



Second-Party Opinion

Sanguine Impact Investment Green Bond Framework

Evaluation Summary

Sustainalytics is of the opinion that the Sanguine Impact Investment 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 categories for the use of proceeds – Renewable Energy, Energy Efficiency, Sustainable Transportation, Water Quality and Conservation, and Green Buildings – are aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments in the eligible categories are expected to lead to positive environmental impacts through development of sustainable infrastructure and energy transition in emerging and developing economies, thereby helping to advance the UN Sustainable Development Goals, specifically SDGs 6, 7 and 11.



PROJECT EVALUATION / SELECTION Sanguine’s Green/ Sustainable Investment Committee, which is chaired by Sanguine’s ESG General Manager, will be responsible for evaluating and selecting projects in line with the Framework’s eligibility criteria. Sanguine Impact Investment’s process for conducting individual environmental and social risk assessments as per IFC Performance Standards, is applicable to all allocation decisions under the Framework. Sustainalytics considers these risk management systems to be adequate and the project evaluation and selection process to be aligned with market practice.



MANAGEMENT OF PROCEEDS Sanguine’s chief financial officer will be responsible for the management of proceeds, under the oversight of Sanguine’s board of directors, and will track the allocation of proceeds through a bond register, using a portfolio approach. Sanguine intends to allocate all proceeds within 24 months of issuance. Unallocated proceeds will be held or invested temporarily in cash, deposits or money market instruments. This is in line with market practice.



REPORTING Sanguine Impact Investment intends to report on the allocation and impact of proceeds in its Green Project Bond Report on its website on an annual basis until full allocation. Allocation reporting will include details such as the amount of proceeds allocated, the balance of unallocated proceeds, a list of outstanding bonds and the share of financing and refinancing. In addition, Sanguine is committed to reporting on relevant impact metrics. Sustainalytics views Sanguine’s allocation and impact reporting as aligned with market practice.

Evaluation Date	February 16, 2022
Issuer Location	Luxembourg

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Introduction

Sanguine Securities Sàrl (“Sanguine” or the “Company”) headquartered in Luxembourg, is a member of the Sanguine Impact Investment group¹ which invests in critical infrastructure in emerging markets and developing economies in Asia-Pacific, Southeast Asia, and Sub-Saharan Africa. Established in 2012, Sanguine targets investment in sustainable infrastructure and energy transition projects.

Sanguine has developed the Sanguine Impact Investment Green Bond Framework (the “Framework”) under which it intends to issue green bonds and use the proceeds to finance or refinance, in whole or in part, existing or future projects that are expected to create meaningful environmental benefits through development of sustainable infrastructure and energy transition in emerging and developing economies. Members of the Sanguine Group, may use the proceeds of the bond to finance eligible projects.² The Framework defines eligibility criteria in five areas:

1. Renewable Energy
2. Energy Efficiency
3. Sustainable Transportation
4. Water Quality and Conservation
5. Green Buildings

Sanguine engaged Sustainalytics to review the Sanguine Impact Investment Green Bond Framework, dated January 2022, and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP).³ This Framework has been published in a separate document.⁴

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

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent⁵ 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 1.11, 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 Sanguine’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. Sanguine representatives have confirmed (1) they understand it is the sole responsibility of Sanguine 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.

¹ The Sanguine Impact Investment group includes Sanguine Holdings B.V., Sanguine Securities Sàrl, Sanguine Global Asset Management Sàrl, Sanguine Holdings (SG) Pte Ltd and Sanguine Asia Pacific Services Pte. Ltd.

² All projects are financed or co-financed by the stated parties which have processes in place to earmark projects financed from the proceeds raised versus those from other sources. Sanguine has confirmed this will also be part of the reporting process.

³ 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/>.

⁴ The Sanguine Impact Investment Green Bond Framework is available on Sanguine’s website at: <https://sanguineinvestment.com/media/>

⁵ 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.

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

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

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

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

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Sanguine Impact Investment Green Bond Framework

Sustainalytics is of the opinion that the Sanguine Impact Investment Green Bond Framework is credible and impactful and aligns with the four core components of the GBP. Sustainalytics highlights the following elements of the Sanguine Impact Investment Green Bond Framework:

- Use of Proceeds:
 - The eligible categories – Renewable Energy, Energy Efficiency, Sustainable Transportation, Water Quality and Conservation, Green Buildings – are aligned with those recognized by the GBP. Sustainalytics expects the projects to create meaningful environmental benefits through investment in sustainable infrastructure and energy transition in emerging and developing economies.
 - Sanguine has defined a look-back period of three years for its refinancing activities, which Sustainalytics considers to be in line with market practice.
 - Under the Renewable Energy category, the Company intends to finance the acquisition, development, operation, refurbishment and maintenance of new and existing renewable energy projects, applications, technologies and associated equipment.
 - Renewable energy projects include onshore and offshore wind, solar PV, green hydrogen, run-of-river hydropower excluding dammed and pumped storage and without an artificial reservoir, geothermal projects with direct emissions intensity below 100 gCO₂/kWh, biofuel projects with life-cycle GHG emissions intensity limited to 100 gCO₂/kWh,⁶ biomass and biogas projects using feedstock sources limited to forestry and agricultural residue. Sanguine has confirmed that hydrogen will use either production by electrolysis powered by renewables or production using 100% sustainably sourced biomass, biogas, or renewable natural gas. Sanguine has also confirmed that for existing hydropower projects, life-cycle carbon intensity will be limited to below 50 gCO₂e/kWh and that environmental impact assessments will be undertaken by a credible third party for any new and existing projects, to ensure no significant risk or expected negative impact is identified.
 - Other expenditures include: (i) battery storage projects powered through solar energy, (ii) microgrids that include expenses towards solar PV, battery storage, inverter, energy

⁶ Sanguine has confirmed to Sustainalytics that biofuel production will have a life cycle emissions reduction threshold of at least 65% lower than the fossil fuel baseline.

management system, distribution poles and wires for transmitting at least 90% electricity from renewable sources, (iii) plants for storage of heat or power, such as compressed air and liquid air energy storage, and (iv) heat and electricity generation from combined heat and power (CHP) stations using biomass, biogas (feedstock sources are limited to forestry and agricultural residue only) or geothermal as feed-in and as per the threshold mentioned above. Sanguine has confirmed no fossil fuel will be used in CHP stations. The Company also intends to invest in the manufacture of equipment for renewable energy projects, such as electrolyzers. Energy storage projects include lithium-ion and flow batteries. Plant modernization will include hydropower refurbishments and solar panel upgrades. Sanguine has confirmed that modernization of existing hydropower plants will not result in increase in the size of reservoir and life-cycle carbon intensity will be limited to 50 gCO₂e/kWh. Sanguine has also confirmed that expenses towards construction activity, operation and maintenance, and land acquisition and leasing are directly linked to eligible renewable energy projects only. Sustainalytics considers these investments to align with market practice.

- In the Energy Efficiency category, the Company intends to finance energy efficiency improvements through renovations, efficient technologies and systems. Energy efficiency expenditures include heating optimization, HVAC systems, lighting, solar panel systems, cool roofing, insulation and battery storage (please refer section 2 for details on management of e-waste). Under the same category, the issuer intends to finance heat generation for district heating energy transmission and distribution with energy directly sourced 100% from renewables or industrial waste heat. Additionally, in the case of municipal solid waste, the Company has confirmed that the majority of recyclables will be segregated before conversion. Sustainalytics considers these investments to align with market practice.
- In the Sustainable Transportation category, Sanguine intends to finance vehicles and infrastructure supporting low-carbon transportation, including:
 - Zero-emission public transportation, such as electric light rail, metros, trams and buses, and zero- or low-emission vehicles with a threshold below 75 gCO₂/km.
 - Passenger cars and light commercial vehicles with a threshold below 75 gCO₂/km or with zero CO₂ emissions.
 - Rail and road freight transport and services with zero direct emissions, such as the use of green hydrogen-fuelled heavy haulage and hydrogen refuelling stations. Sanguine has confirmed that freight transport systems will not be used to transport any kind of fossil fuel.
 - Other expenditures include investment in e-bicycles, bicycle lanes, infrastructure for public transport, such as electric vehicle charging stations and hydrogen filling stations. Sustainalytics considers these investments to align with market practice.
- Under the Water Quality and Conservation category, the Company intends to finance the acquisition, installation, operation and maintenance of water capture and treatment systems, technologies and infrastructure, such as water recycling systems, wastewater treatment systems, water capture and storage, stormwater management systems, water distribution systems, aquifer storage, water irrigation systems and water metering activities. The Company has confirmed that wastewater treatment plants exclude fossil fuel operations, and expenses towards construction activity, operation and maintenance, land acquisition and leasing projects are directly linked to eligible projects only. Sustainalytics considers these investments to align with market practice.
- Under the 'Green Buildings' category, Sanguine intends to finance the construction or renovation of new or existing residential and commercial buildings that have achieved or are expected to achieve third-party green building certifications, such as LEED (Gold or above) or Living Building Challenge and other credible and recognized third-party green building standards with achievement of a minimum rating level. Sustainalytics considers the referenced certifications to be robust and to provide a positive environmental impact but also notes that it is market expectation to specify all eligible schemes in the bond framework and encourages the Issuer to report on any other schemes they intend to include. For Sustainalytics' assessment of the referenced certification schemes, please see Appendix 1.

- Sanguine may also finance buildings in the top 15% of their local jurisdiction, based on emissions intensity performance or primary energy demand. Under the same category, Sanguine intends to finance the renovation of existing buildings that achieve an energy performance improvement of at least 20% compared to ASHRAE 90.1-2010. Sanguine also intends to construct new energy efficient buildings and houses that use 25% less energy compared to the ASHRAE 90.1-2010. Sanguine has confirmed that a third-party verifier will be appointed to verify the percentage improvement vs. the baseline ASHRAE 90.1 -2010 for new construction and refurbishment of existing buildings. Additionally, the Issuer may also finance energy efficient systems and technologies that result in a 20% performance improvement, such as heating, cooling, ventilation and lighting. Sustainalytics considers these investments to align with market practice.
- Sanguine will establish e-waste management system consistent to IFC performance standard 3 requirements and good international industry practice (GIIP).⁷
- Sanguine has provided a list of exclusionary activities, such as transport and infrastructure dedicated to fossil fuels, large-scale hydropower, nuclear and fossil fuel projects such as refined or alternative coal, gas-to-liquid and natural gas projects. Sustainalytics considers the presence of such criteria to strengthen the Framework.
- Project Evaluation and Selection:
 - Sanguine's internal process for evaluating and selecting projects is overseen by its Green Sustainable Investment Committee (GSIC), which will meet biannually to review the eligible project portfolio, in line with the Framework's eligibility criteria. The GSIC is chaired by the Company's ESG General Manager, who is responsible for final approval of projects.
 - Sanguine's Asia Pacific Services team, together with the ESG General Manager will conduct an environmental and social risk assessment of each investment opportunity to ensure all projects meet the IFC Performance Standards criteria. Sustainalytics considers this process for management of environmental and social risk to be adequate and aligned with market expectation. For additional detail, see Section 2.
 - Based on the established process for project selection and risk management system, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - Sanguine's Chief Financial Officer is responsible for the management and allocation of proceeds and will track allocations to eligible assets through a green and sustainable bond register (GSBR), using a portfolio approach and under the oversight of the Company's board of directors. The GSBR will be reviewed annually and will include information on the use of proceeds of each bond.
 - Sanguine intends to allocate all proceeds to eligible projects within 24 months of issuance. Unallocated proceeds will be held or invested temporarily in cash, deposits or money market instruments in line with Sanguine's investment guidelines.
 - Based on the establishment of a tracking system and disclosure of the temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - Sanguine intends to publicly report on the allocation and impact of proceeds in its Green Project Bond Report, published on its website on an annual basis until full allocation. Allocation reporting will include the amount of proceeds allocated, the balance of unallocated proceeds, a list of outstanding bonds and the share of financing and refinancing.
 - In addition, the Company is committed to reporting on relevant impact metrics per eligible category, which may include total energy produced in MW or MWh saved or reduced per year, annual ridership of each transit system, volume of water saved, reduced or treated, and estimated avoided GHG emissions. For a full list of all impact indicators, see Appendix 2.
 - Based on the commitment to both allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

⁷ GIIP is defined as the exercise of professional skill, diligence, prudence, and foresight that would reasonably be expected from skilled and experienced professionals engaged in the same type of undertaking under the same or similar circumstances globally or regionally. The outcome of such exercise should be that the project employs the most appropriate technologies in the project-specific circumstances.

Alignment with Green Bond Principles 2021

Sustainalytics has determined that the Sanguine Impact Investment Green Bond Framework aligns with 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 Sanguine

Contribution of the Framework to Sanguine's sustainability strategy

Sustainalytics is of the opinion that Sanguine demonstrates a commitment to sustainability by facilitating investments that support the transition towards a low-carbon and equitable economy through renewable energy generation, sustainable transportation and green buildings. Sanguine's sustainability focus areas include: i) stewardship and engagement, ii) ESG integration, and iii) sustainable investing solutions.

For generating stewardship and engagement, Sanguine encourages its investors to follow strong ESG practices for risk mitigation and long-term value creation. To integrate ESG factors within operational activities, Sanguine has established a Sustainable Investing Policy that includes a governance system and a risk management framework.⁸ As part of its sustainable investment solutions, Sanguine aims to provide profitable impact investment opportunities with a focus on critical infrastructure in emerging markets and developing economies to fill the gap where government initiatives are insufficient to support socio-economic development. Sanguine's investment philosophy is based on its commitment to creating community benefits from investments in sustainable infrastructure, innovative technologies and the renewable energy transition, using the IFC's standards⁹ as a foundation, as well those of other international agencies, including the International Energy Agency,¹⁰ International Renewable Energy Agency,¹¹ ASEAN Centre for Energy,¹² World Energy Council¹³ and Hydrogen Council.¹⁴

Regarding sustainable investing solutions, Sanguine's Infrastructure Protected Fund is a USD 1 billion fund focusing on project financing in Sub-Saharan Africa. Sanguine's Asia Pacific Renewable Energy Fund is a USD 250 million equity fund investing in renewable energy projects in Asia-Pacific which aligns with the region's target of having 23% renewables in the primary energy mix by 2025.¹⁵ In November 2021, Sanguine signed a letter of intent to collaborate on green energy ESG climate initiatives through green bond issuances for renewable energy development projects in Asia-Pacific and Africa.¹⁶

While Sanguine demonstrates a commitment to sustainable infrastructure developments through its investments, Sustainalytics encourages Sanguine to develop a sustainability strategy, including time-bound and quantitative targets to advance the Company's action on its key environmental priorities. Sustainalytics is of the opinion that the Sanguine Impact Investment Green Bond Framework is aligned with the Company's overall efforts related to sustainability.

Approach to managing 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 possibly associated with the eligible projects may include occupational health

⁸ Sanguine Group, "Sustainable Investing Policy", which the Issuer has provided to Sustainalytics.

⁹ IFC Performance Standard, at: https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/sustainability-at-ifc/policies-standards/performance-standards

¹⁰ IEA, "Security of Clean Energy Transitions", at: <https://iea.blob.core.windows.net/assets/f29e5cf4-bdef-44ac-a3a3-7a685f1fd560/G20SecurityofCleanEnergyTransitions.pdf>

¹¹ IRENA, "World Energy Transitions Outlook: 1.5°C Pathway", June 2021, at: <https://www.irena.org/publications/2021/Jun/World-Energy-Transitions-Outlook>

¹² ASEAN Center for Energy – Institutional Profile" 2021, at: <https://aseanenergy.sharepoint.com/PublicationLibrary/Forms/AllItems.aspx?id=%2FPublicationLibrary%2F2021%2FPublications%202021%2FInstitutional%20Profile%20for%202021%2Fpdf&parent=%2FPublicationLibrary%2F2021%2FPublications%202021&p=true>

¹³ World Energy Council, "Hydrogen on the Horizon: Ready, Almost Set, Go?", at: https://www.worldenergy.org/assets/downloads/Innovation_Insights_Briefing_-_Hydrogen_on_the_Horizon_-_Ready%2C_Almost_Set%2C_Go_-_July_2021.pdf?v=1631627553

¹⁴ McKinsey & Company, "Hydrogen Council", July 2021, at: <https://hydrogencouncil.com/wp-content/uploads/2021/07/Hydrogen-Insights-July-2021-Executive-summary.pdf>

¹⁵ ADB, "Asia and the Pacific Renewable Energy Status Report (Paris: REN21 Secretariat), REN21, 2019", at: <https://www.adb.org/sites/default/files/publication/611911/asia-pacific-renewable-energy-status.pdf>

¹⁶ Sanguine Impact Investment, AbsoluteClimo and AKR Zell Sign Letter of Intent for Green Energy ESG Climate Collaboration, Nov 2020, at: <https://absoluteclimo.com/pr/a9420f006651a33e5e38d7f7a9e589e0c5af8ac6.pdf>

and safety, community relations and stakeholder participation, land use and biodiversity issues associated with large-scale infrastructure development, emissions, effluents and waste generated in construction and operations.

Sustainalytics is of the opinion that Sanguine is well positioned to identify and manage or mitigate potential risks through implementation of the following policies and assessment processes, which are in line with the IFC Performance Standards¹⁷:

- For risks associated with internal and external occupational health and safety in construction and operation of infrastructure projects, Sanguine follows the IFC's Performance Standards 2 (Labour and Working Conditions) and 4 (Community Health, Safety and Security) to avoid, minimize and, where residual impacts remain, to compensate for or offset risks and impacts to workers and communities.
- To manage land use and biodiversity related issues from large infrastructure projects, Sanguine follows the IFC's Performance Standard 5 and 6, which focus on land acquisition and biodiversity conservation respectively, to ensure minimal impact on local biodiversity and ecosystems by avoiding, and when avoidance is not possible, minimize displacement by exploring alternative project designs, protect and conserve biodiversity and ecosystems.
- In the case of development projects which may create emissions, effluents and waste, Sanguine follows the IFC's Performance Standard 3 related to Resource Efficiency and Pollution Prevention to avoid or minimize adverse impacts on human health and the environment by preventing or minimizing pollution from project activities, promote more sustainable use of resources, including energy and water and to reduce project-related GHG emissions. Additionally, Sanguine's e-waste management processes include contracting suppliers (reputable and legitimate enterprises licensed by the relevant government regulatory agencies and obtain chain of custody documentation to the final destination) for disposal of solar panels, batteries and site remediation for end-of-life management, consistent with IFC Performance Standard 3.
- Sanguine has a dedicated Risk Management Team which focuses on identifying and mitigating potential sustainability risks in investment portfolios by incorporating material environmental, social and governance issues that can present both risk and opportunities as part of its evaluations in investment opportunities.
- Sanguine also follows the World Bank Group's Multilateral Investment Guarantee Agency¹⁸ standards to protect investments against non-commercial risks¹⁹ and helps investors obtain access to funding sources with improved financial terms and conditions.
- Sanguine has defined ethical conduct and integrity standards for its employees and stakeholders through a code of conduct that helps to ensure ethics and responsibility in its activities.²⁰

Sustainalytics is of the opinion that the Company is well positioned to manage or mitigate potential environmental and social risks possibly associated with the eligible projects. Nevertheless, Sustainalytics further encourages Sanguine to develop a specific process for assessing environmental and social risks to the eligible projects along with relevant disclosure.

Section 3: Impact of Use of Proceeds

All five use of proceeds categories are aligned with those recognized by the GBP. Sustainalytics focuses below on two categories whose impact is specifically relevant in the local context.

The importance of green buildings in Southeast Asia and Sub-Saharan Africa

Energy consumption from buildings and building construction accounted for one-third of global final energy consumption and GHG emissions worldwide in 2020.²¹ According to the Intergovernmental Panel on Climate Change, the building sector offers the largest cost-effective GHG mitigation potential by implementing existing

¹⁷ IFC Performance Standards on Performance Standards on Environmental and Social Sustainability, January 2012, at: https://www.ifc.org/wps/wcm/connect/24e6bfc3-5de3-444d-be9b-226188c95454/PS_English_2012_Full-Documents.pdf?MOD=AJPERES&CVID=jkV-X6h

¹⁸ World Bank Group, "Multilateral Investment Guarantee Agency" at: <https://www.miga.org/>

¹⁹ Non-commercial risks include political instability, wars, terrorism, quality of bureaucracy, corruption, racial, religious and other conflicts.

²⁰ Sanguine Group, "Code of Conduct Policy", which was shared by the Issuer to Sustainalytics.

²¹ Green Building in ASEAN: The Opportunities for Hong Kong, (2020), at: <https://research.hktdc.com/en/article/NDE0MTM5MTly>

technologies, building design and sound policy development.²² Planned governmental investments in green technology in Southeast Asia seeking to address immediate climate issues have the potential to create more than USD 1 trillion in annual economic opportunities by 2030.²³ The buildings sector accounted for 23% of final energy use and 24% of energy-related CO₂ emissions in Southeast Asia in 2019, excluding emissions from manufacturing building materials.²⁴ Despite green building councils in Singapore, Malaysia, Indonesia, the Philippines, and Vietnam, only 1286 projects in 11 countries in Southeast Asia are LEED-certified, highlighting the region's low penetration of green buildings.^{25,26}

Buildings are estimated to be responsible for 56% of energy consumption in Sub-Saharan Africa. Therefore, improving energy efficiency and overall environmental performance in buildings in the region is paramount to reducing CO₂ emissions and improving the built environment's quality.²⁷ The International Finance Corporation estimates that the buildings sector in Sub-Saharan Africa has a cumulative climate investment potential of USD 768 billion mostly in the residential sector.²⁸ Since the creation of the Green Building Council of South Africa in 2007, other green building councils have been established in Tanzania, Kenya, Ghana, Namibia, Mauritius, Rwanda and Zambia.²⁹ These local councils have partnered with the World Green Building Council to promote green building in the region. Still, a combination of design issues and severe economic, social and environmental issues have hindered the development of green buildings in the region. In the entire African continent, only 700 certified green buildings have been built so far, and only another 50% are expected to be built over the five years, according to Knight Frank LLP.³⁰

Given the lack of prevalence of green buildings in both regions, Sanguine's investment in these regions is expected to help facilitate the development of sustainable and energy-efficient buildings in Sub-Saharan Africa and Southeast Asia.

Impact of renewable energy in Sub-Saharan Africa

According to an IEA report, renewable energy is expected to make up almost half of Sub-Saharan Africa's power generation growth by 2040, which indicates that geothermal will become the second-largest source of power supply in East Africa,³¹ mainly in Kenya and Ethiopia. The same IEA report estimates that two-thirds of mini-grid and off-grid systems in rural Africa is expected to be powered by solar photovoltaics, small hydropower or wind by 2040. An investment of USD 450 billion has been made to boost the renewable energy sector in Africa, to boost the region's economy by an additional 30% by 2040. Despite the abundance of development in local renewable energy resources in the region, as of 2018, renewables accounted for only 7% of the total primary energy supply, 8% of total final energy consumption, and 26% of power generation in the region.³²

Out of the 53 African countries that had submitted Nationally Determined Contributions under the Paris Agreement by 2018, only 45 had adopted quantified renewable energy targets.^{33,34} Regionally, the Economic Community of West African States has set a target for 48% renewable electricity by 2030, and the East African

²² Edenhofer, O. et al., "Climate Change 2014 Mitigation of Climate Change", Cambridge University Press, (2014), at:

https://www.ipcc.ch/site/assets/uploads/2018/02/ipcc_wg3_ar5_full.pdf

²³ Cheo J., "Once-in-a-lifetime opportunity for investors as South-east Asia goes green", The Straits Times, (2021), at:

<https://www.straitstimes.com/business/economy/once-in-a-lifetime-opportunity-for-investors-as-south-east-asia-goes-green>

²⁴ IEA, "Global ABC regional roadmap for buildings and construction in Asia 2020-2050", (2020), at: https://iea.blob.core.windows.net/assets/d5b03f47-2084-4c87-b30a-e73c2c1dea72/GlobalABC_Roadmap_for_Buildings_and_Construction_in_Asia_2020-2050.pdf

²⁵ World Green Building Trends 2018: Southeast Asia, (2018), at: https://www.worldgbc.org/sites/default/files/SMR0918_SouthEastAsia_25Nov18.pdf

²⁶ USGBC, "Projects", at: <https://www.usgbc.org/projects>

²⁷ "Conference on Promoting Green Building Rating in Africa", (2010), Nairobi, Kenya, at:

https://mirror.unhabitat.org/downloads/docs/7920_76265_Conference%20on%20Promoting%20Green%20Building%20Rating%20In%20Africa%20Report%20202.pdf

²⁸ IFC, "Green Buildings: A Finance and Policy Blueprint for Emerging Markets. Washington, D.C.: International Finance Corporation", (2019), at:

https://www.ifc.org/wps/wcm/connect/a6e06449-0819-4814-8e75-903d4f564731/59988-IFC-GreenBuildings-report_FINAL_1-30-20.pdf?MOD=AJPERES&CVID=m.TZbMU

²⁹ "Ten eco-friendly buildings in Africa", (2020), at: <https://www.procrewschedule.com/ten-eco-friendly-buildings-in-africa/>

³⁰ Ombok, E. (2021), "Africa's Climate Smart Buildings Seen Rising 50% in Five Years", Bloomberg Green (2021), at:

<https://www.bloomberg.com/news/articles/2021-04-07/africa-s-climate-smart-buildings-seen-rising-50-in-five-years>

³¹ "An Affordable and Sustainable Energy System for Sub-Saharan Africa", Energy Sub-Saharan Africa in 2019-2023, at: <https://www.iea.org/areas-of-work/programmes-and-partnerships/an-affordable-and-sustainable-energy-system-for-sub-saharan-africa>

³² International Renewable Energy Agency (IRENA), Global Renewables Outlook: Energy Transformation 2050, (2020), at: https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2020/Apr/IRENA_Global_Renewables_Outlook_2020.pdf

³³ IRENA, Renewable Energy in National Climate Action, (2018), at: https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2018/Dec/IRENA_COP24_NDC_update_2018.pdf

³⁴ Chapter 6: Feature: Renewable Energy in Sub-Saharan African Cities, at: https://www.ren21.net/cities-2021/chapters/chapter_6/chapter_6/

Community aims for 21% renewables in the power generation mix by 2038.³⁵ Given the prevalence of renewable energy in Sub-Saharan Africa, Sanguine's investment is expected to further facilitate the development and expansion of renewable energy production and use in Sub-Saharan Africa.

The importance of sustainable transportation in Southeast Asia and Sub-Saharan Africa

The transport sector in Southeast Asia, which is more than 90% dependent on fossil fuels, consumes approximately one-quarter of all final energy in the region and accounts for one-quarter of all energy-related CO₂ emissions.³⁶ Transport is, therefore, a key sector for carbon emissions reduction in Southeast Asia where a fleet of 20 million passenger vehicles is expected to increase to 62 million by 2040. Sustainable transport and planning options are expected to be an integral part of the post-pandemic recovery in Southeast Asia,³⁷ focusing on public transport, electric vehicles and renewable energy towards reducing GHG emissions and the use of fossil fuels.

Demand for transport has been increasing in Sub-Saharan due to population growth, which is expected to grow at 2.7% in 2022,³⁸ and economic development, which is estimated to expand by 3.8% in 2022.^{39,40} Demand for passenger vehicle sales increased by 16.4% and commercial vehicle sales expanded by 16% in 2021.⁴¹ CO₂ emissions from Sub-Saharan Africa accounted for 2.3% of global emissions, of which 12% came from transport.⁴² Sub-Saharan Africa had the highest growth among all regions in the world of transport-related CO₂ emissions from 2010 to 2030 at 216%.⁴³ The number of passenger vehicles in Sub-Saharan Africa is estimated to increase to 35 million by 2040.⁴⁴ While imports of second-hand vehicles remain significant in the region,⁴⁵ only 1,200 electric private passenger vehicles were on the roads in South Africa, for example, in 2019, when only 230 electric vehicles were sold in the country.⁴⁶

Considering the above, Sustainalytics expects that Sanguine's investments in sustainable transportation will help reduce emissions and support the climate goals of the Sub-Saharan Africa and Southeast Asian regions.

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 Sanguine Impact Investment Green Bond Framework are expected to help advance the following SDGs and targets:

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

³⁵IRENA, Scaling Up Renewable Energy Deployment in Africa: Impact of IRENA's Engagement, (2019), at: https://www.irena.org/cleanenergycorridors/-/media/Files/IRENA/Agency/Publication/2019/Jan/IRENA_Africa_impact_2019.ashx

³⁶ Bakker, S. et al., "ASEAN Cooperation on Sustainable Transport, UNESCAP, (2017), at:

https://ris.utwente.nl/ws/portalfiles/portal/30083284/bulletin87_1_ASEAN_Cooperation_on_Sustainable_Transport.pdf

³⁷ Eric Koons, "Greening Urban Transport in Asia to Meet Net-Zero Goals", (2021), at: <https://energytracker.asia/greening-urban-transport-in-asia-to-meet-net-zero-goals/>

³⁸ The Economist, Africa's population will double by 2050, (2020), at: <https://www.economist.com/special-report/2020/03/26/africas-population-will-double-by-2050>

³⁹Katherine A. Collett, Can electric vehicles be good for Sub-Saharan Africa?, Energy strategy reviews, (2021), at:

<https://www.sciencedirect.com/science/article/pii/S2211467X21001085>

⁴⁰ IMF, Regional economic outlook, (2021), at: <https://www.imf.org/en/Publications/REO/SSA/Issues/2021/10/21/regional-economic-outlook-for-sub-saharan-africa-october-2021#:~:text=Sub%2DSaharan%20Africa's%20economy%20is,recovery%20relative%20to%20other%20regions.>

⁴¹ Fitch Solutions, Sub-Saharan Africa forecast autos scenario, (2021), at: https://www.fitchsolutions.com/autos/sub-saharan-africa-autos-forecast-scenario-28-12-2021?fsWebArticleValidation=true&mkt_tok=NzMyLUNLSC03NjcAAAGCgoB0W1wTSi3My01WxUBFOx29twkhCq5YXWpJpBYyxdtwUvVvKA4uVg4-vpcHDH-1PjF7cSIBwEDRPiK6_qbv-UuBhha01kj21I0T8kzXjHwrBWWAQ

⁴²Collett, K.A., Hirmer, S.A. "Data needed to decarbonize paratransit in Sub-Saharan Africa", Nature Sustainability, 4, 562–564, (2021), at:

<https://www.nature.com/articles/s41893-021-00721-7?proof=tNature>

⁴³ GIZ, "Emission reduction potential in the transport sector by 2030. Key findings", (2015), at: <http://ppmc-transport.org/wp-content/uploads/2015/08/Emission-Reduction-Potential-in-the-Transport-Sector-by-2030.pdf>

⁴⁴ IEA, "Africa Energy Outlook 2019", (2019), at: <https://webstore.iea.org/africa-energy-outlook-2019>

⁴⁵Used Vehicles and the Environment: A Global Overview of Used Light Duty Vehicles-Flow, Scale and Regulation, at: <https://stg-wedocs.unep.org/handle/20.500.11822/34175>

⁴⁶ Global EV outlook 2020, (2020), at: <https://www.iea.org/reports/global-ev-outlook-2020>

Sustainable Transportation	11. Sustainable Cities and Communities	11.2 By 2030, provide access to safe, affordable, accessible, and sustainable transport systems for all, improving road 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
Sustainable Water quality and conservation	6. Clean Water and Sanitation	6.3 By 2030, improve water quality by reducing pollution, eliminating dumping, and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater, and substantially increasing recycling and safe reuse globally
Green Buildings	11. Sustainable Cities and Communities	11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated, and sustainable human settlement planning and management in all countries

Conclusion


Sanguine Securities Sàrl has developed the Sanguine Impact Investment Green Bond Framework under which it may issue green bonds and use the proceeds to finance or refinance green projects, in whole or in part, existing or future projects related to renewable energy generation, energy efficiency, green buildings, sustainable water quality conservation and clean transportation. Sustainalytics considers that the projects funded by the green bond proceeds are expected to lead to positive environmental impacts through the development of sustainable infrastructure and energy transition in emerging and developing economies. The Sanguine Impact Investment Green Bond Framework outlines a process for tracking, allocation and management of proceeds, and makes commitments for Sanguine to report on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics encourages Sanguine to develop a sustainability strategy, including time-bound and quantitative targets to advance the Company's action on its key environmental priorities.

Sustainalytics is of the opinion that the green use of proceeds categories are expected to contribute towards the advancement of the UN Sustainable Development Goals 6, 7 and 11. Additionally, Sustainalytics is of the opinion that Sanguine is well positioned to manage and mitigate potential environmental and social risks associated with the eligible projects. Sustainalytics further encourages Sanguine to develop a process to assess environmental and social risks possibly associated with the eligible projects along with relevant disclosure.

Based on the above, Sustainalytics is confident that Sanguine is well positioned to issue green bonds and that the Sanguine Impact Investment Green Bond Framework is robust, transparent and in alignment with the four components of the Green Bond Principles 2021.

Appendices

Appendix 1: Green Building Certification Scheme

	LEED ⁴⁷	Living Building Challenge ⁴⁸
Background	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.	The Living Building Challenge is an international green building certification program and sustainable design framework run by the International Living Future Institute, a US non-profit organization seeking to tackle climate change by pushing for a built urban environment free of fossil fuels.
Certification levels	<ul style="list-style-type: none"> • Certified • Silver • Gold • Platinum 	<ul style="list-style-type: none"> • Zero Energy Certification • Petal Certification • Living Building Certification
Areas of assessment	<ul style="list-style-type: none"> • Energy and atmosphere • Sustainable Sites • Location and Transportation • Materials and resources • Water efficiency • Indoor environmental quality • Innovation in Design • Regional Priority 	<ul style="list-style-type: none"> • Place • Water • Energy • Health and Happiness • Materials • Equity • Beauty
Requirements	<p>Minimum requirements independent of level of certification; point based scoring system weighted by category to determine certification level.</p> <p>The rating system is adjusted to apply to specific sectors, such as: New Construction, Major Renovation, Core and Shell Development, Schools-/Retail/Healthcare New Construction and Major Renovations, and Existing Buildings: Operation</p>	<p>The Living Building Challenge is organized into seven performance areas called Petals. Each Petal is further sub-divided into Imperatives, which address specific issues through detailed requirements.</p> <p>All Imperatives assigned to a Typology are mandatory.</p> <p>Living Building Challenge certification requires actual, rather than anticipated, performance demonstrated over twelve consecutive months.</p>
Performance Display		

⁴⁷ U.S. Green Building Council, "Green building leadership is LEED", at: <https://new.usgbc.org/leed>

⁴⁸ International Living Future Institute, Living Building Challenge Certification: <https://living-future.org/lbc/certification/>

Appendix 2: Green Bond / Green Bond Programme – External Review Form

Section 1. Basic Information

Issuer name:	Sanguine Securities Sàrl
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	Sanguine Impact Investment Green Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	February 16, 2022
Publication date of review publication: Original publication date <i>[please fill this out for updates]</i> .	

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBP:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other <i>(please specify)</i> : | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW *(if applicable)*

Please refer to Evaluation Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (*if applicable*):

The eligible categories for the use of proceeds – Renewable Energy, Energy Efficiency, Sustainable Transportation, Water Quality and Conservation, and Green Buildings – are aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments in the eligible categories are expected to lead to positive environmental impacts through development of sustainable infrastructure and energy transition in emerging and developing economies, thereby helping to advance the UN Sustainable Development Goals, specifically SDGs 6, 7 and 11.

Use of proceeds categories as per GBP:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Renewable energy | <input checked="" type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input checked="" type="checkbox"/> Sustainable Transportation |
| <input checked="" 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):

Sanguine's Green/ Sustainable Investment Committee, which is chaired by Sanguine's ESG General Manager, will be responsible for evaluating and selecting projects in line with the Framework's eligibility criteria. Sanguine's process for conducting individual environmental and social risk assessments as per IFC Performance Standards, is applicable to all allocation decisions under the Framework. Sustainalytics considers these risk management systems to be adequate and the project evaluation and selection process to be aligned 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 type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (<i>please specify</i>): |

Information on Responsibilities and Accountability

- | | |
|---|---|
| <input type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input checked="" type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

Sanguine's chief financial officer will be responsible for the management of proceeds, under the oversight of Sanguine's board of directors, and will track the allocation of proceeds through a bond register, using a portfolio approach. Sanguine intends to allocate all proceeds within 24 months of issuance. Unallocated proceeds will be held or invested temporarily in cash, deposits or money market instruments. This is in line with market practice. Tracking of proceeds:

- | |
|---|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other (<i>please specify</i>): |

Additional disclosure:

- | | |
|--|---|
| <input type="checkbox"/> Allocations to future investments only | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input type="checkbox"/> Allocation to a portfolio of disbursements |
| <input type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (<i>please specify</i>): |

4. REPORTING

Overall comment on section (if applicable):

Sanguine Impact Investment intends to report on the allocation and impact of proceeds in its Green Project Bond Report on its website on an annual basis until full allocation. Allocation reporting will include details such as the amount of proceeds allocated, the balance of unallocated proceeds, a list of outstanding bonds and the share of financing and refinancing. In addition, Sanguine is committed to reporting on relevant impact metrics. Sustainalytics views Sanguine's allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (<i>please specify</i>): |

Information reported:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Allocated amounts | <input type="checkbox"/> Green Bond financed share of total investment |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Frequency:

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

Impact reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (<i>please specify</i>): |

Information reported (expected or ex-post):

- | | |
|---|--|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input type="checkbox"/> Energy Savings |
| <input checked="" type="checkbox"/> Decrease in water use | <input type="checkbox"/> Other ESG indicators (<i>please specify</i>): Total population served by the system |

Frequency

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

Means of Disclosure

- | | |
|---|---|
| <input type="checkbox"/> Information published in financial report | <input type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents | <input checked="" type="checkbox"/> Other (<i>please specify</i>): Annual Report for green bond |
| <input type="checkbox"/> Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review): | |

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

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

- | | |
|--|--|
| <input type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification / Audit | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

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

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

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