Second-Party Opinion

Philips Green and Sustainability Innovation Bond

Evaluation Summary

Sustainalytics is of the opinion that the Philips Green & Sustainability Innovation Bond Framework is credible and impactful and aligns with the Green Bond Principles 2018, Social Bond Principles 2018 and Sustainability Bond Guidelines 2018. This assessment is based on the following:

**USE OF PROCEEDS** The eligible categories for the use of proceeds are aligned with those recognized by both the Green Bond Principles and Social Bond Principles. Sustainalytics considers green and sustainable innovation in R&D, circular products and solutions, operational efficiency and the promotion of access to healthcare to have positive environmental or social impacts and to primarily advance the UN Sustainable Development Goals (3) Good health and well-being; (7) Affordable and clean energy; (9) Industry, Innovation and Infrastructure and (12) Responsible consumption and production. Sustainalytics also notes an indirect contribution to SDG 13, Climate Action, the targets for which are more focused on policy makers.

**PROJECT EVALUATION / SELECTION** Philips’ internal process for evaluating and selecting projects is carried out by the sustainability department in collaboration with the innovation sites. Projects that will be funded by Green or Sustainability Bonds are identified for eligibility in line with the criteria outlined in the Framework. The group makes yearly recommendations to the treasury department. Sustainalytics views this approach to be in line with market practice.

**MANAGEMENT OF PROCEEDS** Philips’ processes for management of proceeds is carried out by the treasury and sustainability departments and is based on a portfolio approach. Allocation of proceeds will be tracked through Philips’ internal accounting system. Pending full allocation, proceeds may be temporarily held or invested in Philips’ treasury liquidity portfolio. If selected projects become ineligible, proceeds will be re-allocated to new eligible projects. Sustainalytics views this approach as aligned with market practice.

**REPORTING** In line with market practice, Philips intends to report on allocation of proceeds and relevant impact metrics in an annual Green and/or Sustainability Innovation Bond report. The report will be made available on the company website. Philips will contract an independent auditor to verify the allocation and reporting. Sustainalytics views Philips’ use of a third-party auditor as best practice.

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Introduction

Headquartered in the Netherlands, Royal Philips (Philips or "the company") is a health technology company focused on improving people's health and enabling better outcomes across the health continuum, from healthy living and prevention, to diagnosis, treatment and home care. The company produces a diverse range of products, from hospital monitoring equipment to personal care and domestic appliances. Philips generated 2018 sales of EUR 18.1 billion and employs approximately 77,000 employees with sales and services in more than 100 countries.

Philips has developed the Philips Green & Sustainability Innovation Bond Framework (the "Framework") under which it is considering to issue multiple Green and/or Sustainability Innovation Bonds and use the proceeds to finance/refinance, in whole or in part, existing/future projects that address a broad range of environmental and social issues, ranging from climate change and hazardous substances to information technology and promoting access to healthcare. The Framework defines eligibility criteria in the following areas:

1. Expenditures related to Green Innovation in R&D
2. Expenditures related to the implementation of circular products and solutions
3. Expenditures under Philips’ Sustainable Operations Programs
4. Expenditures related to Sustainable Innovation R&D contributing to Financially Sustainable Care
5. Expenditures regarding improving access to care for underserved communities

A list of examples of green innovation and sustainable innovation is provided in Appendix 1.

Philips engaged Sustainalytics to review the Philips Green & Sustainability Innovation Bond Framework, dated April 2019, and provide a second-party opinion on the Framework’s environmental and social credentials and its alignment with the Green Bond Principles 2018 (GBP), the Social Bond Principles 2018 (SBP) and the Sustainability Bond Guidelines 2018 (SBG). This Framework has been published in a separate document.

As part of this engagement, Sustainalytics held conversations with various members of Philips’ management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as the management of proceeds and reporting aspects of Philips’ Green and Sustainability Innovation Bond. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Philips Green & Sustainability Innovation Bond Framework and should be read in conjunction with that Framework.

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1 The Sustainability Bond Guidelines are administered by the International Capital Market Association and are available at https://www.icmagroup.org/green-social-and-sustainability-bonds/sustainability-bond-guidelines-sbg/

2 Philips Green and Sustainability Innovation Bond Framework is available on Philips’s website at: https://www.philips.com/a-w/about/investor/debt-info.html
Philips Green and Sustainability Innovation Bonds

Sustainalytics’ Opinion

Section 1: Sustainalytics’ Opinion on Philips Green and Sustainability Innovation Bond Framework

Sustainalytics is of the opinion that the Philips Green & Sustainability Innovation Bond Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2018, the Social Bond Principles 2018 and the Sustainability Bond Guidelines 2018. Sustainalytics highlights the following elements of the Philips Green and Sustainability Innovation Bond Framework:

- Use of Proceeds:
  - Proceeds will finance both 1) Green Innovation Bonds and 2) Sustainability Innovation Bonds.
  - Proceeds from Green Innovation Bonds will focus on three categories: (1) Green innovation in R&D, (2) Green innovation in circular products and solutions and (3) Green innovation in Philips’ Sustainable Operations Programs.
    - Green innovation in R&D is aimed at four core reporting segments: Diagnosis and Treatment, Connected Care, Personal Health and “Other.”
  - The R&D for each of these core reporting segments is guided by Philips’ Green Focal Areas: energy efficiency, packaging, hazardous substances, weight, circularity and lifetime reliability.
  - Expenditures for this criterion are specifically related to financing R&D in product development and production processes. While Sustainalytics notes that the GBP are focused on project finance, we acknowledge that OPEX related to green innovation in R&D will be impactful (see Section 3). Sustainalytics positively notes the framework’s inclusion of thresholds for environmental performance for green innovation in R&D. For innovation focus areas that do not incorporate specific metrics for improved environmental performance, Sustainalytics highlights some specific examples of the scale of impact achieved by Philips’ R&D activities in Section 3, below.
  - Philips’ expenditures regarding the implementation of circular products and solutions is aligned with the GBP category of eco-efficient and/or circular economy adapted products, production technologies and processes. Proceeds will finance the book value of assets that Philips has refurbished, reconditioned or remanufactured, and the costs involved in refurbishing, reconditioning or remanufacturing, facilitating a second life for devices and components that are no longer in use. Proceeds will also finance the procurement of recycled plastics. Sustainalytics positively notes the minimum thresholds for refurbished, reconditioned, remanufactured or recycled content in assets to be financed by Green Innovation Bond proceeds. As with green innovation in R&D, Sustainalytics notes that this criteria includes OPEX related to refurbishment, reconditioning, and remanufacturing of assets, including production costs and ancillary materials for production. Sustainalytics views this as use of proceeds as impactful and aligned with the GBP.
  - Philips’ Sustainable Operation Programs target environmental performance improvements in Philips’ overall operations related to carbon emissions, water and waste. While Philips has not set thresholds for impact from specific investments in operational efficiencies, the investments in these areas are focused on advancing

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3 Philips notes in the Framework that “expenditures spread over innovative projects focusing on global challenges relating to water, air, energy food and circular economy resulting in innovations that disrupt and cross boundaries in health technology to address opportunities for better clinical and economic outcomes and support the associated transformation of Philips into a digital solutions company.”

4 Green solutions need to prove leadership in at least one Green Focal Area compared to the industry standard, which is defined by a sector-specific peer group. This is done either by outperforming reference products (which can be a competitor or predecessor product in the particular product family) by at least 10%, outperforming product-specific eco-requirements, or by being awarded a recognized eco-performance label. Because of their different product portfolios, sectors have specified additional criteria for Green solutions, including product specific minimum requirements where relevant. Products from acquisitions are only included as of the year after the acquisition and subject to the acquisition agenda. Professional Lighting Solutions is an exception to this rule as it was not possible to exclude the products sold from this business.

5 For expenditures in refurbished, reconditioned or remanufactured products and systems with re-used components >30% by total weight of product or system. For expenditures in harvested components that have either been refurbished, reconditioned or remanufactured, the harvested component must contain >30% re-used parts or materials by total component weight. The component can either be a stand-alone component or part of a new product/system. Purchase of recycled plastic used for products with a recycled plastics content of >25% by total weight of eligible plastics.
organizational targets for improvement in each thematic area, including carbon neutrality, zero waste to landfill and a 90% recycling rate, all to be achieved by 2020. Sustainalytics views these targets to be robust and the investments that facilitate their achievement and maintenance as impactful, highlighting that the deadline for achieving these aims is in the near-term. For more information on targets see Section 2, and for examples of impact see Section 3.

- **Proceeds from Sustainability Innovation Bonds** will focus on the following categories: (1) Expenditures related to sustainable innovation R&D contributing to Financially Sustainable Care, and (2) Expenditures related to improved access to care for underserved communities

  ▪ Similar to the criteria for expenditures related to green innovation in R&D, expenditures related to sustainable innovation will be focused on the four core reporting segments. These innovations will emphasize positive social impact, guided by Philips’ Quadruple Aim\(^6\) and "Lives Improved"\(^7\) approaches, which includes both social and environmental benefits. These sustainable innovations span improvements in diagnostics and treatment solutions, improvements in health information technology (IT), well-designed e-health solutions and personal care products, among others. Impacts resulting from these solutions are diverse, including increasing access to care, improving the efficiency of care providers, reducing energy demand for care providers and consumers, among others. For examples of sustainability innovation, please refer to Section 3. As with Green innovation in R&D, Sustainalytics notes that OPEX related to sustainable innovative R&D will drive positive impacts, as detailed in Section 3.

  ▪ In addition to expenditures for sustainable innovation, Philips’ Sustainability Innovation Bonds will also finance healthcare solutions that address the need for improving access to care for underserved communities. These expenditures will finance global projects ranging from South America to Africa and the South Pacific and will include improving access to care in remote areas using Philips innovative healthcare technology. Philips defines underserved communities at the national level using four indicators aligned with the UN SDG 3: maternal mortality, neonatal mortality, under-five mortality and premature mortality from non-communicable diseases.\(^8\) For examples of the different types of projects and technologies that Philips has launched within this category, please refer to Section 3, promoting access to quality and affordable healthcare. Sustainalytics notes that Philips may also finance mergers and acquisitions related to companies that derive 90% or more of their revenues from activities that comply with this eligibility criteria. Sustainalytics considers the acquisition of pure play companies that will expand Philips’ capacity to improve healthcare for underserved communities to be impactful.

- Philips has set a look-back period for all refinancing activities of 24 months, which Sustainalytics views as aligned with market practice.

- **Project Evaluation and Selection:**
  - Philips has delegated the responsibility of project evaluation and selection to the sustainability department and the innovation sites.\(^5\) Together, these departments will identify the potential eligible projects under Philips’ Sustainability Program and will make recommendations on project selection on a yearly basis to the treasury department, who will decide on allocation.
  - Based on the delegation of roles and the commitment to ongoing review of allocation and project eligibility, Sustainalytics considers this evaluation and selection approach to be in line with market practice.

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\(^6\) Philips, “Our Strategic Focus”, (2019), at: https://www.philips.com/a-w/about/company/our-strategy/our-strategic-focus.html


\(^8\) Where maternal mortality ratio is higher than 70 maternal deaths per 100,000 live births; where neonatal mortality rate is higher than 12 neonatal deaths per 1,000 live births; where under-five mortality rate is higher than 25 under-five deaths per 1,000 live births; where premature mortality from non-communicable diseases (NCDs) is higher than 20% of total mortality.

\(^9\) Located around the globe, innovation sites are aimed at delivering innovations to emerging and mature markets that address local needs. Philips, “Locations”, (2019), at: https://www.philips.com/a-w/research/locations.html


- **Management of Proceeds:**
  - Bond proceeds will be managed by Philips’ treasury department and will be allocated using a portfolio approach. Along with the sustainability department, the treasury department will monitor and track the allocation of net proceeds through the company's internal accounting system. Pending full allocation, Philips may invest unallocated funds in cash, deposits and money market instruments in accordance with company guidelines. If projects no longer meet the eligibility criteria, or the project has been completed (i.e. retirement), they will be removed from the Bond portfolio and replaced by new eligible projects. Philips’ approach is aligned with market practice.

- **Reporting:**
  - Philips will publish allocation and impact reporting in an annual Green and/or Sustainability Innovation Bond report on an annual basis within one year of the issuance date of the Bond and until full allocation. The reporting will include the allocation of Bond proceeds to eligible projects, allocation of proceeds to each use of proceeds category and the amount of proceeds allocated to new vs. refinancing. Additionally, impact reporting will be made available in the same document and will cover a wide range of indicators related to project activities (see Appendix 2 for a full indicator list).
  - Based on the commitment to allocation reporting and impact reporting, including quantitative KPIs, Sustainalytics considers Philips’ approach to be in line with market practice.

**Alignment with Sustainability Bond Guidelines 2018**

Sustainalytics has determined that the Philips Green & Sustainability Innovation Bond Framework aligns with the four core components of the Green Bond Principles 2018 and Social Bond Principles 2018. For detailed information please refer to Appendix 3: Sustainability Bond / Sustainability Bond Programme External Review Form.

**Section 2: Sustainability Strategy of Philips**

**Contribution of framework to Philips sustainability targets and strategy**

Philips has adopted a comprehensive sustainability strategy that has three focal areas: 1) access to healthcare, 2) circular economy and 3) climate action. The proceeds from Philips’ bonds will be used to support various activities that will contribute to the targets that the company has established within each of these three areas. Philips’ primary organizational goal is to improve the lives of 3 billion people by 2030, and the majority of activities funded through Green Bonds and Sustainability Bonds will be aimed at contributing towards that goal.¹⁰

**Access to Care**

Philips’ approach to access to care is guided by its commitment to improving the lives of 300 million people a year in underserved health communities by 2025.¹¹ In this regard the company has a specific focus on woman and children, and the goal is a more ambitious expansion of a previous goal to improve the lives of at least 100 million women and children in Africa and South East Asia by 2025.¹² As of 2018, the company has improved 175 million lives through their health and well-being solutions, representing an increase of 22 million compared to 2017. Philips is currently engaged in a variety of projects that aim to support this goal. Such projects aim, for example, to improve access to care in developing countries or to reduce the diagnostic time of procedures, such as an MRI. For more examples, please refer to Section 3.

**Circular Economy**

Philips has set a 2020 goal for 15% of revenues to come from circular propositions, up from 7% baseline in 2015, and in January 2018 the company made a commitment to fully close the loop on all large medical equipment systems that become available by 2020. Philips has already achieved 12% of its goal of revenue from circular propositions, up 5% from 2015, demonstrating that the company is making progress.¹² Additionally, in an effort to close material loops, Philips is working on improving the transparency of its

material flows and in 2018 put a total of 275,000 tonnes of products onto the market, approximately 8% of which was collected, recycled or re-used.\textsuperscript{12}

**Climate Action**
The company has established quantitative, time-bound targets for emissions and waste reduction, carbon-neutrality, renewable energy and water consumption. Projects financed by Philips’ Green Innovation Bonds will range from resource and energy efficiency to emissions and waste reduction. For example, the company aims to be 100% carbon-neutral in its operations and utilize only electricity from renewable sources by 2020 and will invest in photovoltaic solar technology and energy efficiency measures in manufacturing and non-manufacturing facilities. As of 2018, Philips was able to achieve 90% renewable electricity, up from 79% in 2017.\textsuperscript{13} In 2018, the company became the first healthcare technology company to have its CO\textsubscript{2} emissions targets approved by the Science Based Targets initiative.\textsuperscript{12}

In terms of operational efficiency, Philips aims to reduce its total water usage by 10% by 2020 compared to the 2015 baseline and will implement water-saving actions. Philips also pursues activities to increase operational recycling to 90% and achieve zero waste-to-landfill by 2020.

Based on the activities described above, Sustainalytics is of the opinion that Philips’ Green and Sustainability Bond Framework will contribute significantly to the company’s sustainability strategy and the achievement of its environmental and social sustainability goals related to improved access to quality healthcare, the circular economy and climate change mitigation, as well as broader operational efficiency targets related to water and waste.

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

Sustainalytics recognizes that the activities that will be funded by Green Bond proceeds and Sustainability Bond proceeds will produce an overall positive impact. However, it is important to acknowledge that the activities financed pose environmental and social risks, including those related to worker health and safety, the proper management of emissions, effluents and waste from the production process, supply chain sustainability and end-of-life product management. Furthermore, Sustainability Bond proceeds have the potential to increase inequities through, for example, limited accessibility of healthcare innovations to vulnerable or at-risk populations. To address these risks, Philips is taking the following measures.

- Regarding worker health and safety, Philips acknowledges the importance of being a leader in Occupational Health & Safety (OHSA) performance as a key component of the sustainability strategy. Philips is committed to a robust health and safety approach which is underpinned by Phillips Health & Safety (H&S) Policy and Philips Corporate Safety Standards (PCSS). In practice, the company has publicly committed to meeting and/or exceeding national health and safety laws in countries where it operates. Additionally, the company is committed to providing all employees with an opportunity to receive proper occupational training and voice any health or safety concerns they might have. Philips conducts internal health and safety audits, extensive employee training and publicly reports on lost workday injuries, which showcase the company’s strong commitment to worker safety.\textsuperscript{14} In 2018, the company reported .28 recordable cases per 100 full-time equivalents (FTE), down from .36 in 2017.\textsuperscript{12}
- To manage environmental risks, the company has been ISO 14001-certified since 2000, which Sustainalytics considers to be a robust approach towards environmental management.\textsuperscript{15} Three non-compliance issues were reported in 2018, one related to noise and two related to wastewater discharge.\textsuperscript{12} As part of the company’s efforts to identify limitations and areas for improvement, a third-party audit was conducted in 2018, the results of which are included in the company’s 2018 annual report.\textsuperscript{12} Sustainalytics notes that, although the company had three non-compliance issues in 2018, they have made a clear effort to identify the operational gaps and improve environmental performance.
- Philips actively manages exposure to supply chain risks through programmes aimed at compliance with its policies and ongoing improvement of suppliers’ sustainability performance, as well as dedicated approaches for mineral, conflict mineral a circular materials sourcing. Suppliers are required to abide by Philips Supplier Sustainability Declaration,\textsuperscript{16} which is aligned with the Responsible Business Alliance.


\textsuperscript{16} Philips, ”Supplier Sustainability Declaration”, (2018), at: https://www.philips.com/c-dam/corporate/about-philips/company/suppliers/supplier-sustainability/policies/EICC-Philips-Supplier-Sustainability-Declaration.pdf
With a strong focus on circular economy, Philips has fully acknowledged the needs for closing material loops and reducing waste. As such, product recycling services and efforts are highly emphasized as part of the company’s sustainability strategy. The company has adopted the Individual Producer Responsibility (IPR)\textsuperscript{19} principle, which is aimed at incentivizing design-for-recycling. Philips strives to cooperate with the recycling community and other stakeholders to further develop circular systems that take responsibility for waste production and help facilitate the transition to a circular economy. For example, the Philips Diamond Select program\textsuperscript{20} aims to provide reliable refurbished medical imaging systems at an affordable price, which reduces the cost of medical equipment for providers and cuts down on the waste stream that would be created from the discarding of old machines/production of new ones.

- Sustainalytics highlights that Philips’ expenditures regarding sustainable innovation in R&D enabling Financially Sustainable Care are guided by addressing the company’s Quadruple Aim, which includes improved health outcomes and lower costs of care as key elements. In this regard, Sustainalytics notes that Philips’ innovations in technology and services can play an important role in disburdening healthcare systems and expanding access. With regards to expenditures regarding improving access to care for underserved communities, Philips has defined criteria for target populations that target those countries facing the greatest health risks related to maternal, neonatal, child mortality and non-communicable diseases, which will help limit the possibility that discrepancies in care across countries will be exacerbated.

Based on the procedures, processes and programs described above, Sustainalytics views Philips as having robust measures in place to mitigate against relevant environmental and social risks. As such, Sustainalytics is of the opinion that Philips is well-positioned to mitigate the potential risks associated with the activities that will be financed by this Bond.

Section 3: Impact of Use of Proceeds

All use of proceeds categories are recognized as impactful by the GBP and the SBP. Sustainalytics has focused on a few below where the impact is specifically relevant in local context.

Green and Sustainable R&D Innovations

As mentioned in Section 2, Philips aims to develop innovative healthcare products and solutions with improved environmental performance and/or a positive social benefit. To guide their efforts towards this goal and measure their progress, Philips has developed the “Lives Improved” methodology, which takes a two-dimensional approach – social and ecological – to improving people’s lives.\textsuperscript{21} As of 2018, Philips’ Innovations that meet its “Lives Improved” criteria have reached 1.43 billion people, highlighting the scale and success of the innovation programme. Philips focuses on three buckets of solutions, which are described below along with some brief examples:

- Green solutions,\textsuperscript{22} which are primarily related to the Green Innovation Bonds, are developed in reference to Philips Green Focal Areas: energy efficiency, packaging, hazardous substances, weight, circularity and lifetime reliability, are all aimed at reducing the overall environmental impact of Philips’

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\textsuperscript{17} Philips, “Annual Report 2018,” (2018), at: https://www.results.philips.com/#/downloads
\textsuperscript{20} Philips, “Refurbished Medical Imaging Equipment”, (2018), at: https://www.usa.philips.com/healthcare/solutions/refurbished-systems/
Philips Green and Sustainability Innovation Bonds

products, which are the primary source of Philips’ environmental impact, accounting for approximately 87% of the total. The company applies the EcoDesign and circular economy principles in designing products and solutions\textsuperscript{23} and in order for a product to qualify as a “Green Product”, it must outperform existing products, competitor products, or surpass minimum legislative requirements by at least 10% in one or more of the Green Focal Areas. For example, Philips has confirmed to Sustainalytics that it has developed an MRI machine that is 20% more energy efficient than its closest competitor’s model.

- Healthcare solutions are related to the Sustainability Innovation Bonds and include imaging systems, patient monitoring and home healthcare solutions. In addition to being guided the lives improved methodology, these innovations also focus on Philips’ Quaduple Aim which seeks to achieve improved patient experience, better health outcomes, improved staff experience and lower costs of care. For example, in 2018, Philips launched Ingenia Ambition X 1.5T MR which incorporates BlueSeal magnet technology and can reduce downtime, enable single operator workflow and speed up exam times by up to 50%, which gives clinicians the opportunity to focus on the patient, and can increase hospital’s throughput, reducing healthcare costs and expanding access to care.\textsuperscript{24} The company also released the industry’s first collaborative platform “Reacts” combined with Philips’ Lumify technology, creating an “all-in-one tele-ultrasound solution” to enhance care by removing knowledge sharing barriers.\textsuperscript{25} This new technology enables remote collaboration and virtual training through face-to-face conversation while simultaneously viewing live ultrasound images and guided probe positioning.\textsuperscript{25} This technology allows professors to provide virtual tours to students, regardless of geographic location. Additionally, by providing doctors with remote access, a wide range of care can be provided to underserved communities.\textsuperscript{25}

- Well-being solutions are related to both Sustainability Innovation Bonds and/or Green Innovation Bonds and include food, home care, physical and mental health. For example, Philips confirmed to Sustainalytics that in 2018, the company’s research into temperature control technology produced the “OptimalTemp Technology innovation”, which, according to Philips, resulted in a >10% energy improvement without compromising ironing quality. Similarly, in October 2018, Philips launched the first Airfryer with recycled plastics pledge. The company has committed to using 7600 tonnes of recycled plastic in its consumer product portfolio by 2025 as a part of their voluntary commitment to the EU Strategy on Plastic, which represents an approximately fourfold increase of the 2018 level of 1840 tonnes.\textsuperscript{26}

The above examples are a sample of the impacts yielded by Philips’ green and sustainable R&D practices in recent years. Based on these examples, Sustainalytics considers Philips to be well-positioned to continue generating innovative environmentally and socially impactful products, systems and services.

**Importance of electrical waste disposal, reuse and recycling**

In 2018, Philips’ manufacturing sites\textsuperscript{27} generated a total of 24.5 kilotonnes of waste, almost exactly the amount that it generated in 2017.\textsuperscript{27} Total waste includes all waste that is either sent to a landfill, incinerator or to be recycled. Recyclable materials accounted for 21 kilotonnes of the total waste, approximately 84% of the total, a 4% improvement compared to 2017.\textsuperscript{12}

Based on Philips’ internal records, electrical and electronic waste accounted for 3% of Philips total waste in 2018.\textsuperscript{12} E-waste contains hazardous substances that, when disposed of improperly, can lead to adverse effects on human health and the environment.\textsuperscript{28} For example, substances such as BFR, which is most commonly used in circuit boards and casings do not break down well in the natural environment, and long-term exposure can impair learning and memory functions.\textsuperscript{28} Similarly, PVC, a chlorinated plastic that is


\textsuperscript{27} The Personal Health businesses contributed 61% of total waste, Diagnosis & Treatment businesses 34%, and Connected Care & Health Informatics businesses 5%. Philips, “Annual Report 2018”, (2018), at: \texttt{https://www.results.philips.com/#/}

\textsuperscript{28} GreenPeace, “Hazardous chemicals in electronic devices”, at: \texttt{http://www.greenpeace.org/eastasia/campaigns/toxics/science/chemicals-electronics/}
commonly used in some electronic products, releases chlorinated dioxins and furans during the production and disposal processes; dioxins are a well-known endocrine disruptor.\(^{29}\) Moreover, volatile organic compounds (VOC) are also released from electronic appliances that contribute to the accumulation of ozone and fine particles in the atmosphere. Over time, the accumulation of ozone and fine particles create smog, which negatively affects cardiovascular health, especially in the young and elderly.\(^{30}\)

Several different circular economy projects will be pursued as part of the Framework. For example, within the company's expenditures on green innovation and R&D, the diagnostics and treatment business units along with the personal health business are both focused on improving the circularity of health care technology products and Personal Health products and reducing the life cycle impacts. For example, within the Personal Health business, proceeds will be allocated to activities aimed at improving the energy efficiency of products, closing the material loop and the voluntary phase-out of hazardous substances.\(^{31}\)

Phillips supports the IPR principle and its Green Bonds aim to support a transition to a Circular Economy by creating and supporting the effective and environmentally sound collection and recycling of electronic waste. Philips actively works together with reuse centers, treatment facilities and recycling centers to provide information of how best to dismantle and recycle healthcare equipment, which is referred to as the "Recycling Passport".\(^{32}\)

**Improving Philips' operational sustainability**

Philips' Green Innovation Bond will fund the company's Sustainable Operations programmes, which are aimed at improving the overall environmental performance of business operations, including manufacturing, non-manufacturing operations, business travel and logistics. Philips' investments are focused on contributors to climate change, water consumption issues, recycling of waste and hazardous substances (as described in the section below). Notable impacts include:

- In 2018, Philips’ net operational carbon footprint was 436kg CO\(_2\)e, which represents an improvement of approximately 30% in carbon intensity from 2017 (627kg CO\(_2\)e). Additionally, the company has identified a number of energy efficiency improvement measures that can be implemented at factories to further reduce the overall carbon footprint. For example, Philips will invest in improved building controls to reduce variance in temperature and thus reduce overall energy consumption for heating/cooling, as well as investments in LED lighting and improved insulation. By further investing in renewable energy generation and improved energy efficiency technologies for manufacturing facilities, Philips will contribute to its long-term commitments to renewable energy and carbon neutrality in its operations, and ultimately contributing to climate related targets in the countries in which it operates.

- In addition to tackling the carbon footprint for manufacturing and non-manufacturing sites, Philips is committed to reducing the impact of business travel by 10% by 2020 and will invest into initiatives related to building an on-line collaboration infrastructure. In 2018, one of the few segments where Philips’ emissions increased was business travel, which was reportedly due to an increase in short-distance flights. Philips’ initiatives will promote internal on-line collaboration and reduce the need for flying to meetings by introducing improved video conferencing technology.

**Promoting access to quality, affordable healthcare**

As mentioned above, Philips is committed to improving access to care for people in underserved healthcare communities around the globe, with a specific focus on women and children. Looking at the global scale for example, Philips partnered with Grand Challenges Canada to scale an innovation called ChARM (children's automatic respiratory monitor) to tackle the problem of child pneumonia, which causes more than 900,000 deaths annually among children under the age of 5, accounting for 16% of child mortality worldwide.\(^{33}\) Approximately 99% of these deaths happen in developing countries, with limited access to resources and healthcare, overlapping significantly with Philips target regions, typically in rural areas. The ChARM device is strapped around the child’s chest and automatically detects respiratory rates, allowing community health workers to assess the child’s breathing rates, which can improve the diagnosis of pneumonia and potentially

\(^{29}\) The Endocrine Disruption Exchange, "Dioxin", at: https://endocrinedisruption.org/interactive-tools/critical-windows-of-development/about-the-timeline/dioxin

\(^{30}\) Environmental Protection Department, “Volatile Organic Compounds and Smog”, at: https://www.epd.gov.hk/epd/english/environmentinhk/air/prob_solutions/vocs_smog.html

\(^{31}\) Including, Polyvinyl chloride (PVC), brominated flame retardants (BFR), Bisphenol A (BPA) and phthalates.


\(^{33}\) Philips, “Combating child pneumonia using Philips ChARM monitor”, (2018), at: https://www.philips.com/a-w/about/sustainability/charm-monitor.html
prevent serious illness or death. At scale, Philips estimates more than 100 million children per year could receive more accurate diagnosis of pneumonia.

In addition to its global efforts, Philips has launched a variety of regional initiatives in Asia-Pacific in countries including South Korea the Philippines, Indonesia, Malaysia, and others, as well as in African countries including Egypt, Algeria, Morocco, Ghana, Nigeria, Kenya and South Africa. Regarding the Asia-Pacific region, a 2018 healthcare report from the OECD determined that less than two-thirds of rural dwellers have access to basic sanitation and almost half of health spending comes from households in lower-middle- and low-income countries. According to the United Nations International Labour Organization, almost half of the world’s population does not have access to healthcare; 56% of people in rural areas cannot access healthcare and that number spikes to 83% in the African context. In Sub-Saharan Africa, four out of ten people have no access to healthcare facilities and those that do have access to low-quality care. In 2018, Philips launched its highly innovative Lumify with Reacts mobile tele-ultrasound solution in South Korea, Philippines, Kenya and Nigeria; it provides remote regions of those communities with an easy-to-use low-cost diagnostic ultrasound tool that can be used by a variety of practitioners and clinicians.

Sustainalytics positively views Philips investments into healthcare products and solutions that can provide better access to underserved communities, and specifically women and children in those communities, around the world. As evidenced by the above examples, Philips has demonstrated a strong commitment to providing quality and affordable access to care across the globe, making an important impact in underserved communities.

**Alignment with/contribution to SDGs**
The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. This sustainability bond advances the following SDG goals and targets:

<table>
<thead>
<tr>
<th>Use of Proceeds Category</th>
<th>SDG</th>
<th>SDG target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditures related to Green Innovation in R&amp;D</td>
<td>12. Responsible consumption and production</td>
<td>12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment. 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.</td>
</tr>
<tr>
<td>Expenditures related to the implementation of circular products and solutions</td>
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</tr>
</tbody>
</table>
| Expenditures regarding Philips’ Sustainable Operations Programme | 7. Affordable and clean energy | 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.
| | 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 |

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35 See Section 1: Use of Proceeds for info on Lumify with Reacts
### Conclusion

Philips Green and Sustainability Innovation Bond Framework will contribute to the company’s green and sustainability innovation strategy and ongoing sustainability projects and developments. By using proceeds to finance activities including innovative research and development; sourcing and production of recycled, reused, refurbished and remanufactured materials; and targeting operational sustainability improvements, Philips’ Green Innovation Bonds will support further integration sustainability into the business strategy. Through its Green Innovation Bonds and Sustainability Innovation Bonds, Philips is demonstrating a focus on bringing new sustainable products and services to the healthcare technology market, while promoting access to quality, affordable healthcare. These activities will contribute to the SDGs, including good health and well-being, responsible consumption and production, affordable and clean energy, and climate action. The processes outlined in the framework for project evaluation and selection, management of proceeds and reporting are all aligned with market practice.

Based on the above, Sustainalytics is of the opinion that Philips is well-positioned to issue Green and Sustainability Innovation Bonds and that the Philips’ Green and Sustainability Innovation Bond Framework is credible, impactful and aligned with the Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines.
Appendices

Appendix 1: Examples of Philips’ Green Innovation and Sustainability Innovations

- Philips’ ChARM monitor: https://www.philips.com/a-w/about/sustainability/charm-monitor.html

Appendix 2: Philips’ Impact Metrics

Impact reporting
In order to give a comprehensive view on the impact of the investments, impact reporting varies for each Use of Proceeds category. Per Use of Proceeds category, Philips will provide relevant metrics (as listed below) on a best-efforts basis. The impact reporting occurs on a portfolio basis, but certain projects will be highlighted as examples.

Green Innovation Bonds

A. Expenditures related to Green Innovation in R&D
   I. Number of green innovations developed
   II. Depending on the focal area of the developed products and solutions, examples for specific innovations of:
      • Estimated CO\textsubscript{2} avoided through energy efficiency
      • New material use avoided (in metric tonnes)
      • Reduction in hazardous substances emission (in kilos)

B. Expenditures related to the implementation of circular products and solutions
   • Re-used components (in metric tonnes)
   • Re-used and recycled products (in metric tonnes)
   • Amount of recycled plastics purchased (in tonnes)

C. Expenditures under Philips’ Sustainable Operations Programs
   I. Carbon footprint and energy efficiency:
      • Renewable energy financed by the Bond in Ktonnes CO\textsubscript{2} avoided
      • Renewable energy as a percentage of total energy use
      • CO\textsubscript{2} emissions avoided through energy efficiency measures in manufacturing facilities (in Ktonnes CO\textsubscript{2} equivalent)
   I. Water efficiency projects:
      • Water use avoided through water-saving actions (in m\textsuperscript{3})
      • Improvement on 2020 target (10% water reduction) realised by projects (as a percentage)
   II. Waste
      • Operational waste recycled through financed projects (in Ktonnes)
      • Avoided waste to landfill financed by projects (in Ktonnes)
      • Improvement on 2020 targets (recycling of 90% of operational waste and zero waste to landfill) by the end of 2020
   III. Expenditures related to the On-line Collaboration Infrastructure
      • CO\textsubscript{2} emissions avoided through On-line Collaboration Infrastructure investments
Sustainability Innovation Bonds

A. **Expenditures related to sustainable innovation R&D contributing to Financially Sustainable Care**
   I. Sustainable products and solutions developed
   II. Number of lives improved through sustainable healthcare innovations
   III. Depending on the focal area of the developed products and solutions, examples for specific innovations of:
        • Estimated CO₂ avoided through energy efficiency
        • New material use avoided (in metric tonnes)
        • Reduction in hazardous substances emission (in kilos)
   IV. Example case studies of products and solutions

B. **Expenditures regarding improving access to care for underserved communities**
   I. Number of sustainable projects, products and solutions produced
   II. Number of lives improved in underserved healthcare communities
   III. Example case studies of projects, products and solutions
Appendix 3: Sustainability Bond / Sustainability Bond Programme - External Review Form

Section 1. Basic Information

<table>
<thead>
<tr>
<th>Issuer name:</th>
<th>Koninklijke Philips N.V.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainability Bond ISIN or Issuer Sustainability Bond Framework Name, if applicable:</td>
<td>Philips Green and Sustainability Innovation Bond Framework</td>
</tr>
<tr>
<td>Review provider’s name:</td>
<td>Sustainalytics</td>
</tr>
<tr>
<td>Completion date of this form:</td>
<td>25/04/19</td>
</tr>
<tr>
<td>Publication date of review publication:</td>
<td>[where appropriate, specify if it is an update and add reference to earlier relevant review]</td>
</tr>
</tbody>
</table>

Section 2. Review overview

SCOPE OF REVIEW
The following may be used or adapted, where appropriate, to summarize the scope of the review.

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

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

ROLE(S) OF REVIEW PROVIDER

☒ Consultancy (incl. 2nd opinion)
☐ Certification
☐ Verification
☐ Rating
☐ Other (please specify):

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):

Proceeds will finance both 1) Green Innovation Bonds and 2) Sustainability Innovation Bonds.

Proceeds from Green Innovation Bonds will focus on three categories: (1) Green innovation in R&D, (2) Green innovation in circular products and solutions and (3) Green innovation in Philips’ Sustainable Operations Programs.

Green innovation in R&D is aimed at four core reporting segments: Diagnosis and Treatment, Connected Care, Personal Health and “Other.” The R&D for each of these core reporting segments is guided by Philips’ Green Focal Areas: energy efficiency, packaging, hazardous substances, weight, circularity and lifetime reliability. Expenditures for this criterion are specifically related to financing R&D in product development and production processes. While Sustainalytics notes that the GBP are focused on project finance, we acknowledge that OPEX related to green innovation in R&D will be impactful (see Section 3). Sustainalytics positively notes the framework’s inclusion of thresholds for environmental performance for green innovation in R&D. For innovation focus areas that do not incorporate specific metrics for improved environmental performance, Sustainalytics highlights some specific examples of the scale of impact achieved by Philips’ R&D activities in Section 3, below.

Philips’ expenditures related to the implementation of circular products and solutions is aligned with the GBP category of eco-efficient and/or circular economy adapted products, production technologies and processes. Proceeds will finance the book value of assets that Philips has refurbished, reconditioned or remanufactured, and the costs involved in refurbishing, reconditioning or remanufacturing, facilitating a second life for devices and components that are no longer in use. Proceeds will also finance the procurement of recycled plastics. Sustainalytics positively notes the minimum thresholds for refurbished, reconditioned, remanufactured or recycled content in assets to be financed by Green Innovation Bond proceeds. As with green innovation in R&D, Sustainalytics notes that this criteria includes OPEX related to refurbishment, reconditioning, and remanufacturing of assets, including production costs and ancillary materials for production. Sustainalytics views this as use of proceeds as impactful and aligned with the GBP.

Philips’ Sustainable Operation Programs target environmental performance improvements in Philips’ overall operations related to carbon emissions, water and waste. While Philips has not set thresholds for impact from specific investments in operational efficiencies, the investments in these areas are focused on advancing organizational targets for improvement in each thematic area, including carbon neutrality, zero waste to landfill and a 90% recycling rate, all to be achieved by 2020. Sustainalytics views these targets to be robust and the investments that facilitate their
achievement and maintenance as impactful, highlighting that the deadline for achieving these aims is in the near-term. For more information on targets see Section 2, and for examples of impact see Section 3.

Proceeds from Sustainability Innovation Bonds will focus on the following categories: (1) Expenditures regarding sustainable innovative R&D enabling Financially Sustainable Care, and (2) Expenditures regarding improved access to care for underserved communities.

Similar to the criteria for expenditures regarding green innovation in R&D, expenditures related to sustainable innovation will be focused on the four core business segments. These innovations will emphasize positive social impact, guided by Philips’ Quadruple Aim and “Lives Improved” approaches, which includes both social and environmental benefits. These sustainable innovations span improvements in diagnostics and treatment solutions, improvements in health information technology (IT), well-designed e-health solutions and personal care products, among others. Impacts resulting from these solutions are diverse, including increasing access to care, improving the efficiency of care providers, reducing energy demand for care providers and consumers, among others. For examples of sustainability innovation, please refer to Section 3. As with Green innovation in R&D, Sustainalytics notes that OPEX related to sustainable innovative R&D will drive positive impacts, as detailed in Section 3.

In addition to expenditures for sustainable innovation, Philips’ Sustainability Innovation Bonds will also finance healthcare solutions that address the need for improving access to care for underserved communities. These expenditures will finance global projects ranging from South America to Africa and the South Pacific and will include improving access to care in remote areas using Philips innovative healthcare technology. Philips defines underserved communities at the national level using four indicators aligned with the UN SDG 3: maternal mortality, neonatal mortality, under-five mortality and premature mortality from non-communicable diseases. For examples of the different types of projects and technologies that Philips has launched within this category, please refer to Section 3, promoting access to quality and affordable healthcare. Sustainalytics notes that Philips may also finance mergers and acquisitions related to companies that derive 90% or more of their revenues from activities that comply with this eligibility criteria. Sustainalytics considers the acquisition of pure play companies that will expand Philips’ capacity to improve healthcare for underserved communities to be impactful.

Philips has set a look-back period for all refinancing activities of 24 months, which Sustainalytics views as aligned with market practice.

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

- ☒ Renewable energy
- ☒ Energy efficiency
- ☐ Pollution prevention and control
- ☐ Environmentally sustainable management of living natural resources and land use
- ☐ Terrestrial and aquatic biodiversity conservation
- ☐ Clean transportation
## 2. PROCESS FOR PROJECT EVALUATION AND SELECTION

**Overall comment on section (if applicable):**

Philips has delegated the responsibility of project evaluation and selection to the sustainability department and the innovation sites. Together, these departments will identify the potential eligible projects under Philips’ Sustainability Program and will make recommendations on project selection on a yearly basis to the treasury department, who will decide on allocation.

Based on the delegation of roles and the commitment to ongoing review of allocation and project eligibility, Sustainalytics considers this evaluation and selection approach to be in line with market practice.

### Evaluation and selection
- ☒ Credentials on the issuer’s social and green objectives
- ☒ Documented process to determine that projects fit within defined categories
Second-Party Opinion
Philips Green and Sustainability Innovation Bonds

☒ Defined and transparent criteria for projects eligible for Sustainability Bond proceeds
☒ Documented process to identify and manage potential ESG risks associated with the project
☒ Summary criteria for project evaluation and selection publicly available
☐ Other (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):

Bond proceeds will be managed by Philips’ treasury department and will be allocated using a portfolio approach. Along with the sustainability department, the treasury department will monitor and track the allocation of net proceeds through the company’s internal accounting system. Pending full allocation, Philips may invest unallocated funds in cash, deposits and money market instruments in accordance with company guidelines. If projects no longer meet the eligibility criteria, or the project has been completed (i.e. retirement), they will be removed from the Bond portfolio and replaced by new eligible projects. Philips’ approach is aligned with market practice.

Tracking of proceeds:
☒ Sustainability 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):

Philips will publish allocation and impact reporting in an annual Green and/or Sustainability Innovation Bond report on an annual basis within one year of the issuance date of the Bond and until full allocation. The reporting will include the allocation of Bond proceeds to eligible projects, allocation of proceeds to each use of proceeds category and the amount of proceeds allocated to new vs. refinancing. Additionally, impact reporting will be made available in the same document and will cover a wide range of indicators related to project activities (see Appendix 2 for a full indicator list).

Based on the commitment to allocation reporting and impact reporting, including quantitative KPIs, Sustainalytics considers Philips’ approach to be in line 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  ☐ Sustainability Bond 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

☒ Decrease in water use  ☒ Number of beneficiaries
A. Other ESG indicators (please specify):

**Expenditures related to Green Innovation in R&D**
- Number of green innovations developed
- Depending on the focal area of the developed products and solutions, examples for specific innovations of:
  - Estimated CO₂ avoided through energy efficiency
  - New material use avoided (in metric tonnes)
  - Reduction in hazardous substances emission (in kilos)

B. **Expenditures related to the implementation of circular products and solutions**
- Re-used components (in metric tonnes)
- Re-used and recycled products (in metric tonnes)
- Amount of recycled plastics purchased (in tonnes)

C. **Expenditures under Philips’ Sustainable Operations Programs**
- **Carbon footprint and energy efficiency**:
  - Renewable energy financed by the Bond in Ktonnes CO₂ avoided
  - Renewable energy as a percentage of total energy use
  - CO₂ emissions avoided through energy efficiency measures in manufacturing facilities (in Ktonnes CO₂ equivalent)
- **Water efficiency projects**:
  - Water use avoided through water-saving actions (in m³)
  - Improvement on 2020 target (10% water reduction) realised by projects (as a percentage)
- **Waste**
  - Operational waste recycled through financed projects (in Ktonnes)
  - Avoided waste to landfill financed by projects (in Ktonnes)
  - Improvement on 2020 targets (recycling of 90% of operational waste and zero waste to landfill) by the end of 2020

**Expenditures related to the On-line Collaboration Infrastructure**
- CO₂ emissions avoided through On-line Collaboration Infrastructure investments

### A. Expenditures related to sustainable innovation R&D contributing to Financially Sustainable Care
- Sustainable products and solutions developed
- Number of lives improved through sustainable healthcare innovations
- Depending on the focal area of the developed products and solutions, examples for specific innovations of:
  - Estimated CO₂ avoided through energy efficiency
  - New material use avoided (in metric tonnes)
  - Reduction in hazardous substances emission (in kilos)
- Example case studies of products and solutions

### B. Expenditures regarding improving access to care for underserved communities
- Number of sustainable projects, products and solutions produced
- Number of lives improved in underserved healthcare communities
- Example case studies of projects, products and solutions

### Means of Disclosure

- Information published in financial report
- Information published in sustainability report
- Information published in ad hoc documents
- Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review): Philips’ allocation reporting will be reviewed by an independent auditor

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

i. Consultant Review: An issuer can seek advice from consultants and/or institutions with recognized expertise in environmental and social sustainability or other aspects of the issuance of a Sustainability Bond, such as the establishment/review of an issuer’s Sustainability Bond framework. “Second Party Opinions” may fall into this category.

ii. Verification: An issuer can have its Sustainability Bond, associated Sustainability 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 and socially sustainable features of underlying assets may be termed verification and may reference external criteria.

iii. Certification: An issuer can have its Sustainability Bond or associated Sustainability Bond framework or Use of Proceeds certified against an external green and social 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 Sustainability Bond or associated Sustainability Bond framework rated by qualified third parties, such as specialized research providers or rating agencies. Sustainability Bond ratings are separate from an issuer’s ESG rating as they typically apply to individual securities or Sustainability Bond frameworks / programmes.
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Sustainalytics

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For more information, visit www.sustainalytics.com

Or contact us info@sustainalytics.com