

# Second-Party Opinion

## Mitsui Fudosan Green Bond Framework



### Evaluation Summary

Sustainalytics is of the opinion that the Mitsui Fudosan Green Bond Framework is credible and impactful and aligns with 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, Green Buildings, is aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments in the eligible category are expected to lead to reduction of carbon emissions from Mitsui Fudosan’s operations and help advance the UN Sustainable Development Goals, specifically SDG 9.



**PROJECT EVALUATION / SELECTION** Mitsui Fudosan has established an ESG Promotion Committee which will be co-chaired by its president and CEO and will be comprised of designated officers and directors from different business areas of the Company. The ESG Promotion Committee will be responsible for overseeing the process of evaluation and selection of eligible projects and the director of the accounting and finance department will be in charge of final allocation decisions. Mitsui Fudosan’s environmental and social risk assessments and mitigation processes as well as the Group’s sustainable procurement standards apply to all allocation decisions made under the Framework. Sustainalytics considers the project selection process in line with market practice.



**MANAGEMENT OF PROCEEDS** Mitsui Fudosan’s accounting and finance department will be responsible for the management and allocation of proceeds to eligible green projects. The proceeds will be tracked using an internal management system and the Company intends to achieve full allocation within 24 months of issuance. The internal management system will include information about allocation of proceeds to eligible projects and loans provided to projects developed by Mitsui Fudosan and its affiliates. Pending allocation, unallocated proceeds will be held in cash equivalents. Sustainalytics considers this process to be in line with market practice.



**REPORTING** Mitsui Fudosan intends to report on the allocation and impact from the projects on its website annually until full allocation. The allocation report will include information on eligible projects financed, amount of allocated proceeds and date of funding, amount of unallocated proceeds and expected timeline to allocate the unallocated proceeds. An external third party will review the allocation reporting. In addition, Mitsui Fudosan is committed to reporting on relevant impact indicators. Sustainalytics views Mitsui Fudosan’s reporting system as aligned with market practice.

### Alignment with Japan’s Green Bond Guidelines 2020

Sustainalytics is of the opinion that the Mitsui Fudosan Green Bond Framework is in line with Japan’s Green Bond Guidelines 2020 (elements described with the word “should”) developed by the Ministry of the Environment of Japan.

<sup>1</sup> This document is an update of a Second-Party Opinion originally published in August 2020.

<b>Evaluation Date</b>	January 05, <sup>1</sup> 2022
<b>Issuer Location</b>	Tokyo, Japan

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## Introduction

Mitsui Fudosan Co. Ltd (“Mitsui Fudosan”, or the “Company”) is a real estate company founded in 1941, headquartered in Tokyo, Japan and present in several cities in the US and Europe. Mitsui Fudosan’s operations focus on the commercial and residential real estate market, mainly in the development and operations of office buildings and commercial facilities, hotels, and resorts, as well as the sales and management of condominiums.<sup>2</sup>

Mitsui Fudosan has developed the Mitsui Fudosan Green Bond Framework (the “Framework”) under which it intends to issue green bonds and use the proceeds to finance and/or refinance, in whole or in part, existing and/or future green building projects by Mitsui Fudosan, or one of its affiliates, expected to lead to the reduction of carbon emissions from Mitsui Fudosan’s operations. The Framework defines eligibility criteria in one area:

### 1. Green Buildings

Mitsui Fudosan engaged Sustainalytics to review the Mitsui Fudosan Green Bond Framework, dated December 2021, and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP)<sup>3</sup> and Japan’s Green Bond Guidelines 2020.<sup>4</sup> The Framework has been published in a separate document.<sup>5</sup>

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

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent<sup>6</sup> 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 and Japan’s Green Bond Guidelines 2020;
- 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 1.11.2, 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 Mitsui Fudosan’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. Mitsui Fudosan representatives have confirmed (1) they understand it is the sole responsibility of Mitsui Fudosan 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 Mitsui Fudosan.

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

<sup>2</sup> Mitsui Fudosan, “History”, assessed on 12 December 2021, at: [https://www.mitsuifudosan.co.jp/english/corporate/about\\_us/history/](https://www.mitsuifudosan.co.jp/english/corporate/about_us/history/)

<sup>3</sup> 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/>.

<sup>4</sup> Ministry of the Environment, Japan, “Green Bond Guidelines, 2020”, at: [http://www.env.go.jp/policy/guidelines\\_set\\_version\\_with%20cover.pdf](http://www.env.go.jp/policy/guidelines_set_version_with%20cover.pdf)

<sup>5</sup> The Mitsui Fudosan Green Bond Framework is available on Mitsui Fudosan’s website at: <https://www.mitsuifudosan.co.jp/>.

<sup>6</sup> 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.

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

## Sustainalytics' Opinion

### Section 1: Sustainalytics' Opinion on the Mitsui Fudosan Green Bond Framework

Sustainalytics is of the opinion that the Mitsui Fudosan Green Bond Framework is credible and impactful and aligns with the four core components of the GBP. Sustainalytics highlights the following elements of Mitsui Fudosan's Green Bond Framework:

- Use of Proceeds:
  - The eligible category - Green Buildings - is aligned with those recognized by the GBP. Sustainalytics considers that investments in the eligible category are expected to reduce carbon emissions from Mitsui Fudosan's operations.
  - Mitsui Fudosan has established a 24-month look-back period for the financing and refinancing of expenditures, which Sustainalytics considers to be in line with market practice.
  - Mitsui Fudosan intends to finance or refinance the construction, renovation and acquisition of residential and commercial properties and logistic facilities that meet one of the following eligibility criteria:
    - New, existing or refurbished buildings that have obtained or are expected to obtain one of the following green building certifications at the following minimum levels: LEED (Gold or above), BREEAM (Excellent or above), CASBEE ("A" or above), DBJ Green Building Certification (4 stars or above), BELS (4 stars or above), BCA Green Mark Certification (Gold or above), HQE (Excellent or above), DGNB (Gold or above) and Green Star (5 star or above). Sustainalytics views these certification schemes to be credible and impactful and the selected levels as aligned with market practice. Please refer to Appendix 2 for an assessment of these third-party certifications.
    - Buildings that are in the top 15% most energy-efficient buildings in the region based on the Climate Bonds Initiative's Location Specific Criteria for Commercial Buildings & Calculator<sup>7</sup> and/or the Climate Bonds Initiative's Location Specific Criteria for Residential Buildings & Calculator.<sup>8</sup> Sustainalytics considers this to be in line with market practice.
    - Additionally, Mitsui Fudosan may finance the refurbishment of buildings and building sub-systems that achieve savings in energy or emissions performance improvement or net primary energy demand of at least 20% in comparison to baseline performance before renovation. Intended sub-systems include LED lighting system, other energy efficient lighting, cool roofs and smart meters among others. Mitsui Fudosan has confirmed that the installation of sub-systems is aimed to increase energy efficiency and not intended for any inherent carbon-intensive or fossil-fuel reliant

<sup>7</sup> Climate Bond Standards, "Standard", assessed on 12 December 2021, at: <https://www.climatebonds.net/standard/buildings/commercial/calculator>

<sup>8</sup> Climate Bond Standards, "Standard", assessed on 12 December 2021, at: <https://www.climatebonds.net/standard/buildings/residential/calculator>

- assets/processes. Sustainalytics views the Framework's inclusion of a defined energy performance threshold for building refurbishment as aligned with market practice.
- The Company has confirmed to Sustainalytics that any logistic facilities financed will not be used for storage/transportation of fossil fuel, which is in line with market practice.
  - Project Evaluation and Selection:
    - Mitsui Fudosan has established an ESG Promotion Committee which will be co-chaired by its president and CEO and will be comprised of designated officers and directors from different business area of the Company.
    - The ESG Promotion Committee will be responsible for overseeing the process of evaluation and selection of eligible projects and the director of the accounting and finance department will be in charge of final allocation decisions.
    - Mitsui Fudosan's environmental and social risk assessments and mitigation processes, as well as the Group's sustainable procurement standards apply to all allocation decisions made under the Framework. Sustainalytics considers these risk management systems to be adequate; for additional detail, please see Section 2.
    - Based on the clear delineation of responsibility for project evaluation and selection and the presence of risk management processes, Sustainalytics considers these processes to be in line with market practice.
  - Management of Proceeds:
    - Mitsui Fudosan's Accounting and Finance Department will be responsible for the management and allocation of proceeds to eligible projects. The proceeds will be tracked using an internal management system.
    - The internal management system will include information about the allocation of proceeds to eligible projects and loans provided to projects developed by Mitsui Fudosan and its affiliates.
    - Pending allocation, unallocated proceeds will be held in cash equivalents. The Company intends to achieve full allocation within 24 months of issuance.
    - Based on the presence of an internal tracking system, allocation timeframe and the disclosure on temporary allocation, Sustainalytics considers this process to be in line with market practice.
  - Reporting:
    - Mitsui Fudosan intends to report on the allocation and impact from the projects on its website annually until full allocation. The allocation report will include information on eligible projects financed, amount of allocated proceeds and date of funding, amount of unallocated proceeds and an expected timeline to allocate the unallocated proceeds. An external third party will review the allocation reporting.
    - In addition, Mitsui Fudosan is committed to reporting on relevant impact indicators, such as GHG emissions (tCO<sub>2</sub>e), energy consumption, water usage, type and level of certification of green project.
    - Based on the annual allocation and impact reporting commitment, Sustainalytics considers this process to be in line with market practice.

#### **Alignment with Green Bond Principles 2021**

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

#### **Alignment with Japan's Green Bond Guidelines 2020**

Sustainalytics is of the opinion that the Framework is in line with Japan's Green Bond Guidelines 2020 developed by the Ministry of the Environment of Japan. The guidelines communicate what an issuer should do to issue a credible green bond. Sustainalytics assessed the alignment between the Framework and the elements described with the word "should" outlined in Japan's Green Bond Guidelines 2020. For detailed information please refer to Appendix 1: Alignment with Japan's Green Bond Guidelines 2020.

## Section 2: Sustainability Strategy of Mitsui Fudosan

### Contribution of framework to Mitsui Fudosan's sustainability strategy

Sustainalytics is of the opinion that Mitsui Fudosan is committed to integrating sustainability considerations in its operations, considering the strategies in the Company's decarbonization action plan.<sup>9</sup> Under said plan, the Company set several targets related to its contribution towards a low-carbon economy, mainly through the development of green buildings, increased use of renewable energy, reduction in waste and water consumption. In terms of GHG emissions, the Company targets reducing its GHG emissions by 40% by FY2030 compared to FY2019 and achieve zero energy building (ZEB) level environmental performance in all new construction in Japan in the same timeframe. The Company's long-term goal is to achieve climate neutrality by FY2050. To achieve this, it intends to engage with its stakeholders and promote clean technologies, such as offshore wind and geothermal power generation. The Company has also set targets to scale up its solar energy capacity to 380 million kWh/year by FY2030, approximately five times more than in FY2019, to secure clean power for all of its facilities in the Tokyo metropolitan area.<sup>10</sup> As part of its RE 100 Initiative, Mitsui Fudosan has committed to source from renewable sources 100% of the electricity to be used in its operations, including the properties owned by the Company by FY2050.<sup>11</sup> Additionally, the Company has set a goal of reducing energy consumption per base unit of floor area by an average of 1% every year.<sup>12</sup>

To further contribute to its business-related environmental performance, the Company is striving to reduce clean water and industrial water use per base unit of floor area from the previous fiscal year through measures such as installing water-saving equipment in its properties and using rainwater and grey water (processed wastewater).<sup>13</sup> Furthermore, the Mitsui Fudosan Group Long-Term Vision "VISION 2025" established "Reduce environmental impact and generate energy" as one of six priority goals.<sup>14</sup> Finally, Mitsui Fudosan's application of its Group Environmental Policy addresses climate change, environmental pollution, use of resources, biodiversity and environmental supply chain impacts, as the Company works on reducing the environmental impact of its properties.<sup>15</sup>

In order to pursue the above-mentioned vision and goals, Mitsui Fudosan has established an ESG Promotion Committee, headed by its president and CEO, to develop targets and improve its environmental performance in accordance with the Group Environmental Policy.<sup>16</sup> Sustainalytics is of the opinion that the use of proceeds will further contribute to reducing the environmental impact of properties owned by Mitsui Fudosan, such as from energy consumption and water use, and to achieving the long-term environmental goals set out by the Company.

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

While Sustainalytics recognizes that the net proceeds from the bonds 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 of workers, adverse impacts on ecosystems, waste discharges such as emissions and effluents, and consumption of energy and water associated with the development, construction and operation of green buildings.

Sustainalytics is of the opinion that Mitsui Fudosan is able to manage or mitigate potential risks through implementation of the following:

- Mitsui Fudosan has set up a Health Management Center (HMC) to manage worker health and safety and a Health Consultation Service for employees to discuss health issues with industrial physicians, public health nurses, and licensed psychologists. The Company also defines its Sustainable Procurement Standards to ensure the health and safety of its employees and external suppliers, including compliance with laws and regulations, respect for human rights related to labour and risk

<sup>9</sup> Mitsui Fudosan, "Group Action Plan to Realize Decarbonized Society", (2021), at: <https://www.mitsuifudosan.co.jp/english/corporate/news/2021/1124/download/20211124.pdf>

<sup>10</sup> Mitsui Fudosan, "Group Action Plan to Realize Decarbonized Society", (2021), at: <https://www.mitsuifudosan.co.jp/english/corporate/news/2021/1124/download/20211124.pdf>

<sup>11</sup> Mitsui Fudosan, "Mitsui Fudosan Joins RE100", (2020), at: [https://www.mitsuifudosan.co.jp/english/corporate/news/2020/0228\\_02/download/20200228\\_02.pdf](https://www.mitsuifudosan.co.jp/english/corporate/news/2020/0228_02/download/20200228_02.pdf)

<sup>12</sup> Mitsui Fudosan, "Climate Change and Other Environmental Data", at: [https://www.mitsuifudosan.co.jp/english/corporate/esg\\_csr/environment/05.html](https://www.mitsuifudosan.co.jp/english/corporate/esg_csr/environment/05.html)

<sup>13</sup> Mitsui Fudosan, "Water", at: [https://www.mitsuifudosan.co.jp/english/corporate/esg\\_csr/environment/03.html](https://www.mitsuifudosan.co.jp/english/corporate/esg_csr/environment/03.html)

<sup>14</sup> Mitsui Fudosan, "Vision 2025", (2018), at: [https://www.mitsuifudosan.co.jp/english/corporate/about\\_us/vision2025/pdf/vision2025.pdf](https://www.mitsuifudosan.co.jp/english/corporate/about_us/vision2025/pdf/vision2025.pdf)

<sup>15</sup> Mitsui Fudosan, "Environmental Initiative Policy", at: [https://www.mitsuifudosan.co.jp/english/corporate/esg\\_csr/environment/01.html](https://www.mitsuifudosan.co.jp/english/corporate/esg_csr/environment/01.html)

<sup>16</sup> Mitsui Fudosan, "Environmental Management System", at: [https://www.mitsuifudosan.co.jp/english/corporate/esg\\_csr/environment/02.html](https://www.mitsuifudosan.co.jp/english/corporate/esg_csr/environment/02.html)

management.<sup>17</sup> The director in charge of personnel holds the responsibility of overseeing the HMC and improving the activities relating to occurrences of accidents or occupational injuries.<sup>18</sup>

- In order to manage and reduce impact on ecosystems from new development projects, Mitsui Fudosan conducts an environmental and biodiversity impact assessment in accordance with laws, regulations and ordinances relating to environmental impact assessments and protection of the natural environment.<sup>19</sup>
- In order to prevent impacts on the environment and on the health of users of buildings caused by air pollution, water contamination, soil pollution, emissions of hazardous materials, and wastes, Mitsui Fudosan is committed to complying with relevant laws, regulations and ordinances, including the following Japanese laws: Soil Contamination Countermeasures Act, Air Pollution Control Act, Water Pollution Prevention Act, among others. The Company also endeavours to control and appropriately manage and treat emissions of substances not subject to regulations.<sup>20</sup> In addition, the Company continuously measures and discloses environmental data, including energy consumption, water use, waste emissions and GHG emissions from its properties.<sup>21</sup>

Based on these policies, standards and assessments, Sustainalytics is of the opinion that Mitsui Fudosan 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 category, Green Buildings, described in the Framework is recognized by the GBP as projects expected to produce positive environmental impacts. Sustainalytics summarizes the specific potential for positive environmental impacts in Japan as follows:

#### Importance of green buildings for reducing environmental footprint in Japan

The building sector was responsible for approximately 36% of global energy use and 40% of global CO<sub>2</sub> emissions in 2017, according to the World Green Building Council.<sup>22</sup> In Japan, residential, commercial and other buildings<sup>23</sup> account for approximately 30% of the country's total CO<sub>2</sub> emissions.<sup>24</sup> Japan further updated its NDC target in April 2021 from 26% to 46% reduction in GHG emissions by 2030 in comparison to 2013 and committed to achieve net zero emissions by 2050.<sup>25</sup>

Given the significant contribution of buildings in the country's total CO<sub>2</sub> emissions, the Japanese government has been working to strengthen energy saving measures in buildings. The government promulgated the Building Energy Efficiency Act in 2015, which sets mandatory energy efficiency standards for large-scale non-residential buildings.<sup>26</sup> The Japanese government has also set a target of reducing CO<sub>2</sub> emissions from residential, commercial and other buildings by 40% by 2030 in the NDC submitted in 2020. Improving the energy efficiency of buildings plays a significant role in Japan's measures against climate change, and the Japanese government is aiming to achieve this goal by promoting compliance with energy saving standards in new buildings, refurbishing existing buildings, implementing energy management systems, and introducing efficient lighting equipment.<sup>27</sup>

Based on the above, Sustainalytics is of the opinion that the use of proceeds from Mitsui Fudosan's green bonds issued under the Framework are expected to play an important role in financing green buildings and creating positive environmental impact while supporting the Japanese government's goals of reducing GHG

<sup>17</sup> Mitsui Fudosan, "Social Supply Chain", at: [https://www.mitsui-fudosan.co.jp/english/corporate/esg\\_csr/society/04.html#p01](https://www.mitsui-fudosan.co.jp/english/corporate/esg_csr/society/04.html#p01)

<sup>18</sup> Mitsui Fudosan, "Health and Safety", at: [https://www.mitsui-fudosan.co.jp/english/corporate/esg\\_csr/society/01.html](https://www.mitsui-fudosan.co.jp/english/corporate/esg_csr/society/01.html)

<sup>19</sup> Mitsui Fudosan, "Biodiversity", at: [https://www.mitsui-fudosan.co.jp/english/corporate/esg\\_csr/environment/06.html#p04](https://www.mitsui-fudosan.co.jp/english/corporate/esg_csr/environment/06.html#p04)

<sup>20</sup> Mitsui Fudosan, "Environmental Pollution and Resources", at: [https://www.mitsui-fudosan.co.jp/english/corporate/esg\\_csr/environment/04.html](https://www.mitsui-fudosan.co.jp/english/corporate/esg_csr/environment/04.html)

<sup>21</sup> Mitsui Fudosan, "Third-Party Verification", at: [https://www.mitsui-fudosan.co.jp/english/corporate/esg\\_csr/third-party\\_verification/index.html#date3\\_E03](https://www.mitsui-fudosan.co.jp/english/corporate/esg_csr/third-party_verification/index.html#date3_E03)

<sup>22</sup> Global Alliance for Buildings and Construction, "2018 Global Status Report: towards a zero-emissions, efficient and resilient buildings and construction sector", at: <https://www.worldgbc.org/sites/default/files/2018%20GlobalABC%20Global%20Status%20Report.pdf>

<sup>23</sup> Other buildings include offices and service blocks.

<sup>24</sup> Ministry of the Environment of Japan, "Japan's National Greenhouse Gas Emissions in Fiscal Year 2019 (Preliminary Figures) <Executive Summary>", at: <https://www.env.go.jp/press/798.pdf>

<sup>25</sup> AP News, "Japan raises emissions reduction target to 46% by 2030", at: <https://apnews.com/article/joe-biden-climate-yoshihide-suga-carbon-neutrality-summits-3690e8078574dd69de658c60b6d4a167>

<sup>26</sup> Institute for Building Environment and Energy Conservation, "Overview of the Act on the Improvement of Energy Consumption Performance of Buildings (Building Energy Efficiency Act)", at: <https://www.mlit.go.jp/common/001134876.pdf>

<sup>27</sup> UNFCCC, "Submission of Japan's Intended Nationally Determined Contribution (INDC)", at: [https://www.env.go.jp/en/earth/cc/2030indc\\_mat01.pdf](https://www.env.go.jp/en/earth/cc/2030indc_mat01.pdf)

emissions and increasing energy efficiency in buildings in Japan and contributing towards the transition towards a low-carbon economy.

#### Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by the year 2030. The bonds issued under the Mitsui Fudosan Green Bond Framework are expected to help advance the following SDG and target:

Use of Proceeds Category	SDG	SDG target
Green Buildings	9. Industry, innovation and infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

#### Conclusion

Mitsui Fudosan has developed the Mitsui Fudosan Green Bond Framework under which it may issue green bonds and use the proceeds to finance green buildings. Sustainalytics considers that the projects funded by the green bond proceeds are expected to provide positive environmental impact.

The Mitsui Fudosan 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 Mitsui Fudosan Green Bond Framework is aligned with the overall sustainability strategy of the Company and that the green use of proceeds category is expected to contribute to the advancement of the UN Sustainable Development Goal 9. Additionally, Sustainalytics is of the opinion that Mitsui Fudosan has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the proceeds.

Based on the above, Sustainalytics is confident that Mitsui Fudosan Co. Ltd is well positioned to issue green bonds and that the Mitsui Fudosan Green Bond Framework is robust, transparent and in alignment with the four core components of the Green Bond Principles 2021.

## Appendices

### Appendix 1: Alignment with Japan’s Green Bond Guidelines 2020

Four elements	Alignment	Sustainalytics’ comments
1. Use of Proceeds	Yes	The use of proceeds category defined by Mitsui Fudosan in this Framework, Green Building, is recognized in Japan’s Green Bond Guidelines 2020 as a project category with clear environmental benefits. In the Framework, the Company also provides an explanation about the measures to manage and mitigate environmental risks associated with the eligible projects, allowing investors to access in advance. The eligibility criteria explain that the proceeds will be allocated to expenditures on properties that have received or are expected to receive green building certifications by a third-party verifier, or buildings that fall within the top 15% of most energy-efficient buildings in the region based on Climate Bonds Initiative’s Location Specific Criteria for Commercial Buildings & Calculator <sup>28</sup> and/or Climate Bonds Initiative’s Location Specific Criteria for Residential Buildings <sup>29</sup> criteria for the respective countries, or refurbishments of properties that result in energy or emissions performance improvement or primary energy demand of minimum 20% more than the baseline. Additionally, Mitsui Fudosan confirmed to Sustainalytics that it will disclose the asset’s age and remaining useful life and the amount to be refinanced as at the time of the bond issuance, in cases when refinancing an asset that needs to be maintained for a long period of time through issuing multiple green bonds.
2. Process for Project Evaluation and Selection	Yes	In the Framework, the Company explains environmental goals that it aims to achieve through the issuance of green bonds. It also describes, in the Framework, the eligibility criteria and the process for assessing and selecting eligible projects.
3. Management of Proceeds	Yes	In the Framework, the Company explains that, until the maturity of green bond, the Finance Group at its Accounting and Finance Department will track and manage the amounts of allocated and unallocated proceeds, using an internal management system. Internal management system will include information about allocation of proceeds to Eligible Green Projects and loans provided to projects developed by Mitsui Fudosan’s affiliates. The Company will track the allocation of proceeds from the green bond issuance once a year, and confirms that the amount allocated to eligible projects is equal to the net proceeds from the green bond until the maturity of the green bond. The Company intends to complete the allocation of proceeds within two years after the issuance of the green bonds. Unallocated proceeds will be managed in cash equivalents.
4. Reporting	Yes	In the Framework, Mitsui Fudosan describes that it has committed to reporting on the allocation of proceeds and positive environmental impacts annually, until the full allocation

<sup>28</sup> Climate Bond Standards, “Standard”, at: <https://www.climatebonds.net/standard/buildings/commercial/calculator>

<sup>29</sup> Climate Bond Standards, “Standard”, at: <https://www.climatebonds.net/standard/buildings/residential/calculator>

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of proceeds and on a timely basis in the event of new developments and material changes that may occur after full allocation. The allocation report will include an overview of Eligible Green Projects funded, amount of allocated proceeds and date of funding, amount of unallocated proceeds and expected timeline to allocate. The impact report will include relevant impact indicators such as GHG emissions (tCO<sub>2</sub>e), energy consumption, water usage, type and level of certification of Eligible Green Projects.

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## Appendix 2: Green Building Certification Schemes

	LEED <sup>30</sup>	BREEAM <sup>31</sup>	CASBEE Certification <sup>32</sup>	DBJ Green Building Certification <sup>33</sup>	BELS <sup>34</sup>	BCA Green Mark <sup>35</sup>	HQE <sup>36</sup>	DGNB <sup>37</sup>	Green Star <sup>38</sup>
<b>Background</b>	Leadership in Energy and Environmental Design (LEED) is a US Certification System for residential and commercial buildings used worldwide. LEED was developed by the non-profit U.S. Green Building Council (USGBC) and covers the design, construction, maintenance and operation of buildings.	BREEAM (Building Research Establishment Environmental Assessment Method) was first published by the Building Research Establishment (BRE) in 1990. Based in the UK, this scheme can be used for new, refurbished and extension of existing buildings.	The Comprehensive Assessment System for Built Environment Efficiency (CASBEE) Certification is a green building certification scheme in Japan, which a third party certifies the environmental performance of buildings. The certification scheme includes, based on types of buildings: CASBEE for Buildings, CASBEE for Real Estate, and CASBEE for Housing.	The Development Bank of Japan (DBJ) Green Building Certification Programme was launched by Development Bank of Japan in 2011 and is operated in conjunction with the Japan Real Estate Institute (JREI), a major appraisal firm in Japan. The certification scheme is recognized as one of Japan's major regional standards. The certification is available for office buildings, logistics, residential,	The Building-Housing Energy-efficiency Labelling System (BELS) is an energy performance label, issued under guidelines established by Japan's Ministry of Land, Infrastructure, Transport, and Tourism. The BELS certification scheme evaluates primary energy consumption in order to measure performance of energy conservation.	The BCA Green Mark Scheme provides real estate certifications in Singapore to promote sustainability in the built environment (during project conceptualization and design, as well as during construction.)	The Haute Qualité Environnementale or HQE (High Quality Environmental standard) is a standard for green building in France, based on the principles of sustainable development first set out at the 1992 Earth Summit. The standard was launched in 2005 and is controlled by HQE and certificate is issued by Cerway/Certivea/Cerqual.	The German Green Building Certification or DGNB was developed in 2007 by the non-profit German Sustainable Building Council in partnership with the German Federal Ministry of Transport, Building, and Urban Affairs in order to actively encourage sustainable building.	Green Star is an environmental (design) rating system developed by the Green Building Council of Australia (GBCA). Based on the elements of BREEAM as well as LEED, Green Star was developed with tailored considerations to the local climate and the building standards and regulations. It assesses several environmental factors related to the

<sup>30</sup> U.S. Green Building Council, "Green building leadership is LEED", at: <https://new.usgbc.org/leed>

<sup>31</sup> BREEAM, "What is BREEAM?", at: <https://www.breeam.com/>.

<sup>32</sup> Institute for Building Environment and Energy Conservation, "CASBEE certification scheme (Japanese only)", at: <http://www.ibec.or.jp/CASBEE/certification/certification.html>.

<sup>33</sup> Development Bank of Japan, Japan Real Estate Institute (JREI), "DBJ Green Building", at: <http://igb.jp/en/index.html>.

<sup>34</sup> Association for Housing Performance Evaluation & Labeling, "Building-Housing Energy-efficiency Labelling System Building Energy-efficiency Performance Labeling System (Japanese only)", at: <https://www.hyokakyokai.or.jp/bels/bels.html>.

<sup>35</sup> Singapore Government, "BCA Green Mark", at: [https://www.bca.gov.sg/greenmark/green\\_mark\\_buildings.html](https://www.bca.gov.sg/greenmark/green_mark_buildings.html)

<sup>36</sup> Cerway, "HQE", at: <http://www.behqe.com/>



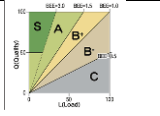






<sup>37</sup> DGNB GmbH, "DGNB", at: <http://www.dgnb-system.de/en/>

<sup>38</sup> Green Building Council Australia, "Exploring Green Star", at: <https://new.gbca.org.au/green-star/exploring-green-star/>

				and retail facilities.					building design.
<b>Certification levels</b>	<ul style="list-style-type: none"> <li>• Certified</li> <li>• Silver</li> <li>• Gold</li> <li>• Platinum</li> </ul>	<ul style="list-style-type: none"> <li>• Pass</li> <li>• Good</li> <li>• Very Good</li> <li>• Excellent</li> <li>• Outstanding</li> </ul>	<ul style="list-style-type: none"> <li>• C (Poor)</li> <li>• B- (Slightly Poor)</li> <li>• B+ (Good)</li> <li>• A (Very Good)</li> <li>• S (Excellent)</li> </ul> <p>* 4-grade evaluation for CASBEE for Real Estate excluding C rank</p>	<ul style="list-style-type: none"> <li>• 1 Star</li> <li>• 2 Stars</li> <li>• 3 Stars</li> <li>• 4 Stars</li> <li>• 5 Stars</li> </ul>	<ul style="list-style-type: none"> <li>• 1 Star</li> <li>• 2 Stars</li> <li>• 3 Stars</li> <li>• 4 Stars</li> <li>• 5 Stars</li> </ul>	<ul style="list-style-type: none"> <li>• Certified</li> <li>• Gold</li> <li>• Gold Plus</li> </ul> <p>Platinum</p>	<ul style="list-style-type: none"> <li>• Pass</li> <li>• Good</li> <li>• Very good</li> <li>• Excellent</li> </ul> <p>Exceptional</p>	<ul style="list-style-type: none"> <li>• Bronze</li> <li>• Silver</li> <li>• Gold</li> <li>• Platinum</li> </ul>	<p><i>For existing buildings only (new buildings can achieve 4- 6 Star Green Star certifications only):</i></p> <ul style="list-style-type: none"> <li>• 1-star Green Star (Minimum Practice)</li> <li>• 2-stars Green Star (Average Practice)</li> <li>• 3-stars Green Star (Good Practice)</li> <li>• 4-stars Green Star (Best Practice)</li> <li>• 5-stars Green Star (Australian Excellence)</li> <li>• 6-stars Green Star (World Leadership)</li> </ul>
<b>Areas of assessment</b>	<ul style="list-style-type: none"> <li>• Energy and atmosphere</li> <li>• Sustainable Sites</li> <li>• Location and Transportation</li> <li>• Materials and resources</li> <li>• Water efficiency</li> </ul>	<ul style="list-style-type: none"> <li>• Management</li> <li>• Energy</li> <li>• Land Use and Ecology</li> <li>• Pollution</li> <li>• Transport</li> <li>• Materials</li> <li>• Water</li> <li>• Waste</li> </ul>	<ul style="list-style-type: none"> <li>• Energy Efficiency</li> <li>• Resource efficiency</li> <li>• Local environment</li> <li>• Indoor environment</li> </ul>	<ul style="list-style-type: none"> <li>• Energy &amp; Resources (Energy conservation, resource conservation, etc.)</li> <li>• Amenity (Convenience and comfort)</li> </ul>	<ul style="list-style-type: none"> <li>• Energy efficiency</li> </ul>	<ul style="list-style-type: none"> <li>• Climate Responsive Design</li> <li>• Building Energy Performance</li> <li>• Resource Stewardship</li> </ul>	<ul style="list-style-type: none"> <li>• Energy</li> <li>• Environment (Site, Components, Worksite, Water, Waste, Maintenance)</li> <li>• Comfort (Hydrothermal, Acoustic,</li> </ul>	<ul style="list-style-type: none"> <li>• Environment</li> <li>• Economic</li> <li>• Sociocultural and functional aspects</li> <li>• Technology</li> <li>• Processes</li> <li>• Site</li> </ul>	<ul style="list-style-type: none"> <li>• Management</li> <li>• Indoor environmental quality</li> <li>• Energy</li> <li>• Transport</li> <li>• Water</li> <li>• Materials</li> </ul>

	<ul style="list-style-type: none"> <li>Indoor environmental quality</li> <li>Innovation in Design</li> <li>Regional Priority</li> </ul>	<ul style="list-style-type: none"> <li>Health and Wellbeing</li> <li>Innovation</li> </ul>	<ul style="list-style-type: none"> <li>* Areas for assessment of CASBEE for Real Estate are energy/GHG, water, resource, biodiversity, indoor environment</li> </ul>	<ul style="list-style-type: none"> <li>Resilience (Environmental risks, legal compliance, etc.)</li> <li>Community &amp; Diversity (Consideration for the surrounding environment and biodiversity, etc.)</li> <li>Partnership (information disclosure, etc.)</li> </ul>		<ul style="list-style-type: none"> <li>Smart and Healthy Buildings</li> <li>Advanced Green Efforts</li> </ul>	<ul style="list-style-type: none"> <li>Visual, Olfactory)</li> <li>Health (Spaces quality, Air Quality, Water Quality)</li> <li>Principles of Equivalence</li> </ul>		<ul style="list-style-type: none"> <li>Land use and ecology</li> <li>Emissions</li> <li>Innovation</li> </ul>
<b>Requirements</b>	<p>Minimum requirements independent of level of certification; point based scoring system weighted by category to determine certification level. The rating system is adjusted to apply to specific sectors, such as: New Construction, Major Renovations, Core and Shell Development, Schools-/Retail/Healthcare New Construction and Major Renovations, and Existing Buildings: Operation and Maintenance.</p>	<p>Minimum requirements depending on the level of certification; scoring system weighted by category, producing a percentage-based overall score. The majority of BREEAM issues are flexible, meaning that the client can choose which to comply with to build their performance score. BREEAM has two stages/audit reports: a 'BREEAM Design Stage' and a</p>	<p>Score-based performance level. CASBEE uses the BEE (Built Environment Efficiency) as its assessment indicator, which is calculated from Q (Built Environment Quality) as the numerator and L (Built Environment Load) as the denominator. Q and L are obtained through the classification and</p>	<p>Score-based performance level. The assessment has a full score of 300 points and consists of 85 questions, 73 of which are regular questions and 12 of which are questions on innovative initiatives. JREI will conduct on the ground review of building performance on the</p>	<p>Score-based performance level. The BELS score is based on the Building Energy Index, obtained by comparing the energy consumption of a building to the standard primary energy consumption of the building type in official guidelines. A two-star rating is equivalent to</p>	<p>Prerequisites for each performance area (to demonstrate minimum criteria met) + numerical scores achieved in accordance with the criteria in each performance area. Performance Areas have different weights.<sup>39</sup> Depending on the level of building performance and numerical score achieved</p>	<p>Prerequisites (independent of level of certification) + Points-based performance level: Performing and High Performing. The Prerequisite level is obtained when all the minimum requirements for a target are met, while the Performing and High Performing levels are obtained based on a percentage of points given</p>	<p>Percentage-based performance index. The total performance index (expressed as a percentage) is calculated by adding the six key areas of assessment. The environmental, economic, sociocultural and functional aspects and technical quality each account for 22.5% of the total, process accounts for</p>	<p>There are conditional as well as minimum requirements in several credits, based on the rating tool, that are required to be selected for compliance. There are several rating tools within Green Star. Each rating tool is designed to apply to a specific sector with specific</p>

<sup>39</sup> Green Mark at: [https://www.bca.gov.sg/GreenMark/others/Green\\_Mark\\_NRB\\_2015\\_Criteria.pdf](https://www.bca.gov.sg/GreenMark/others/Green_Mark_NRB_2015_Criteria.pdf)

		<p>'Post Construction Stage', with different assessment criteria.</p>	<p>rearrangement of the four areas of assessment.</p> <p>Buildings may receive ranks ranging from C (poor) to S (excellent), in order of increasing BEE value.</p> <p>For authorization, a building must receive a report from the CASBEE Certification system, which is afterwards assessed by the local government.</p> <p>* CASBEE for Real Estate does not use BEE, additional point system. Certification will not be given, if required item are not met.</p>	<p>indicators above, and a committee set in JREI will decide the result of certification rank.</p>	<p>er abbreviation&gt; o meeting existing energy conservation standards, with higher star ratings implying greater savings.</p> <p>The score is calculated by an accredited third party.</p>	<p>in performance area, building's level of certification is determined.</p> <p>Assessment of compliance with Green Mark criteria is done by the Singapore Building and Construction Authority (BCA).</p>	<p>per target, allowing for flexibility.</p> <p>Based on the total number of stars obtained per area, an overall HQE level is then given.</p> <p>Environmental certificates are assigned at all stages of the building life cycle, and on-site audits are required.</p>	<p>10% and the site quality is given a separate grade.</p>	<p>eligibility criteria for each of them (e.g. Green Star – Design &amp; As Built; Green Star – Interiors; and Green Star – Performance )</p>
<p><b>Performance Display</b></p>									

<p><b>Qualitative consideration</b></p>	<p>Worldwide recognition and application</p>	<p>Worldwide recognition and application</p>	<p>CASBEE is continuously developed based on industry-government-academia collaboration under the support of Ministry of Land, Infrastructure, Transport and Tourism. In Japan, many local governments have made CASBEE assessment results mandatory for building permits.</p> <p>Compared to similar tools available internationally, CASBEE displays a unique and simple structure.</p>	<p>In addition to LEED and CASBEE, DBJ Green Buildings Certification Programme is considered as one of the green building standards in Japan. According to its website, as of March 2019, 695 properties in Japan are certified by the programme.<sup>40</sup></p>	<p>BELS is aligned with official government standards.</p> <p>The scheme assesses only energy performance, without any broader consideration of holistic environmental factors.</p>				
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<sup>40</sup> Development Bank of Japan, Japan Real Estate Institute (JREI), "DBJ Green Building", at: <http://igb.jp/en/index.html>.

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

### Section 1. Basic Information

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Issuer name:	Mitsui Fudosan Co. Ltd
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	Mitsui Fudosan Green Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	January 05, 2022
Publication date of review publication:	

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### 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 <sup>nd</sup> 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 Green Buildings is aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments in the eligible category will lead to reduction of carbon emissions from Mitsui Fudosan's operation and advance the UN Sustainable Development Goals, specifically SDG 9.

**Use of proceeds categories as per GBP:**

- |   |  |
|---|--|
| <input 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 checked="" 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):

Mitsui Fudosan Co. Ltd has established an ESG Promotion Committee which will be co-chaired by the President and CEO and will be comprised of designated officers and Directors from different business areas of the Company. The ESG Promotion Committee will be responsible for overseeing the process of evaluation and selection of eligible projects and the Director of Accounting and Finance department will be in charge of final allocation decision. Mitsui Fudosan's environmental and social risk assessments and mitigation processes, as well as the Group's sustainable procurement standards apply to all allocation decisions made under 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 Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" 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)*:

Mitsui Fudosan Co. Ltd's Accounting and Finance Department will be responsible for the management and allocation of proceeds to eligible green projects. The proceeds will be tracked using an internal management system and the Company intends to achieve full allocation within 24 months of issuance. Internal management system will include information about allocation of proceeds to eligible projects and loans provided to projects developed by Mitsui Fudosan and its affiliates. Pending allocation, unallocated proceeds will be held in cash equivalents. Sustainalytics considers this process to be 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)*:

Mitsui Fudosan Co. Ltd intends to report on the allocation and impact from the projects on its website annually until full allocation. The allocation report will include information on eligible projects financed, amount of allocated proceeds and date of funding, amount of unallocated proceeds and expected timeline to allocate the unallocated proceeds. An external third-party will review the allocation reporting. In addition, Mitsui Fudosan is committed to reporting on relevant impact indicators. Sustainalytics views the reporting system 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 (*please specify*): Overview of eligible projects, date of allocation, amount and expected date of allocation of unallocated proceeds if any.

**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*): Water usage, energy consumption, and type and level of green building certification received

**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*): Mitsui Fudosan's Corporate website
- 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 <sup>nd</sup> opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification / Audit                        | <input type="checkbox"/> Rating        |
| <input type="checkbox"/> Other ( <i>please specify</i> ):            |  |

**Review provider(s):**
**Date of publication:**
**ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP**

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

## Disclaimer

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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.

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