

Second-Party Opinion

Leasys S.p.A Green Bond Framework



Evaluation Summary

Sustainalytics is of the opinion that the Leasys S.p.A Green Bond 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, Clean Transportation, 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 11.



PROJECT EVALUATION / SELECTION Leasys' internal process in evaluation and selecting projects is managed by its Finance Department ("the Department"). On an annual basis, the Department will review and select eligible assets according to the criteria established in the Framework. The Department will also approve allocations of net proceeds on a monthly basis. Sustainalytics considers this process to be in line with market practice.



MANAGEMENT OF PROCEEDS Leasys' process for management of proceeds is overseen by the Company's Finance Department. Leasys is committed to allocate bond proceeds within two full calendar years from the date of issuance. Pending allocation, unallocated proceeds will be temporarily deposited on Leasys bank accounts and held in cash. This is in line with market practice.



REPORTING Leasys intends to report on allocation of proceeds on its website at least on an annual basis until full allocation. The allocation report may include total amount of eligible portfolio, share of financing vs. refinancing, allocation breakdown by eligible category, outstanding Green Bond list and amount of unallocated proceeds. In addition, Leasys is committed to reporting on relevant impact metrics. Sustainalytics views Leasys' allocation and impact reporting as aligned with market practice.

Evaluation Date	June 14, 2021
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Issuer Location	Turin, Italy
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Introduction

Leasys S.p.A. (“Leasys”, or the “Company”) is a wholly owned subsidiary of FCA Bank S.p.A. and part of the FCA Bank Group, a joint venture between FCA Italy S.p.A. (a Stellantis NV subsidiary) and Crédit Agricole Consumer Finance S.A. (a Crédit Agricole S.A. subsidiary). Leasys offers mobility services to private individuals, professionals and businesses including short, medium and long-term rentals and peer-to-peer car sharing.

Leasys S.p.A has developed the Leasys Green Bond Framework (the “Framework”) under which it intends to issue green bond and use the proceeds to finance, in whole or in part, existing and/or future projects in the identified areas of criteria. The Framework defines eligibility criteria in one area:

1. Clean Transportation

Leasys S.p.A. engaged Sustainalytics to review the Leasys Green Bond Framework, dated June 2021, and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP).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 Bond Principles 2021, as administered by ICMA;
- 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 Leasys’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. Leasys representatives have confirmed (1) they understand it is the sole responsibility of Leasys 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 Leasys.

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.

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.

¹ 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/>.

² The Leasys Green Bond Framework is available on Leasys’ website at: <https://corporate.leasys.com/english/investor-relations>

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.

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 Leasys has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Leasys Green Bond Framework

Sustainalytics is of the opinion that the Leasys Green Bond Framework is credible and impactful, and aligns to the four core components of the GBP. Sustainalytics highlights the following elements of Leasys' Green Bond Framework:

- Use of Proceeds:
 - The eligible category, Clean Transportation, is aligned with those recognized by the GBP. Sustainalytics considers that Leasys' investments in eligible assets are expected to contribute and support the transition towards low-carbon transport in Europe. Sustainalytics notes that although Leasys eligible projects and activities are located all over Europe, the Company is primarily focused on Italy, Germany, France, United Kingdom, and Spain.
 - Leasys intends to finance and/or refinance the acquisition of low and zero-emission vehicles according to following eligibility criteria:
 - Electric, fuel cell and hydrogen vehicles with zero tailpipe emissions.
 - Plug-in hybrid electric vehicles (PHEV) with emission intensity below 50 gCO₂e/km until 2025 and 0 gCO₂e/km from 2026 onwards.⁴ Sustainalytics positively views the use of a quantitative threshold in determining eligibility of PHEVs.
 - The intended expenditures may also include the development of infrastructure, such as electric vehicle charging points.
 - Leasys has established a lookback period of two calendar years for refinanced projects, which Sustainalytics considers to be in line with market practice.
- Project Evaluation and Selection:
 - Leasys' internal process in evaluation and selecting projects is managed by its Finance Department ("the Department"). On an annual basis, the Department will review and select eligible assets according to the criteria established in the Framework. The Department will also approve allocations of net proceeds on a monthly basis.
 - Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds
 - Leasys' process for management of proceeds is overseen by its Finance Department. The Company will track bond proceeds using an existing internal tracking system following a portfolio approach. Unallocated proceeds will be deposited on Leasys bank accounts and held in cash. The Company is committed to fully allocate bond proceeds within two full calendar years from the date of issuance. Leasys intends to ensure that the Eligible Green Portfolio in its assets will be at least equal to the net proceeds until the maturity of the Green Bond.
 - Based on above elements, Sustainalytics considers this process to be in line with market practice.
- Reporting
 - Leasys is committed to providing allocation and impact Reports via its website at least on an annual basis until full allocation. The allocation reporting may include details such as total amount of eligible portfolio, share of financing vs. refinancing, allocation breakdown by eligible category, outstanding Green Bond list and amount of unallocated proceeds at the end of the reporting period. In addition, Leasys is committed to reporting on relevant impact indicators

⁴ Leasys has confirmed to Sustainalytics that the emission test procedures for determining emission target levels have been determined in compliance with EU regulation 2019/631. For vehicles manufactured before 2021 the target levels refer to the NEDC emission test procedure. After January 2021, the emission targets for Leasys' manufacturers will be based on the new WLTP emission test procedure. For more information, please refer to: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02019R0631-20210301>

including number and type of vehicles purchased, number of charging points installed and an estimate of annual GHG emissions avoided. The impact report may also describe the methodology and assumptions used to evaluate the GHG emissions avoided. Leasys is committed to an independent auditor's verification on the allocation of the Green Bond proceeds on an annual basis until full allocation of proceeds.

- Sustainalytics considers the reporting practices to be in line with the market practice.

Alignment with Green Bond Principles 2021

Sustainalytics has determined that the Leasys Green Bond Framework aligns to the four core components of the GBP. For detailed information please refer to Appendix 1: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Strategy of Leasys

Contribution of framework to Leasys' sustainability strategy

Leasys' Sustainable Mobility Strategy demonstrates that the Company's commitment to sustainability is focused on two key areas: (i) low-emission mobility, and (ii) environmental responsibility.⁵

Within the focus of low-emission mobility, Leasys aims to decrease carbon emissions by installing up to 3,000 electric vehicle charging points across Europe by the year 2022. This will support the transition to zero and low-carbon mobility through increased electric vehicles, e-charge cards, home-charging infrastructure, and free electricity for customers at Company-owned charging points.⁶

Under the area of environmental responsibility, the Company aims to equip key office locations with electric charging infrastructure, free of charge, to promote adoption of EVs by staff and visitors. The Company also intends to achieve the target of 50% mix electrified or electric vehicles (Mild Hybrid vehicles or MHEVs, PHEVs, EVs) within the New Mobility & Rent fleet and expand the car sharing program to 1,200 fully electric vehicles by the end of 2022.

Furthermore, Leasys is committed to invest EUR 500 million in the two key focus areas under its Sustainability strategy within two full calendar years from the issuance of its Green Bond.⁵

Sustainalytics is of the opinion that the Leasys Green Bond 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

Sustainalytics acknowledges that the Framework will be directed towards eligible projects and activities that have positive environmental and social 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 EV battery end-of-life disposal and management from Leasys' growing electric vehicle fleet..

Sustainalytics is of the opinion that Leasys is able to manage and/or mitigate potential risks through compliance with the following regulations:

- Regarding Occupational Health and Safety (OSH), Article 153 of the Treaty on the Functioning of the European Union (EU) gives the EU the authority to adopt directives in the field of safety and health at work. The EU Directive on Worker Health and Safety ensures minimum safety and health requirements throughout Europe.⁷ Employers must "ensure the safety and health of workers in every aspect related to the work." Necessary measures due to be taken by the employers include "prevention of occupational risks and provision of information and training, as well as provision of the necessary organization and means".⁷ In Italy, Legislative Decree Law 81/2008 is the leading OSH legislation which contains specific guidelines to ensure the safety and well-being of workers.⁸ In France, the legislation on occupational safety and health is outlined in the Part IV of the Labor Code entitled "Health and Safety at Work" completed by specific and technical decrees placed at the end

⁵ The Company has provided the information in the Leasys Green Bond Framework.

⁶ Leasys, "Sustainable Mobility" (2021) at: <https://corporate.leasys.com/english/sustainable-mobility>

⁷ European Agency for Safety and Health at work, "European directives on safety and health at work" at: <https://osha.europa.eu/en/safety-and-health-legislation/european-directives>

⁸ ILO, "HSE Regulation Database – Italy" at:

https://www.ilo.org/dyn/legosh/en/f?p=14100:1100:0::NO::P1100_ISO_CODE3,P1100_SUBCODE_CODE,P1100_YEAR:ITA,,2015

of the Code.⁹ Germany has a comprehensive national OSH system following the conventions of the International Labour Organization (ILO) and in adherence to EU guidelines.¹⁰

- Batteries from electric vehicles are subject to the EC Directive 2006/66/EC (Batteries Directive) which regulates the end-of-life disposal and management of batteries. Member states are required under current regulations to set up collection schemes for waste automotive batteries. The directive also includes obligations in relation to the efficiencies of the recycling processes to which batteries are subject, depending on their chemical composition. As part of Extended Producer Responsibility (EPR), producers of batteries and devices that incorporate batteries are responsible for waste management of batteries, in particular the financing of collection and recycling schemes.¹¹

Based on these policies, procedures, and assessments, Sustainalytics is of the opinion that Leasys has adequate measures in place and therefore is well-positioned to manage and mitigate environmental and social risks commonly associated with the eligible category.

Section 3: Impact of Use of Proceeds

The use of proceeds category, Clean Transportation, is aligned with those recognized by the GBP. Sustainalytics has focused below on how the impact is specifically relevant in Leasys' operational local context.

Importance of clean transportation for GHG reduction in Europe

As the third largest GHG emitter by the year 2018, the EU has a crucial role to play in achieving the 1.5°C target of the Paris Climate Agreement.¹² In 2018, the transport sector was responsible for nearly 29% of the EU's GHG emissions¹³, with road transport constituting the highest proportions, approximately 71% of overall transport emissions.¹⁴ To address this issue, the EU 2020 strategy focuses on decarbonizing transport, with a target of achieving an overall reduction of 80-95% on CO₂ emissions by 2050.¹⁵

While Europe's overall car market contracted in 2020 during the pandemic, new electric vehicles (EV) and plug-in hybrid (PHEV) registrations more than doubled to 1.4 million, representing 10% of car sales in Europe.¹⁶ This surge in registrations of electric vehicles was underpinned by existing policy measures such as purchase incentives and stringent vehicle emission standards followed by increased subsidy schemes for EVs as part of stimulus packages to counter the effects of the pandemic. However, the share of EV stock remained low in comparison to the overall car stock.¹⁶

Given the context, and the spread of Leasys' operations across Europe, Sustainalytics notes that Leasys' investments in low emission mobility solutions, such as EVs and s PHEVs as well as supporting electric infrastructure, may result in reduced GHG emissions and, in turn, support the achievement of Paris Climate Agreement targets across the EU member states.

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. This bond issued under the Leasys Green Bond Framework advances the following SDG and target:

Use of Proceeds Category	SDG	SDG target
Clean Transportation	11. Sustainable cities and communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road

⁹ ILO, "HSE Regulation Database - France" at:

https://www.ilo.org/dyn/legosh/en/?p=14100:1100:0::NO:1100:P1100_ISO_CODE3,P1100_SUBCODE_CODE,P1100_YEAR:FRA,,2015:NO

¹⁰ Federal Ministry of Labour and Social Affairs, "European and International Occupational Safety and Health" at: <https://www.bmas.de/EN/Our-Topics/Occupational-Safety-and-Health/european-and-international-occupational-safety-and-health.html>

¹¹ European Commission, "Directive 2006/66/EC of the European Parliament and of the Council of 6 September 2006 on batteries and accumulators and waste batteries and accumulators" (2006) at: <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A32006L0066>

¹² World Resource Institute, "Interactive Chart Shows Changes in the World's Top 10 Emitters", (2020), at: <https://www.wri.org/insights/interactive-chart-shows-changes-worlds-top-10-emitters>

¹³ EEA, "EEA greenhouse gas – data", (2021), at: <https://www.eea.europa.eu/data-and-maps/data/data-viewers/greenhouse-gases-viewer>

¹⁴ EEA, "Greenhouse gas emissions from transport in Europe", (2020), at: <https://www.eea.europa.eu/data-and-maps/indicators/transport-emissions-of-greenhouse-gases-7/assessment>

¹⁵ European Commission, "Clean Transport Systems", (2021), at: https://ec.europa.eu/transport/themes/urban/cts_en

¹⁶ IEA, "Global EV outlook 2021", (2021), at: <https://www.iea.org/reports/global-ev-outlook-2021>

		safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons
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Conclusion

Leasys has developed the Leasys S.p.A Green Bond Framework under which it may issue green bonds and use the proceeds to finance and/or refinance the acquisition of low and zero-emission vehicles and development of related infrastructure such as electric vehicle charging points. Sustainalytics considers that the projects funded by the green bond proceeds are expected to provide positive environmental impact.

The Leasys S.p.A Green Bond 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 Leasys S.p.A Green Bond Framework is aligned with the overall sustainability strategy of the company and that the green use of proceed category will contribute to the advancement of the UN Sustainable Development Goal (11). Additionally, Sustainalytics is of the opinion that Leasys 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 Leasys is well-positioned to issue green bonds and that the Leasys Green Bond Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2021.

Appendix

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

Section 1. Basic Information

Issuer name:	Leasys
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	Leasys S.p.A Green Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	June 14, 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:

- | | |
|--|--|
| ☒ Use of Proceeds | ☒ Process for Project Evaluation and Selection |
| ☒ Management of Proceeds | ☒ Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| ☒ Consultancy (incl. 2 nd opinion) | ☐ Certification |
| ☐ Verification | ☐ Rating |
| ☐ 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, Clean Transportation, 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 11.

Use of proceeds categories as per GBP:

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

Leasys' internal process in evaluation and selecting projects is managed by its Finance Department ("the Department"). On an annual basis, the Department will review and select eligible assets according to the criteria established in the Framework. The Department will also approve allocations of net proceeds on a monthly basis. Sustainalytics considers this process to be in line with market practice.

Evaluation and selection

- | | |
|--|--|
| ☒ Credentials on the issuer's environmental sustainability objectives | ☒ Documented process to determine that projects fit within defined categories |
| ☒ Defined and transparent criteria for projects eligible for Green Bond proceeds | ☐ Documented process to identify and manage potential ESG risks associated with the project |
| ☒ Summary criteria for project evaluation and selection publicly available | ☐ 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):

Leasys' process for management of proceeds is overseen by the Company's Finance Department. Leasys is committed to allocate bond proceeds within two full calendar years from the date of issuance. Pending allocation, unallocated proceeds will be temporarily deposited on Leasys bank accounts and held in cash. This is in line with 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):

Leasys intends to report on allocation of proceeds on its website at least on an annual basis until full allocation. The allocation report may include total amount of eligible portfolio, share of financing vs. refinancing, allocation breakdown by eligible category, outstanding Green Bond list and amount of unallocated proceeds. In addition, Leasys is committed to reporting on relevant impact metrics. Sustainalytics views Leasys' 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 Bond financed share of total investment |
| ☒ Other (<i>please specify</i>):
outstanding green bonds,
breakdown of category,
unallocated proceeds, share of
financing vs refinancing | |

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): number and type of
vehicles, number of charging
points installed |

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): report on
website |
| ☒ Reporting reviewed (if yes, please specify which parts of the reporting are subject to
external review): Allocation and impact report to be externally reviewed in entirety. | |

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:

- | | |
|--|--|
| ☐ Consultancy (incl. 2 nd opinion) | ☐ Certification |
| ☐ Verification / Audit | ☐ Rating |
| ☐ 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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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.

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

About Sustainalytics, a Morningstar Company

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Named
2015: Best SRI or Green Bond Research or Rating Firm
2017, 2018, 2019: Most Impressive Second Opinion Provider

