



Second-Party Opinion

Jingdan New Energy Investment Green Loan Framework

Evaluation Summary

Sustainalytics is of the opinion that the Jingdan New Energy Investment Green Loan Framework is credible and impactful and aligns with the four core components of the Green Loan Principles 2021 (GLP). 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 Loan Principles 2021. Sustainalytics considers that the eligible category will increase the share of renewable energy generation in China and advance the UN Sustainable Development Goals, specifically SDG 7.



PROJECT EVALUATION / SELECTION Jingdan’s process for project evaluation and selection will be overseen by the Sustainability Committee (the “Committee”), comprised of the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer and the Head of Capital. The Committee will be responsible for the verification and compliance of environmental impact regulations and the screening of eligible projects. The proceeds of the Green Loans will be allocated exclusively to align with eligible project categories, and the Committee will monitor periodically to ensure projects continually meet eligibility criteria set out in the Framework. Sustainalytics considers the project selection process in line with market practice.



MANAGEMENT OF PROCEEDS Jingdan’s processes for management of proceeds is managed by the Sustainability Committee. Two designated treasurers will be responsible for handling daily proceeds transactions and will report to the Chief Financial Officer, who oversees the management of proceeds. Proceeds will be used to finance projects in construction stage or refinance completed projects. Proceeds used to finance construction projects will be tracked through short-term or shareholder loan repayments with signed contracts and payment receipts. The equivalent amount of net proceeds will be earmarked for allocation the eligible green projects. This is in line with market practice.



REPORTING Jingdan commits to reporting annually on allocation of proceeds to lenders or until facilities are fully drawn down. Allocation reporting will include allocation of funds to eligible green projects. In addition, Jingdan is committed to reporting on relevant impact metrics. Sustainalytics views Jingdan’s allocation and impact reporting as aligned with market practice.

Evaluation date	May 21, 2021
Issuer Location	Shanghai, China

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For inquiries, contact the Sustainable Finance Solutions project team:

Evan Bruner (Amsterdam)
 Project Manager
 evan.bruner@sustainalytics.com
 (+31) 20 205 0027

Grace Paranjape (Amsterdam)
 Project Support

Aoife McCarthy (Amsterdam)
 Project Support

Patrick Jin (Shenzhen)
 Client Relations
 susfinance.apac@sustainalytics.com
 (+852) 3008 2391

Introduction

Jingdan New Energy Investment (“Jingdan”, the “Issuer” or the “Company”) is a joint venture incorporated by Total Renewable and Envision Energy in 2019 and headquartered in Shanghai. Jingdan operates by developing, constructing, operating and owning a portfolio of solar power generation projects in China. The Company’s solar portfolio focuses on the commercial and industrial markets in China’s eastern coast provinces.

Jingdan has developed the Jingdan New Energy Investment Green Loan Framework (the “Framework”) under which it intends to issue green loans and use the proceeds to finance and refinance, in whole or in part, projects that enhance the share of renewable energy generation in China. The Framework defines eligibility criteria in one area:

1. Renewable Energy

Jingdan engaged Sustainalytics to review the Jingdan New Energy Investment Green Loan Framework, dated May 2021, and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Loan Principles 2021 (GLP).¹ This Framework has been published in a separate document.²

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 Loan Principles 2021, as administered by LMA, APLMA and LSTA⁴;
- The credibility and anticipated positive impacts of the use of proceeds; and
- 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 1.8.1, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of Jingdan’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 Framework. Jingdan representatives have confirmed (1) they understand it is the sole responsibility of Jingdan 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’ 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 Jingdan.

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 loan proceeds but does not measure the actual impact. The

¹ The Green Loan Principles are administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications & Trading Association and are available at <https://www.lsta.org/content/green-loan-principles/>

² The Jingdan New Energy Investment Green Loan Framework is available on Jingdan New Energy Investment’s website at: <https://www.apollopv.cn/>

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.

⁴ In addition to the Loan Markets Association, the GLP are also administered by the Asia Pacific Loan Market Association and the Loan Syndications & Trading Association

measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realised allocation of the loan 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 Jingdan has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Jingdan New Energy Investment Green Loan Framework

Sustainalytics is of the opinion that the Jingdan New Energy Investment Green Loan Framework is credible and impactful and aligns with the four core components of the GLP. Sustainalytics highlights the following elements of Jingdan's Green Loan Framework:

- Use of Proceeds:
 - The eligible category, Renewable Energy, is aligned with those recognized by the GLP. Sustainalytics notes that all eligible projects and activities are located in China and considers that Jingdan's investments in solar energy will contribute to increasing the share of renewable energy generation in China.
 - The Company has defined a 36-month look-back period for refinancing activities, which Sustainalytics considered to be in line with market practice.
 - Jingdan intends to invest in the distribution, procurement, acquisition, and installation of solar energy projects. Projects will include the financing and refinancing of new and operating distributed solar projects in China, such as those operating on rooftops, carparks and ground mounted projects.
- Project Evaluation and Selection:
 - Jingdan's process for project evaluation and selection will be overseen by the Sustainability Committee (the "Committee"), comprised of the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer and the Head of Capital. The Committee will be responsible for the verification and compliance of environmental impact regulations and the screening of eligible projects. The proceeds of the green loans will be allocated exclusively to align with eligible project categories and monitored periodically by the Committee to ensure projects continually meet eligibility criteria set out in the Framework. Based on these processes, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - Jingdan's processes for management of proceeds is managed by the Sustainability Committee. Two designated treasurers will be responsible for handling daily proceed transactions and will report to the CFO, who oversees the management of proceeds. Proceeds will be used to finance projects in construction stage or refinance completed projects. Proceeds used to finance construction projects will be tracked through short-term or shareholder loan repayments with signed contracts and payment receipts. The equivalent amount of net proceeds will be earmarked for allocation to the eligible green projects. For use of proceeds used to refinance solar projects, full allocation will be determined before utilization and thus interim period will be too short to apply a temporary use of proceeds. Banks will verify the information provided and decide the allocation towards each project. Based on these elements, Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - Jingdan commits to reporting annually on allocation and impact of proceeds until facilities are fully drawn down. Allocation reporting will be communicated to the lenders and will include the allocation of funds to eligible green projects. Additionally, lenders will have project details on

those intended for financing or refinancing, including project size, location, capital expenditures, and outstanding shareholder loan. Impact reporting will include annual GHG emissions avoided, annual renewable energy production in MWh, installed capacity in MW, number of buildings or industrial sites powered. Based on these elements, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Loan Principles 2021

Sustainalytics has determined that the Jingdan New Energy Investment Green Loan Framework aligns to the four core components of the GLP. For detailed information please refer to Appendix 1: Green Loan/Green Loan Programme External Review Form.

Section 2: Sustainability Strategy of Jingdan

Contribution of framework to Jingdan New Energy Investment's sustainability strategy

Sustainalytics is of the opinion that Jingdan demonstrates a commitment to sustainability through its overarching corporate mission to accelerate solar generation in China. As a Company that is dedicated purely to renewable energy generation, Jingdan's line of work is committed to the low carbon energy transition. Jingdan's 2025 Sustainability Goals focus on (i) building a sustainable company (ii) serving customers and (iii) empowering communities.

Jingdan's targets for 2025 include (i) 100% renewable energy at major facilities, (ii) investing in solar power projects with a combined capacity of at least 1 GW, and (iii) reducing more than 2 million tons of carbon emissions with solar power. Additionally, the Company intends to provide access to solar power for at least 300 enterprises and install a distributed power station on more than 10 million m² of unused rooftop. Jingdan also aims to contribute 1% of its staff to solar education and trainings, to promote solar industry knowledge, policies and regulations, installation procedures and requirements. Furthermore, Jingdan has reported on progress towards these goals in its Sustainability Report 2020.⁵ The Company reduced emissions by 47,000 tons of CO₂ in 2020 and generated 62 GWh of distributed solar.⁵ The Company operated renewable power stations with a total capacity of 106 MW in 2020.⁵ While Sustainalytics applauds that Jingdan has set and communicated sustainability strategy and targets to Sustainalytics, Sustainalytics encourages the issuer to publicly communicate these elements for further transparency.

Sustainalytics is of the opinion that the Jingdan New Energy Investment Green Loan Framework is aligned with the company's overall sustainability strategy and initiatives and will further the Company's action on its key environmental priorities.

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

While Sustainalytics recognizes that the net proceeds from the loans issued under the Framework will be directed towards eligible projects that are expected to have 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, stakeholder participation and emissions and waste generated in construction.

Sustainalytics is of the opinion that Jingdan is able to manage and/or mitigate potential risks through implementation of the following:

- Jingdan adheres to several national laws, including the Environmental Impact Assessment Law of the People's Republic of China⁶ which requires companies to perform an environmental risk assessment for all projects (construction, reconstruction, expansion or refurbishment) during the initial phase of project design and feasibility analysis. The act stipulates that the evaluation must include the identification of key risk factors related to air, water, soil pollution or human health. The Company reported zero environmental and social grievances during operation in 2020.⁷
- Regarding Occupational Health and Safety, the Company invests in specialized health and safety training for all staff, to provide the knowledge and competence for safe work practices. For safety critical roles, Jingdan requires appropriate qualifications and continual trainings, in line with company standard.⁷ The Company's Health, Safety and Environment Handbook⁸ outlines safety

⁵ Information provided by Jingdan to Sustainalytics in draft Sustainability Report 2020.

⁶ Zhengzhou Foreign-funded Enterprise Service Center, "Environmental Impact Assessment Law of the People's Republic of China", at: <https://www.waizi.org.cn/law/11686.html>

⁷ Information provided by Jingdan to Sustainalytics.

⁸ Documentation provided by Jingdan to Sustainalytics.

management procedures for contractors and subcontractors to adhere to and reported zero recordable injuries during construction.⁷

- Jingdan's Code of Conduct⁸ addresses environmental and social risk management, both concerning health and environment, energy sources, products, health and safety of employees, human rights and local community consultation. Accordingly, the Code of Conduct requires all stakeholders to abide by the standards and values outlined within the policy document.
- Jingdan's service contracts for photovoltaic power plants⁸ outlines details concerning health, safety, security, social and environmental requirements during construction of photovoltaic power plants. The policy document requires contractors and subcontractors to systematically assess all risks of on-site activities that may have environmental or social impact. The policy document outlines reducing waste generation, reusing materials when appropriate, waste and recyclable waste. It outlines how waste reduction should be considered in all phases of a project. The document also outlines detailed safety practices at the work site, site penalty requirements and personal protection requirements.

Based on these policies, standards and assessments, Sustainalytics is of the opinion that Jingdan has implemented adequate measures and is well-positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

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

Importance of increasing the share of renewable energy generation in China

China is the world's largest energy producer and consumer in the world, with energy demand expected to increase as the population and economy continues to grow.⁹ According to the International Energy Association, coal heavily dominates China's electricity mix, accounting for approximately 66% of electricity production in 2020¹⁰. As government policies move toward supporting cleaner fuel use and energy efficiency measures, the share of renewable energy in China is slowly increasing. China has more than doubled its construction of new wind and solar plants in 2020, compared to the previous year, yet remains the world's largest greenhouse gas emitter¹¹. Despite having the highest installed capacity of wind, solar and hydropower of any country and accounting for 40% of growth in global renewable energy capacity, renewable still contribute only to 26% of power generation. Nonetheless, renewable energy output increased by 8.4% in 2020 from 2019, with China producing 2,214.8 TWh of renewable electricity in 2020.¹²

During the UN General Assembly in 2020, China announced its target to hit peak emissions before 2030 and climate neutrality by 2060¹³. China's 14th Five Year Plan includes more detailed targets for energy sectors, such as coal consumption and production, renewable energy development and utilization and electrification rate and electricity power structure.¹⁴ The plan sets an 18% reduction target for CO₂ intensity and 13.5% reduction target for energy intensity from 2021 to 2025.¹⁴ Given that power generation accounts for a substantial part of China's current greenhouse gas (GHG) emissions, developing low carbon electricity generation has the potential to decrease the carbon intensity of electricity and reduce absolute GHG emissions. In this context, Sustainalytics is of the opinion that by financing and potentially increasing the share of energy generation from renewable sources, Jingdan will be well positioned to assist China in meeting its renewable energy targets and reducing GHG emissions for the nation's power sector.

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 loans issued under the Jingdan New Energy Investment Green Loan Framework advances the following SDG and target:

⁹ U.S. Energy Information Administration, "China", (2020), at: [International - U.S. Energy Information Administration \(EIA\)](#)

¹⁰ International Energy Agency, "Electricity mix in China, January-November 2020", at: [Electricity mix in China, January-November 2020 – Charts – Data & Statistics - IEA](#)

¹¹ Reuters, "China double new renewable energy capacity in 2020", (2021), at: [China doubles new renewable capacity in 2020; still builds thermal plants | Reuters](#)

¹² Argus Media, "China's 2020 renewable energy output rises" (2021), at: [China's 2020 renewable energy output rises \(argusmedia.com\)](#)

¹³ UN News, "Enhance solidarity' to fight COVID-19, Chinese President urges, also pledges carbon neutrality by 2060", at:

<https://news.un.org/en/story/2020/09/1073052>

¹⁴ Carbon Brief, "Q&A: What does China's 14th 'five year plan' mean for climate change?", (2021), at: [Q&A: What does China's 14th 'five year plan' mean for climate change? | Carbon Brief](#)

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

Conclusion

Jingdan has developed the Jingdan New Energy Investment Green Loan Framework under which it may issue green loans and use of proceeds to finance Renewable Energy projects. Sustainalytics considers that the projects funded by the green loan proceeds are expected to provide positive environmental impact.

The Jingdan New Energy Investment Green Loan Framework outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that the Jingdan New Energy Investment Green Loan Framework is aligned with the overall sustainability strategy of the company and that the Renewable Energy category will contribute to the advancement of the UN Sustainable Development Goal 7. Additionally, Sustainalytics is of the opinion that Jingdan has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the use of proceeds.

Based on the above, Sustainalytics is confident that Jingdan is well-positioned to issue green loans and that the Jingdan New Energy Investment Green Loan Framework is robust, transparent, and in alignment with the four core components of the Green Loan Principles 2021.

Appendix

Appendix 1: Green Loan / Green Loan Programme - External Review Form

Section 1. Basic Information

Issuer name:	Jingdan New Energy Investment
Green Loan ISIN or Issuer Green Loan Framework Name, if applicable:	Jingdan New Energy Investment Green Loan Framework
Review provider's name:	Sustainalytics
Completion date of this form:	May 11, 2021
Publication date of review publication:	

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 Renewable Energy, is aligned with those recognized by the Green Loan Principles 2021. Sustainalytics considers that the eligible category will increase the share of renewable energy generation in China and advance the UN Sustainable Development Goals, specifically SDG 7.

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 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)*:

Jingdan's process for project evaluation and selection will be overseen by the Sustainability Committee (the "Committee"). The Committee will be responsible for the verification and compliance of environmental impact regulations and the screening of eligible projects. The proceeds of the Green Loans will be allocated exclusively to align with eligible projects categories, and the Committee will monitor periodically to ensure projects continually meet eligibility criteria set out in the Framework. Sustainalytics considers the project selection process 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 Loan 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

- 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)*:

Jingdan's processes for management of proceeds is managed by the Sustainability Committee. Two designated treasurers will be responsible for handling daily proceed transactions and will report to the Chief Financial Officer, who oversees the management of proceeds. Proceeds will be used to finance projects in construction stage or refinance completed projects. Proceeds used to finance construction projects will be tracked through short-term or shareholder loan repayments with signed contracts and payment receipts. The equivalent amount of net proceeds will be earmarked for allocation the eligible green projects. This is in line with market practice.

Tracking of proceeds:

- Green Loan 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)*:

Jingdan commits to reporting annually on allocation of proceeds to lenders or until facilities are fully drawn down. Allocation reporting will include allocation of funds to eligible green projects. In addition, Jingdan committed to reporting on relevant impact metrics. Sustainalytics views Jingdan's allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:

- Project-by-project
 On a project portfolio basis
- Linkage to individual bond(s)
 Other *(please specify)*:

Information reported:

- Allocated amounts
 Green Loan financed share of total investment
- Other (please specify):

Frequency:

- Annual
 Semi-annual
- Other (please specify):

Impact reporting:

- Project-by-project
 On a project portfolio basis
- Linkage to individual bond(s)
 Other (please specify):

Information reported (expected or ex-post):

- GHG Emissions / Savings
 Energy Savings
- Decrease in water use
 Other ESG indicators (please specify):

Frequency

- Annual
 Semi-annual
- Other (please specify):

Means of Disclosure

- Information published in financial report
 Information published in sustainability report
- Information published in ad hoc documents
 Other (please specify): Jingdan commits to reporting annually on allocation of proceeds to lenders or until facilities are fully drawn down.
- 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.apollopv.cn/>

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE**Type(s) of Review provided:**

- Consultancy (incl. 2nd opinion)
 Certification
- Verification / Audit
 Rating
- Other (please specify):

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 Loan 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 Loan 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 Loan 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 Loan or associated Green Loan 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 Loan Scoring/Rating:** An issuer can have its Green Loan, associated Green Loan 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 GLP, 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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These are based on information made available by the issuer and therefore are not warranted as to their merchantability, completeness, accuracy, up-to-dateness or fitness for a particular purpose. The information and data are provided "as is" and reflect Sustainalytics' opinion at the date of their elaboration and publication. Sustainalytics accepts no liability for damage arising from the use of the information, data or opinions contained herein, in any manner whatsoever, except where explicitly required by law. Any reference to third party names or Third Party Data is for appropriate acknowledgement of their ownership and does not constitute a sponsorship or endorsement by such owner. A list of our third-party data providers and their respective terms of use is available on our website. For more information, visit <http://www.sustainalytics.com/legal-disclaimers>.

The issuer is fully responsible for certifying and ensuring the compliance with its commitments, for their implementation and monitoring.

About Sustainalytics, a Morningstar Company

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.

