above-mentioned policies and diligence procedures, Sustainalytics believes that GoodLeap, through approved Partners, has sufficient measures to identify, manage and mitigate environmental and social risks commonly associated with the use of proceeds. Sustainalytics encourages the disclosure of publicly available risk management policies.

⁵ GoodLeap, "Good for Life, Earth and Prosperity", at: <https://goodleap.com/mission/>

⁶ Additional information has been provided for Sustainalytics review by Goldman Sachs.

⁷ The Equator Principles, "Designated Countries", at: <https://equator-principles.com/designated-countries/>

Section 3: Impact of Use of Proceeds

The use of proceeds categories is aligned with those recognized by the GBP. Sustainalytics has focused on one below where the impact is specifically relevant in the local context.

Contribution of solar energy to a low-carbon economy

In the US, although residential solar installations fell by 23% in the second quarter of 2020⁸ due to the supply-side constraints exacerbated by the COVID-19 pandemic, solar installations reached a record high in late 2020.⁹ According to a report by the Solar Energy Industries Association and Wood Mackenzie, solar installations grew by 43% generating 19.2 gigawatts (GW) of new capacity.¹⁰ Residential solar especially witnessed a significant uptick in installations as homeowners are provided with more home improvement loans and experience power outages from extreme weather events.¹¹

In addition, several policies at the federal, state, and local levels have helped to spur the adoption of solar energy in the United States. The bulk of support has come from the federal solar investment tax credit (“ITC”)¹² that is available to taxpayers making investments in new solar energy systems. ITC generally provides an incentive for such investments by giving taxpayers a credit of up to 30% of the acquisition cost for new solar energy systems placed in service before specified deadlines. The ITC’s two-year extension is expected to increase solar deployment by 17% between 2021 and 2025.¹³ GoodLeap’s loans incentivize homeowners and offer an effective way to promote the uptake of renewable energy-generating products in the US, where customers will be able to: (1) own their solar energy system and (2) apply for federal tax credits.

GoodLeap’s Sustainable Home Improvement Loans and a favorable regulatory environment will help reduce the country’s greenhouse gas emissions while offering financial benefits to residential customers for owning solar energy systems and related products.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 by the United Nations General Assembly and form an agenda for achieving sustainable development by the year 2030. The bonds issued under the Framework advances the following SDG and target:

Use of Proceeds Category	SDG	SDG target
Renewable Energy and Energy Efficiency	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix 7.3 By 2030, double the global rate of improvement in energy efficiency

Conclusion

Goldman Sachs has developed the Framework under which it will be issuing multiple classes of Notes which will be secured by a pool of Sustainable Home Improvement Loans. The originator of the loans, GoodLeap and Goldman Sachs, have described a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for the allocation and impact reporting based on Partners’ estimates in the offering memorandum.

Sustainalytics believes that the eligible category is aligned with GoodLeap’s overall sustainability efforts of providing financial support to homeowners for solar energy and energy efficiency improvements and will also contribute to the advancement of the UN Sustainable Development Goal 7: Affordable and Clean Energy. Additionally, Sustainalytics believes that GoodLeap, through the Approved Installers, has sufficient measures

⁸ Solar Power World, “U.S. solar market report shows 23% decline in residential installations in Q2”, at:

<https://www.solarpowerworldonline.com/2020/09/us-solar-market-report-decline-in-residential-solar-installations-q2-covid/>

⁹ SEIA, “COVID-19 and the U.S. Solar Industry”, at: <https://www.seia.org/sites/default/files/2020-04/2020-April-SEIA-COVID-Factsheet.pdf>

¹⁰ Wood Mackenzie, “U.S. solar industry sets records in 2020, on track to quadruple by 2030”, at: <https://www.woodmac.com/press-releases/u.s.-solar-industry-sets-records-in-2020-on-track-to-quadruple-by-2030/>

¹¹ CNBC, “The U.S. solar industry posted record growth in 2020 despite Covid, report finds”, (2020), at: <https://www.woodmac.com/press-releases/u.s.-solar-industry-sets-records-in-2020-on-track-to-quadruple-by-2030/>

¹² Solar Energy Industries Association (SEIA), Solar Investment Tax Credit (ITC): <https://www.seia.org/sites/default/files/inline-files/SEIA-ITC-101-Factsheet-2018-June.pdf>

¹³ CNBC, “The U.S. solar industry posted record growth in 2020 despite Covid, report finds”, (2020), at: <https://www.cnbc.com/2021/03/16/the-us-solar-industry-posted-record-growth-in-2020-despite-covid-19-new-report-finds.html>

to identify, manage and mitigate environmental and social risks associated with the selection and lending for homeowners' purchase and installation of home systems.

Based on the above, Sustainalytics is of the opinion that the issuance of the Notes will be aligned with current market norms and that the Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2021.

Appendices

Appendix 1: Goldman Sachs Sustainable Home Improvement Loans Use of Proceeds ABS Framework

1. Use of Proceeds

The proceeds of the ABS will be allocated to Solar and non-Solar Sustainable Home Improvement Loans that finance Solar Systems and Energy Efficiency Home Improvements that meet the eligibility criteria set forth herein. A "Solar System" refers to either a Solar Energy System or an Energy Storage System. "Solar Energy System" means a photovoltaic energy generating system, consisting of solar panels or modules, inverter(s), electricity storage, charging, energy efficient monitoring equipment and related equipment and wiring installed at a premises owned by the related obligor at the time of installation. "Energy Storage System" means a unit that receives energy from a Solar Energy System with the objective of storing it electrically, chemically, electrochemically, mechanically or thermally and of making it available again for use at a later time, which may consist of inverter(s), monitoring equipment and other related equipment, and wiring installed at a premises owned by the related obligor at the time of installation. "Energy Efficiency Home Improvement" includes solar systems with or without battery storage, standalone solar battery storage, Heating Venting and Air Conditioning (HVAC), geothermal pumps, and whole house fans, home performance, smart home, and LED lighting, water efficiency, water heating, and water filtration, generators, solar thermal pool and efficient pool pumps, artificial turf, irrigation, and landscaping, roofing and insulation, windows, doors, and siding, or electric vehicle charging equipment.

Eligibility Criteria

To be eligible to be funded by the proceeds, the projects funded must meet the following criteria:

- a. Fall within selected renewable and alternative energy product categories
 - i. Solar Panel Modules
 - ii. Solar Inverters
 - iii. Solar Systems with or without Battery Storage
 - iv. Standalone Solar Battery Storage
 - v. Heating Venting and Air Conditioning (HVAC)
 - vi. Geothermal Pumps, and Whole House Fans
 - vii. Home Performance, Smart Home, and LED Lighting
 - viii. Water Efficiency, Water Heating, and Water Filtration
 - ix. Generators
 - x. Solar Thermal Pool and Efficient Pool Pumps
 - xi. Artificial Turf, Irrigation, and Landscaping
 - xii. Roofing and Insulation
 - xiii. Windows, Doors, and Siding
 - xiv. Electric Vehicle Charging Equipment.
 - xv. Services related to the installation of products under i. to xiv.
- b. Installed by GoodLeap approved installer
- c. Use GoodLeap approved equipment.

GoodLeap determines the eligibility of the projects financed based on "Installer Approval policies" and "Equipment qualification criteria". Eligible projects must be undertaken with GoodLeap's "Approved Installers" and use equipment from the "Approved Vendor List".

2. Project Evaluation and Selection Process

All projects approved by GoodLeap meet the eligibility criteria described above. GoodLeap then leverages proprietary technology and processes to evaluate and approve prospective customers seeking to obtain a Sustainable Home Improvement Loan. The Company deploys its custom credit-underwriting algorithm to determine if a homeowner meets GoodLeap's credit underwriting requirements. This allows GoodLeap's credit underwriters to make an immediate and informed decision on whether to approve a customer for financing. If the customer meets GoodLeap's underwriting requirements and the project satisfies GoodLeap's criteria, funds are dispersed to the GoodLeap-approved Installer at installation.

3. Management of Proceeds

The proceeds of the Notes are immediately directed to an underlying trust that is being used to acquire and hold the Sustainable Home Improvement Loans and other related Sustainable Home Improvement Assets on behalf of the Issuer and the holders of the Notes and the Class R Subordinate Notes. The Sustainable Home Improvement Loans are currently owned by Goldman Sachs Bank USA, GoodFinch, Blackstone I and II, Credit Suisse, DK, Varadero, Millennium, or warehouse financing subsidiaries thereof prior to their sale to the Issuer. All Sustainable Home Improvement Loans will be assigned to the underlying trust upon the issuance of the Notes resulting in full allocation of the proceeds to the Sustainable Home Improvement Loans.

The total proceeds in respect of the Notes (excluding the notional amount of the Class R Subordinate Notes) that are collateralized by the pool of Sustainable Home Improvement Loans are approximately USD \$350 mm. The transaction benefits from credit enhancement in the form of overcollateralization, subordination of Notes, a yield supplement and a liquidity reserve account. Overcollateralization is created by the principal balance of Sustainable Home Improvement Loans exceeding the aggregate principal balance of the Notes (excluding the notional amount of the Class R Subordinate Notes).

The proceeds from the issuance of the Notes will be used by the securitization issuer to acquire the Sustainable Home Improvement Loans and to pay certain expenses incurred in connection with the issuance of the Notes, and to repay existing warehouse financing facilities.

The Notes (other than the Class R Subordinate Notes) will be secured by all of the Sustainable Home Improvement Loans acquired by the securitization issuer. The principal balance of the Sustainable Home Improvement Loans as of the transaction's cut-off date of December 31, 2021 will be approximately USD \$450mm.

Loan proceeds used for fossil fuel equipment (e.g. generators) will comprise of the minority of net proceeds (i.e. less than 10%) of each bond issued under this framework.

4. Reporting

Allocation Reporting

As all of the initial proceeds in respect of the sale of the Notes will be immediately allocated to (or for) the acquisition of the Sustainable Home Improvement Loans, verification on allocation of the proceeds will be disclosed in the Offering Memorandum upon the issuance of the Notes.

Impact Reporting

GoodLeap uses a proprietary calculation model to review the renewable energy generating capacity of their Sustainable Home Improvement Loan portfolio.

GoodLeap reports on assumed impact in the following areas:

Carbon Footprint Reduction

1. Methodology
 - a. Solar Energy System: Aggregate capacity of the solar energy systems in Megawatts
 - b. HVAC: Seasonal Energy Efficiency Ratio (SEER) rating
 - c. Windows/Doors: Savings by climate zone (Northern, North-Central, South-Central, Southern)
 - d. Other Home Efficiency Improvement: Fixed savings rate
2. Specific Impact Metrics

- a. Solar Energy System: Aggregate capacity of the solar energy systems in Megawatts (DC, direct current)
- b. Solar Energy System: Total assumed renewable energy produced by the solar energy systems (during assumed useful life) in Megawatt hours
- c. Home Efficiency Improvement: Total assumed energy generation saved by the home efficiency improvement (during assumed useful life) in Megawatt hours

Appendix 2: GoodLeap's Partner Underwriting Policy

GoodLeap permits an Installer (Partner) to access GoodLeap Solar Financing Platform only after such Installer has been underwritten, evaluated and approved by GoodLeap's capital markets team and designated as an Approved Installer. There are minimum standards and requirements set forward by GoodLeap for Approved Partner to meet, including satisfactory financial health, business reputation and customer reputation. Any Installer who seeks to become an Approved Installer must initially provide GoodLeap with the following information: complete Partner Application and Questionnaire, copies of all contractor licenses for the states in which the Installer want loan financing, last two years and current YTD financials, copy of Installer's General Liability and Workers Compensation Insurance, copy of Installer's current Cash Solar Contract (with any Workmanship Warranty, other Warranty, and Performance Guarantees) that will be used in conjunction with Sustainable Home Improvement Loans financing, copy of Installer's Approved Equipment List, and the Bio's for Management Team.

In the beginning, GoodLeap's business development team will identify a potential partner that has interest in joining the GoodLeap Solar Financing Platform, and provide the potential partner the GoodLeap approval checklist, application, and questionnaire. GoodLeap Partner Application requires an Installer to provide detailed information required for underwriting process regarding, among other things: number of years in business, historical and projected install volume, installation/warranty overview, and sales and marketing overview.

Once completed, GoodLeap business development team will submit the information to the GoodLeap capital markets team, which will conduct various steps for Approval process, including review the credit application for completeness, enter the data from the Underwriting Worksheet and Application/Questionnaire into Partner Underwriting Decision Matrix, and review all information for accuracy. If the underwriting score is sufficient for Approval, the documentation will be sent to the SVP of Capital Markets or the COO for the final approval, followed by the business development team's partner onboarding process.

Performance by Approved Installers (Partners) will be monitored by GoodLeap on an ongoing basis with, at least, annually collected information on their financials, renewed insurance certificates, contractor licenses, and material adjustments to Partner training and sales material. A Partner may be removed as an Approved Installer by GoodLeap's capital markets team at any time based on a breach of the Installer's agreement with GoodLeap, if observed through the annual onsite diligence of Partner's operations conducted by third party experts and overseen by GoodLeap's business development team. Quarterly, GoodLeap will benchmark the Partner's customer's payment performance against all other GoodLeap Partners.

Appendix 3: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Licensee:	Goldman Sachs Asset Backed Securities Corp.
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	Sustainable Home Improvement Loans Use of Proceeds ABS Framework
Review provider's name:	Sustainalytics
Completion date of this form:	December 10, 2021
Publication date of review publication:	July 2019

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 GBP:

- | | |
|--|--|
| <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 – ABS that finance Solar Energy Systems and Energy Efficiency Improvements – is aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments in the eligible category will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 7: Affordable and Clean Energy.

Use of proceeds categories as per GBP:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Renewable energy | <input checked="" 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 GBP | <input type="checkbox"/> Other <i>(please specify)</i> : |

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

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section *(if applicable)*:

GoodLeap originates the Sustainable Home Improvement Loans and leverages proprietary technology and processes to evaluate and approve prospective customers. The Company's custom credit-underwriting algorithm helps GoodLeap's credit underwriters to make an immediate and informed decision on the approval of customers for financing. Once a customer meets GoodLeap's underwriting requirements and the project satisfies GoodLeap's criteria, funds are disbursed to the GoodLeap-approved Partner. GoodLeap approved Partners and installations are assessed on meeting certain risk assessment criteria. Sustainalytics considers this to be 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 |

- Summary criteria for project evaluation and selection publicly available Other (*please specify*):

Information on Responsibilities and Accountability

- Evaluation / Selection criteria subject to external advice or verification In-house assessment
- Other (*please specify*):

3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

The proceeds of the Notes, directed to an underlying trust, will be used to acquire and hold Sustainable Home Improvement Loans and other related Sustainable Home Improvement Assets on behalf of the Issuer and the holders of Notes, including Class R Subordinate Notes. Once the Notes are issued, all Sustainable Home Improvement Loans will be assigned to the underlying trust. Sustainalytics believes that Goldman Sachs's management of proceeds, through securitization structure, mechanisms, and involved entities, is in line with the market practice.

Tracking of proceeds:

- Green Bond proceeds segregated or tracked by the issuer in an appropriate manner
- Disclosure of intended types of temporary investment instruments for unallocated proceeds
- Other (*please specify*):

Additional disclosure:

- Allocations to future investments only Allocations to both existing and future investments
- Allocation to individual disbursements Allocation to a portfolio of disbursements
- Disclosure of portfolio balance of unallocated proceeds Other (*please specify*):

4. REPORTING

Overall comment on section (*if applicable*):

Goldman Sachs Asset Backed Securities Corp. will publish the allocation of the proceeds in the offering memorandum upon the issuance of the Notes. GoodLeap utilizes models to estimate the aggregate capacity of the solar energy systems that are financed by the Sustainable Home Improvement Loans, the total assumed renewable energy produced by the solar energy systems (during assumed useful life), and total assumed energy generation saved by the home efficiency improvement, as a part of impact reporting. Sustainalytics views GoodLeap's allocation and impact reporting as aligned with market practice.

Goldman Sachs Sustainable Home Improvement Loans Use of Proceeds ABS Framework

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 checked="" type="checkbox"/> Other (<i>please specify</i>): one time at offering | |

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 (<i>please specify</i>): |

Information reported (expected or ex-post):

- | | |
|--|--|
| <input type="checkbox"/> GHG Emissions / Savings | <input type="checkbox"/> Energy Savings |
| <input type="checkbox"/> Decrease in water use | <input type="checkbox"/> Other ESG indicators (<i>please specify</i>): |

Frequency

- | | |
|---|--------------------------------------|
| <input type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input checked="" type="checkbox"/> Other (<i>please specify</i>): one time at offering | |

Means of Disclosure

- | | |
|--|--|
| <input type="checkbox"/> Information published in financial report | <input type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents | <input checked="" type="checkbox"/> Other (<i>please specify</i>): Solar Energy System: Aggregate capacity of the solar energy systems in Megawatts (DC, direct current); Solar Energy System: Total assumed renewable energy produced by the solar energy systems (during assumed useful life) in Megawatt hours; Home Efficiency Improvement: Total assumed energy generation saved by the home efficiency improvement (during |

assumed useful life) in Megawatt hours.

- 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.)

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.

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In case of discrepancies between the English language and translated versions, the English language version shall prevail.

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Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. The firm works with hundreds of the world’s leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. The world’s foremost issuers, from multinational corporations to financial institutions to governments, also rely on Sustainalytics for credible second-party opinions on green, social and sustainable bond frameworks. In 2020, Climate Bonds Initiative named Sustainalytics the “Largest Approved Verifier for Certified Climate Bonds” for the third consecutive year. The firm was also recognized by Environmental Finance as the “Largest External Reviewer” in 2020 for the second consecutive year. For more information, visit www.sustainalytics.com.

