

KOMMUNALKREDIT SOCIAL COVERED BOND

SECOND OPINION BY SUSTAINALYTICS

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www.sustainalytics.com

Catarina da Silva (Amsterdam)

Senior Advisor, Advisory Services

catarina.dasilva@sustainalytics.com

(+31) 20 205 0045

Megan Wallingford (Toronto)

Manager, Advisory Services

megan.wallingford@sustainalytics.com

(+1) 647 317 3689

Tim Langer (London)

Senior Advisor, Institutional Relations

tim.langer@sustainalytics.com

(+49) 69 3329 6556

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1. INTRODUCTION

Kommunalkredit Austria AG (Kommunalkredit), a specialist bank for infrastructure financing based in Austria, is planning to issue a Social Covered Bond to finance and refinance existing and new projects related to social infrastructure, with a special focus on projects supporting education, healthcare and social housing. The Bond is a social covered bond and will be issued under its Base Prospectus, Kommunalkredit's EUR 800,000,000 Debt Issuance Programme, dated 7 April 2017, which is disclosed on its website.¹

Kommunalkredit has engaged Sustainalytics to provide a second opinion on its Social Covered Bond Framework² and on the framework's social credentials. As part of this engagement, Sustainalytics held conversations with various members of Kommunalkredit's Management Team, Sales and Treasury Divisions to understand the social impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of Kommunalkredit's Social Covered Bond. Following this engagement, some elements of the Social Covered Bond Framework were clarified to ensure an alignment with the level of disclosure expected by ICMA's Social Bond Guidance.³ Sustainalytics also reviewed relevant public and internal documents.

This document contains Sustainalytics' opinion on Kommunalkredit's Social Covered Bond Framework and should be read in conjunction with that framework.

2. OVERVIEW OF THE ISSUER

Kommunalkredit is a specialist bank for infrastructure financing. It acts as a bridge between infrastructure developers, such as municipalities, public-sector enterprises or private project operators, on the one hand, and institutional investors, such as insurance companies or pension funds, on the other hand. The bank operates mainly in Austria, Germany, Switzerland, France, the Netherlands and Belgium, and finances projects in 'Social Infrastructure', 'Energy and the Environment', and 'Transport' areas.⁴ The 'Social Infrastructure' area includes care homes, health care and educational facilities, and social housing and administrative buildings; the 'Energy and the Environment' area includes projects focused on sustainable sources of energy; and the 'Transport' area includes commuter transport, road and rail transport. The bank, founded as a government entity in 1958, was privatised in 2015 and is headquartered in Vienna, Austria. Kommunalkredit Austria AG is owned by Gesona Beteiligungsverwaltung GmbH (99.78%) and the Association of Austrian Municipalities (0.22%).

The bank considers sustainability to be fundamental to its business model. As part of its credit evaluation process for financed projects, Kommunalkredit assesses the sustainability impact of its loan applicants by evaluating social, ecological, and economic criteria.⁵

¹ <https://www.kommunalkredit.at/en/investor-relations/bondholder-information-funding/dip/>

² Available at <https://www.kommunalkredit.at/en/investor-relations/informationen-fuer-fremdkapitalgeber-funding/>

³ "Social Bonds – Guidance for Issuers", dated 16 June 2016 issued by the International Capital Market Association (ICMA)

⁴ Annual Report 2016, page 29, https://www.kommunalkredit.at/fileadmin/user_upload/Annual_Report_Kommunalkredit_Group_en.pdf.

⁵ Kommunalkredit Sustainability, April 10, 2017, <https://www.kommunalkredit.at/en/ueber-uns/nachhaltigkeit/>.

3. SUSTAINALYTICS' OPINION

Section 1: Assessment of Kommunalkredit's Social Mandate

As a bank specializing in infrastructure financing in Europe, Kommunalkredit's business model focuses on public infrastructure, including core areas such as 'Social infrastructure', 'Transport', and 'Energy and the environment'. Kommunalkredit discloses that, as of 2016, 26% of its new business was in 'Social infrastructure', 14% in 'Transport', and 60% in 'Energy and the environment'.⁶

Kommunalkredit's Social Covered Bond is closely aligned with its business mandate in social infrastructure as the bond will focus on financing and refining social infrastructure projects in the areas of education, healthcare, and social housing (including care homes). Additionally, it will positively contribute to achieving the company's mission.⁷

Kommunalkredit also has a robust policy for screening loan applicants, which is strongly aligned with its sustainability mission. Kommunalkredit discloses that it assesses three sustainability areas as part of its credit evaluation process for all loan applicants including those projects financed by the proceeds of the Social Covered Bond. The sustainability assessment addresses a combination of Social, Ecological and Economic issues (refer to Appendix A – *Kommunalkredit sustainability checklist*).

Overall, considering that the proceeds of the bond will support social infrastructure, and given Kommunalkredit's robust sustainability criteria for loan applicants which includes a strong focus on achieving a positive social impact, Sustainalytics is of the opinion that Kommunalkredit is well positioned to issue a Social Covered Bond.

Section 2: Opinion on Kommunalkredit's Social Covered Bond Framework

2.1 Positive impact of the use of proceeds and alignment with the Sustainable Development Goals (SDGs)

Proceeds of Kommunalkredit's Social Covered Bond will be directed toward investment in one of the company's three core segments, specifically social infrastructure. The eligibility criteria specify that Kommunalkredit will use the proceeds of the bond to fund three types of social infrastructure projects:

- Education, including the development of public primary and secondary schools, as well as public universities;
- Healthcare, including the development of public hospitals, nursing homes, rehabilitation centers, psychosomatic centers, and/or homes for the care of the handicapped; and,

⁶ Kommunalkredit, Company Profile Presentation, provided via email.

⁷ Kommunalkredit's mission: "ensure [the] sustainable success [of] projects in areas such as energy and environment, social infrastructure, and transport"; <https://www.kommunalkredit.at/en/ueber-uns/ueber-uns/>

- Social housing, including the development of subsidized housing and/or retirement or pension homes.

In addition, to be considered an Eligible Asset, the projects cannot finance excluded activities (i.e. exclusionary criteria) and must comply with all analysed criteria in Kommunalkredit's *sustainability checklist* and achieve a positive social impact in the social dimension criteria.

Overall, Sustainalytics is confident that given the eligibility criteria defined in the Kommunalkredit Social Covered Bond Framework, and sustainability assessments performed by Kommunalkredit, the selected assets will have a positive social impact on Kommunalkredit's European markets by:

1. Addressing the needs of vulnerable populations such as youth, elderly, physically or mentally dependent persons, persons suffering from illness, and low-income households;
2. Contributing to the achievement of the United Nation's Sustainable Development Goals (SDGs):
 - SDG 1: No Poverty;
 - SDG 3: Good Health and Well-being;
 - SDG 4: Quality Education;
 - SDG 11: Sustainable Cities and Communities.
3. Advance the European Commission's Europe 2020 Strategy for smart, sustainable and inclusive growth; and,
4. Advance Kommunalkredit's mission of supporting sustainability projects in energy and the environment, social infrastructure, and transport.

Below, Sustainalytics provides an opinion on the positive social impact of the eligibility criteria outlined in the Social Covered Bond Framework, how these impacts align with regional and global development priorities, and any limitations.

EDUCATION

Kommunalkredit will finance or refinance existing or new projects for the construction, maintenance and/or renovation of public education facilities in its European markets. Specifically, proceeds of the Social Covered Bond will support the development of public schools, including kindergarten schools, and primary and secondary schools, as well as public universities, providing significant social benefit to youth of all ages. Given that public education in Europe is available for all citizens, Sustainalytics is of the opinion that all citizens, including vulnerable populations, will benefit from these projects. Specifically, the European Commission identified access to education (for example, access to preschools and accessing primary and secondary schools) one of the important factors that determine the risk of poverty or social exclusion among vulnerable populations⁸.

For example, Kommunalkredit is financing a public university campus for the Federal Real Estate Agency in Austria. The campus comprises of seven buildings, as well as publicly accessible grounds. The campus services 25,000 students, in addition to 1,500 teachers, researchers and administrative staff.

⁸ http://ec.europa.eu/eurostat/statistics-explained/index.php/Europe_2020_indicators_-_poverty_and_social_exclusion

Education is considered a fundamental right according International Covenant on Economic, Social and Cultural Rights,⁹ and among seven priority areas outlined in the European Commission's Europe 2020 strategy.¹⁰ Enabling access to quality education for youth is necessary for building a skilled workforce, reducing inequalities, and ensuring a country's competitiveness. Education projects funded by the proceeds of Kommunalkredit's Social Covered Bond also align with and support the Sustainable Development Goals (SDGs), including *SDG 4 Quality Education: Ensuring inclusive and equitable quality education and promote lifelong learning opportunities for all*.

HEALTHCARE

Kommunalkredit will finance or refinance existing or new projects for the construction, maintenance and/or renovation of healthcare facilities in its European markets. Specifically, proceeds of the Social Covered Bond will support the development of public hospitals, nursing homes for the elderly, rehabilitation centres, psychosomatic centres, and homecare for the handicapped. For example, Kommunalkredit is financing an Austrian company that operates five state hospitals. As of 2015, these five hospitals combined provide 2,322 beds for acute and post-acute treatment, 170 beds for rehabilitation, and 189 beds for chronic disease.

Kommunalkredit's loans supporting healthcare projects are aligned with European priorities, as well as internationally agreed sustainable development priorities. One of the three pillars in the European Commission's Europe 2020 Strategy is Inclusive Growth, where 'reducing healthcare inequalities' is considered key to combatting poverty and social exclusion.¹¹ Furthermore, healthcare projects funded by the proceeds of Kommunalkredit's Social Covered Bond also align with and support *SDG 3 Good Health and Wellbeing: Ensure healthy lives and promote well-being for all at all ages*.

SOCIAL HOUSING

Kommunalkredit's Social Covered Bond will finance or refinance existing or new projects for the construction, maintenance or renovation of social housing projects, including subsidized housing and homes for elderly care in its European markets. Projects that meet the subsidized housing eligibility criteria will include projects where a percentage of the total housing project that receives financing is subsidized. Sustainalytics is of the view that these projects will support vulnerable populations, especially low-income households, since the eligible tenants will be selected based on criteria outlined in state subsidy laws relating to, for instance, an income ceiling requirement. Sustainalytics notes that Kommunalkredit is not responsible for operating social housing projects in its European markets, and it is not involved in the application of selection criteria for awarding subsidized housing to target populations. For example, Kommunalkredit is not involved in ensuring subsidized housing applicants meet the

⁹ International Covenant on Economic, Social and Cultural Rights: <http://www.ohchr.org/EN/ProfessionalInterest/Pages/CESCR.aspx>.

¹⁰ European Commission, Europe 2020: <http://ec.europa.eu/eu2020/pdf/COMPLET%20EN%20BARROSO%20%20%20007%20-%20Europe%202020%20-%20EN%20version.pdf>.

¹¹ European Commission, Europe 2020: <http://ec.europa.eu/eu2020/pdf/COMPLET%20EN%20BARROSO%20%20%20007%20-%20Europe%202020%20-%20EN%20version.pdf>.

qualification criteria outlined in Austria's state subsidy law, and hence it cannot be held liable in case some of the dwellings are not properly allocated over the term of the bond.

With respect to homes for the elderly, projects will include retirement or pension homes, providing significant social benefits to elderly person in Kommunalkredit's European markets. For example, Kommunalkredit has financed the construction and rehabilitation of a retirement home project in the city of Vienna. The retirement home includes over 198 single flats and 10 double flats, where each flat is built to meet the needs of the individual resident.

Kommunalkredit's loans supporting social housing for low-income households and elderly is aligned with European priorities, as well as internationally agreed sustainable development priorities. One of the seven priorities of the Europe 2020 strategy is combatting poverty and social exclusion.¹² Additionally, the development of housing, especially "affordable housing of good quality", is one of the objectives of European Commission's *Urban Agenda for the EU*.¹³ Affordable housing is important for addressing poverty, supporting social inclusion, reducing inequalities and building more sustainable and inclusive communities. Finally, social housing projects funded by the proceeds of Kommunalkredit's Social Covered Bond also align with and support the SDGs, including *SDG 1 No Poverty: End poverty in all its forms everywhere*, and *SDG 11 Sustainable Cities and Communities: Make cities and human settlements inclusive, safe, resilient and sustainable*. Both SDGs strive to ensure access to affordable housing for all.

Providing affordable housing is an increasing challenge in Europe, especially in the case of vulnerable groups such as single-parent households with dependents, youth, and low-income households.¹⁴ Moreover, in its 2015 *State of Housing in Europe* report, Housing Europe found that new social housing production has declined in most European countries, while the demand for social housing has increased.¹⁵ As a result, Sustainalytics is of the opinion that Kommunalkredit's financing of social housing projects will have a positive impact in addressing these social housing challenges.

2.2 Alignment of the Social Covered Bond framework with the Social Bond Guidance

Sustainalytics has determined that the Kommunalkredit Social Covered Bond Framework aligns with the four pillars of ICMA's Social Bond Guidance, 2016 with respect to Use of Proceeds, Project Selection Process, Management of Proceeds, and Reporting. An overview of these four pillars and Sustainalytics' assessment is provided in Appendix B: Green Bond External Review Form.

¹² European Commission, Europe 2020: <http://ec.europa.eu/eu2020/pdf/COMPLET%20EN%20BARROSO%20%20%20007%20-%20Europe%202020%20-%20EN%20version.pdf>.

¹³ European Commission, Urban Agenda for the EU: <https://ec.europa.eu/futurium/en/node/1710>.

¹⁴ European Commission: EU Urban Agenda – The Challenge of "affordable housing" in Europe, <https://ec.europa.eu/futurium/en/content/eu-urban-agenda-challenge-affordable-housing-europe-laura-colini-urbact-expert-0>.

¹⁵ Housing Europe, State of Housing in the EU 2015, <http://www.housingeurope.eu/resource-468/the-state-of-housing-in-the-eu-2015>.

Conclusion

In Sustainalytics's opinion Kommunalkredit's Social Covered Bond is closely aligned with its business mandate to support social infrastructure, as the use of proceeds will finance and refinance education, healthcare and social housing infrastructure in European markets. The social impact facilitated by Kommunalkredit's lending activities will contribute to advancing European and global development priorities, including the Sustainable Development Goals.

Sustainalytics is also of the opinion that Kommunalkredit's Social Covered Bond aligns with the ICMA's Social Bond Guidance 2016 on the use of proceeds given both the nature of the eligibility criteria for projects and the vulnerable populations served. The proceeds of the Social Covered Bond will have a positive impact on vulnerable populations by supporting access to education, healthcare and social housing in Europe. Furthermore, Kommunalkredit's Social Covered Bond aligns with the remaining recommendations of the Green Bond Principles with respect to transparency around the project selection process, management of proceeds, and reporting (see Appendix B for a completed Green Bond External Review). Based on the points above, Sustainalytics is of the opinion that Kommunalkredit's Social Covered Bond is robust, credible and transparent.

APPENDICES

Appendix A: Project Eligibility Criteria

In addition to complying with thematic eligibility criteria, all loan applicants are assessed against the following project eligibility criteria.

Exclusionary criteria - rejection criteria for lending to sensitive industries:

Kommunalkredit has developed a list of nine exclusionary criteria that apply to all projects financed by the bank, including those funded by the proceeds of Kommunalkredit’s Social Covered Bond. Kommunalkredit will not knowingly be involved in financing any activities that include an involvement in the following areas:

1. The lending is against law or ethical principles;
2. The lending is for the purpose of constructing a nuclear power plant;
3. The lending is for the purpose of financing the production of weapons;
4. The lending is for the purpose of financing a belligerent state¹⁶;
5. The lending is for the purpose of financing a customer that did not provide sufficient information to evaluate the customer’s creditworthiness;
6. The lending business is unclear/not reasonable;
7. The lending is for the purpose of financing a customer with an unclear shareholder structure;
8. The lending is for the purpose of financing businesses that aim to evade national and/or international legal regulations; and/or
9. The lending is for a business with potential involvement in money laundering (according to Anti-Money Laundering check developed by Kommunalkredit’s Anti-Money Laundering officers based on international guidelines).¹⁷

Sustainability checklist

As part of the evaluation process each criterion is evaluated as positive, negative, or neutral, and Kommunalkredit summarizes the results in a chart accompanied by commentary.

Economic Dimension	<ol style="list-style-type: none"> 1. Significant impact on economically underdeveloped regions 2. Significant impact on the employment rate /number of workplaces 3. Significant impact on the level of education /training situation 4. Significant impact on infrastructure as productivity factor 5. Significant impact on economic efficiency
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¹⁶ Should Kommunalkredit be in a position to finance an asset outside of its core and selective markets than it would follow the policy and country list of Oesterreichische Kontrollbank AG (OeKB), a specialised institution providing Export credit guarantees; <http://www.oekb.at/en/export-services/managing-risks/export-guarantees/country-policy/Pages/List-of-Countries.aspx>.

¹⁷ Such as the Wolfsberg Group Anti-Money Laundering Questionnaire and Know Your Customer (KYC) Checklist, and the Financial Action Task Force (FATF) country risk list.

Ecological Dimension	<ol style="list-style-type: none">1. Significant impact on emission of fine dust and other air pollutants2. Significant impact on CO₂ emissions3. Significant impact on the biodiversity4. Significant impact on land and/or water5. Significant impact on reduction of energy consumption
Social Dimension	<ol style="list-style-type: none">1. Is the project per se creating social added value?2. Diversity: significant impact on equal opportunities for minorities in society?3. Gender: significant impact on the equal access to services and goods by men and women?4. Significant Impact on the preservation of cultural property and heritage5. Multiplier effect: how can the project be evaluated in terms of a positive social example?

Appendix B: Green Bond External Review Form

Green Bond External Review Form

Section 1. Basic Information

Issuer name: Kommunalkredit Austria AG

Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: Kommunalkredit Social Covered Bond

Review provider's name: Sustainalytics

Completion date of this form: June 1st, 2017

Publication date of review publication:

Section 2. Review overview

SCOPE OF REVIEW

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

- | | |
|--|--|
| <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>): | |

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

Please refer to Kommunalkredit's Covered Social Bond Framework, June 1st 2017, (available at <https://www.kommunalkredit.at/en/investor-relations/informationen-fuer-fremdkapitalgeber-funding/>) and Second Opinion Document above.

Section 3. Detailed review

1. USE OF PROCEEDS

Overall comment on section (if applicable):
Proceeds of the Social Covered Bond will be directed towards investments in one of three of Kommunalkredit’s target segments: social infrastructure. Eligibility criteria define three types of projects: (1) education, including public kindergarten, primary and secondary schools, and/or public universities; (2) healthcare, including public hospitals, nursing homes, rehabilitation centers, psychosomatic centers, and/or homecare for the handicapped; and (3) social housing, such as subsidized housing, and/or retirement or pension homes.
Furthermore, during the credit check process, Kommunalkredit will evaluate all loan projects against a list of exclusionary criteria, and a sustainability checklist that includes economic, social ecological criteria. Sustainalytics considers that Kommunalkredit’s sustainability checklist for all new loans is in line with best practices and will ensure a positive social impact of the financed assets.
Overall, Sustainalytics is of the opinion that the proceeds from the Social Covered Bond will have positive social impacts, supporting vulnerable population such as youth, the elderly, persons with mental or physical disabilities, and low-income households. As well, such projects support the achievement of SDGs 1, 3, 4 and 11, and advance the European Commission’s Europe 2020 strategy for smart, sustainable and inclusive growth.

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"/> Sustainable management of living natural resources |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient products, production technologies and processes | <input checked="" type="checkbox"/> Other (<i>please specify</i>): Social housing; Education; and Healthcare |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | |

If applicable please specify the environmental taxonomy, if other than GBPs:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):
The loans financed with the proceeds of the Social Covered Bond will be evaluated for alignment with the eligibility criteria outlined in the framework. The project approval process is the responsibility of Account Managers of the Sales Division whom evaluate all loan projects against the sustainability checklist and the list of exclusionary criteria. Assets that meet all exclusionary criteria and achieve a positive social impact are earmarked as Eligible Assets. Following this project approval process, the Kommunalkredit's Treasury Division, together with the Sales Division, will screen all approved projects providing final approval of Eligible Assets. Sustainalytics is of the opinion that Kommunalkredit's project evaluation and selection process is robust and comprehensive.

Evaluation and selection

- Defined and transparent criteria for projects eligible for Social Bond proceeds
- Documented process to determine that projects fit within defined categories
- Summary criteria for project evaluation and selection publicly available
- Other (please specify):

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):
At the time of issuance of the Social Covered Bond, Kommunalkredit will immediately allocate all proceeds of the bond to refinance existing assets that meet the eligibility criteria outlined in the Social Covered Bond Framework. Kommunalkredit discloses a clear and robust process for managing the proceeds should projects mature or be redeemed earlier, prior to the bond's maturity, which the company expects will occur for approximately 30-50% of bond assets. In such cases, Kommunalkredit's Treasury Division will reallocate the proceeds to Eligible Assets that are included in the Social Asset Portfolio. The Social Infrastructure Account Managers will manage all assets allocated to the bond, and these will be earmarked in the bank's SAP System. Sustainalytics considers this to be aligned with market practice.

Tracking of proceeds:

- Social Bond proceeds segregated or tracked by the issuer in a systematic manner
- Disclosure of intended types of temporary investment instruments for unallocated proceeds
- Other (*please specify*):

Additional disclosure:

- Allocations to future investments only
- Allocation to individual disbursements
- Disclosure of portfolio balance of unallocated proceeds
- Allocations to both existing and future investments
- Allocation to a portfolio of disbursements
- Other (*please specify*):

4. REPORTING

Overall comment on section (*if applicable*):

Allocation Reporting

Sustainalytics is of the opinion that Kommunalkredit's allocation reporting is aligned with market best practices. Kommunalkredit is committed to reporting annually, beginning one calendar year after the issuance of the Social Covered Bond, on the allocation of proceeds. The reporting will include the total amount and number of eligible assets within the Social Asset Portfolio, as well as by thematic eligibility criteria. New eligible assets will also be disclosed. Allocation reporting will be externally verified and made available on Kommunalkredit's website.

Impact Reporting

Kommunalkredit has also committed, to the extent possible, to reporting annually on the Key Performance Indicators that reflect the social impact of its social covered bond. This information will be communicated in the same report as allocation reporting. The depth of the impact reporting will depend on the information available.

Use of proceeds reporting:

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

Information reported:

- Allocated amounts
- GB financed share of total investment
- Other (*please specify*):

Frequency:

- Annual Semi-annual
 Other (please specify):

Impact reporting:

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

Frequency:

- Annual Semi-annual
 Other (please specify):

Information reported (expected or ex-post):

- GHG Emissions / Savings Energy Savings
 Other ESG indicators (please specify):
Number of dwellings or beneficiaries; Number of schools or Number of students; Number of beds or residents served, etc.

Means of Disclosure

- Information published in financial report Information published in sustainability report
 Information published in ad hoc documents Other (please specify):
 Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):
allocation reporting

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

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

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

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

Other (please specify):

Review provider(s):

Date of publication:

ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE GBP

- (i) **Consultant Review:** An issuer can seek advice from consultants and/or institutions with recognized expertise in environmental sustainability or other aspects of the issuance of a Green Bond, such as the establishment/review of an issuer's Green Bond framework. "Second opinions" may fall into this category.
- (ii) **Verification:** An issuer can have its Green Bond, associated Green Bond framework, or underlying assets independently verified by qualified parties, such as auditors. In contrast to certification, verification may focus on alignment with internal standards or claims made by the issuer. Evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria.
- (iii) **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against an external green assessment standard. An assessment standard defines criteria, and alignment with such criteria is tested by qualified third parties / certifiers.
- (iv) **Rating:** An issuer can have its Green Bond or associated Green Bond framework rated by qualified third parties, such as specialized research providers or rating agencies. Green Bond ratings are separate from an issuer's ESG rating as they typically apply to individual securities or Green Bond frameworks / programmes.

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As the Opinion is based on information made available by the client, Sustainalytics does not warrant that the information presented in this Opinion is complete, accurate or up to date.

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The client is fully responsible for certifying and ensuring its commitments` compliance, implementation and monitoring.

SUSTAINALYTICS

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Sustainalytics
info@sustainalytics.com
www.sustainalytics.com

