

GoodLeap Sustainable Home Solutions Trust 2023-3

Type of Engagement: Green Bond Pre-Issuance Review

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Introduction

GoodLeap LLC (“GoodLeap” or the “Company”) developed the GoodLeap Sustainable Home Improvement Loans Green ABS Financing Framework (the “Framework”) to oversee the issuance of notes in asset-backed securitization transactions led by financial sponsors and secured by a pool of loans made to homeowners (the “Sustainable Home Improvement Loans”). The proceeds of the notes issued under the Framework will be used to finance solar energy systems or energy storage systems and energy efficiency home improvements, subject to eligibility criteria described in the Framework. In 2022, Sustainalytics provided a second-party opinion on the Framework.

In June 2023, CIGPF I Corp (the “Sponsor”) engaged Sustainalytics to review the projects (the “Nominated Projects”)¹ that will be funded through the GoodLeap Sustainable Home Solutions Trust 2023-3 (the “2023-3 Green Bond Issuance”) and provide an assessment as to whether the Nominated Projects would comply with the Use of Proceeds, Project Selection and Management of Proceeds sections of the Framework.

Evaluation Criteria

Sustainalytics evaluated the underlying projects that will be funded through the 2023-3 issuance for compliance based on whether:

1. The Nominated Projects are aligned with the Use of Proceeds Eligibility Criteria outlined in the GoodLeap Sustainable Home Improvement Loans Green ABS Financing Framework; and
2. The commitments to select projects, manage proceeds on allocation and impact in order to ensure that these commitments are aligned with the ones described in the Framework.

Appendix 2 provides a summary of Nominated Projects.

Issuing Entity’s Responsibility

GoodLeap is responsible for providing accurate information and documentation relating to the details of the projects that have been funded, including a description of the eligible projects within each eligible category. This information was provided to Sustainalytics to support its review. GoodLeap is also responsible for confirming to Sustainalytics that processes for project selection and management of proceeds for the 2023-3 issuance will remain aligned with the commitments described in the Framework.

Independence and Quality Control

Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors, conducted the verification of CIGPF I Corp’s 2023-3 green bond issuance. The work undertaken as part of this engagement included verification of the Nominated Projects and confirmation from relevant employees of GoodLeap that the use of proceeds, processes for project selection and management of proceeds for the upcoming green bond issuance will remain aligned with the commitments described in the Framework.

Sustainalytics has relied on the information and the facts presented by GoodLeap with respect to the Nominated Projects. Sustainalytics is not responsible nor shall it be held liable if any of the opinions, findings, or conclusions it has set forth herein are not correct due to incorrect or incomplete data provided by GoodLeap.

¹ The Nominated Projects comprise loans provided by GoodLeap to homeowners for purchase and installation of sustainable home improvement technologies such as solar energy systems, batteries and other home improvements.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight over the assessment of the pre-issuance review.

Conclusion

Based on the limited assurance procedures conducted,² nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, CIGPF I Corp's 2023-3 green bonds are not aligned with their existing GoodLeap Sustainable Home Improvement Loans Green ABS Financing Framework.

² Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the projects that have been funded, including description of projects, estimated and realized costs of projects, and project impact, which were provided by the Issuer. The Issuer is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

Appendix 1: GoodLeap LLC's Use of Proceeds Eligibility Criteria

The following is excerpted from the Framework shared with Sustainalytics.

"The proceeds of the ABS will be allocated to Sustainable Home Improvement Loans that finance Solar Systems and Energy Efficiency Home Improvements that meet the eligibility criteria set forth below. 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, whole house fans, home performance, smart home, and LED lighting, water efficiency, water heating, water filtration, generators, solar thermal pool and efficient pool pumps, artificial turf, irrigation, landscaping, roofing, insulation, windows, doors, siding, and/or electric vehicle charging equipment."

Eligibility Criteria:

Eligible projects must also 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 projects for financing 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".

Exclusionary Criteria

Financing may be applied to fossil fuel-based appliances (e.g. generators), but these appliances cannot make up more than 10% of the portfolio.

Appendix 2: Summary of 2023 Green Bond Projects

Summary of loans included in the 2023-3 Green Bond³ Issuance:

Type of Loan	Number of Loans
Solar	9,013
HVAC	2,072
Roofing	371
Water Efficiency	348
Home Performance	196
Windows	98
Siding	54
Artificial Turf	36
Water Efficient Landscaping	13
Doors	59
Geothermal Heat Pumps	9
Water Heating	43
Generators	14
Smart Home	6
Pool Pumps	1
LED Lights	6
Battery	2
Electric Vehicle Charging	3
Solar Thermal	1
Total number of loans	12,345

Balance of Loans (USD)	
Aggregate Principal Outstanding	USD 470,700,063.29
Average Principal Balance	USD 38,128.80

The following estimated metrics for quantitative environmental impacts of the projects financed by the Solar Energy Systems have been provided to Sustainalytics in connection with the Nominated Projects.

Indicator	Impact (approximate)
Total capacity installed	80.84 MW (DC)
Total Assumed Renewable Energy Produced	3,611,437.62 MWh
Total estimated energy saved by Home Efficiency Improvements (during assumed life)	10,913.11 MWh

³ GoodLeap has confirmed that fossil-fuel powered equipment constitutes <10% of the overall portfolio and the entire portfolio consists of GoodLeap approved equipment installed by GoodLeap approved installers.

Appendix 3: Sustainalytics' Findings

Eligibility Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the projects funded by the green bond issuance in 2023-3 (Appendix 2) to determine if the projects aligned with the Use of Proceeds Eligibility Criteria outlined in GoodLeap Sustainable Home Improvement Loans Green ABS Financing Framework (Appendix 1).	All projects reviewed (Appendix 2) complied with the Use of Proceeds Eligibility Criteria.	None
Project Selection and Management of Proceeds Criteria	Verification of the projects funded by the 2023-3 Green Bond Issuance to determine if the commitments under processes for project selection and management of proceeds were consistent with Framework.	GoodLeap LLC has also confirmed to Sustainalytics that the processes for project selection and management of proceeds for the 2023-3 issuance are consistent with the commitments described in the Framework.	None

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