Second-Party Opinion

Ameriabank CJCS Green Bond Framework

Evaluation Summary

Sustainalytics is of the opinion that the Ameriabank CJCS Green Bond Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2018 and the Green Loan Principles. This assessment is based on the following:

**USE OF PROCEEDS** The eligible categories for the use of proceeds – Renewable Energy, Energy Transmission, Distribution and Storage, Sustainable Transport, Water, Sustainable Buildings, Land use and aquatic resources, Energy and Resource Efficiency in Industry, Waste Management, IT Solutions – are aligned with those recognized by the Green Bond Principles 2018. Sustainalytics considers that the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 6, 7, 9, 11, 12, 14 and 15.

**PROJECT EVALUATION / SELECTION** Ameriabank’s internal process in evaluating and selecting projects is managed by the Environmental and Social Risk Management unit (E&S team). The E&S team is responsible for identifying eligible assets, confirming alignment with internal policies, laws, and Framework eligibility criteria. Upon selection, eligible assets will be included in the Eligible Green Asset Portfolio. Sustainalytics considers the project selection process in line with market practice.

**MANAGEMENT OF PROCEEDS** Ameriabank’s processes for management of proceeds will be handled by its Asset & Liability Management team. Ameriabank has established a Green Bond Register to track and monitor allocation of proceeds to the Green Asset Portfolio. In the event of any unallocated proceeds, Ameriabank may temporarily hold the balance in short term cash, cash equivalents or in short-term debt instruments that are not tied to greenhouse gas investments. The Issuer intends to allocate within 24 months. This is in line with market practice.

**REPORTING** Ameriabank intends to report allocation proceeds on its website, on an annual basis, until full allocation. Allocation reporting will include the total amount of green bond proceeds allocated per eligibility category, the geographic distribution of assets, portion of financing vs refinancing and, if any, the balance of unallocated proceeds. In addition, Ameriabank is committed to reporting on relevant impact metrics. Sustainalytics views Ameriabank’s allocation and impact reporting as aligned with market practice.

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**Evaluation Date** November 25, 2020

**Issuer Location** Yerevan, Republic of Armenia

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Introduction

Ameriabank CJSC ("Ameriabank", the "Bank", or the "Issuer") is an Armenian universal bank providing corporate, investment and retail banking services. Headquartered in Yerevan, Republic of Armenia, the Bank employs about 1,090 people.

Ameriabank has developed the Ameriabank CJCS Green Bond Framework (the "Framework") under which it intends to issue one or multiple green bonds and use the proceeds to finance and refinance, in whole or in part, existing and future projects that support Armenia’s transition to a low-carbon economy. The Framework defines eligibility criteria in nine areas:

1. Renewable Energy
2. Energy Transmission, Distribution and Storage
3. Sustainable Transport
4. Water
5. Sustainable Buildings
6. Land use and Aquatic Resources
7. Energy and Resource Efficiency in Industry
8. Waste Management
9. IT Solutions

Ameriabank engaged Sustainalytics to review the Ameriabank CJCS Green Bond Framework, dated November 2020, and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2018 (GBP)¹ and the Green Loan Principles (GLP).² This Framework has been published in a separate document.³

Scope of work and limitations of Sustainalytics Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics independent⁴ opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Green Bond Principles 2018, as administered by ICMA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.6, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of Ameriabank’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. Ameriabank representatives have confirmed (1) they understand it is the sole responsibility of Ameriabank to ensure that the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Framework and should be read in conjunction with that Framework.

¹ The Green Bond Principles are administered by the International Capital Market Association and are available at https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/.
³ The Ameriabank CJCS Green Bond Framework is available on Ameriabank’s website at: https://www.ameriabank.am/default.aspx?lang=28
⁴ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics' hallmarks is integrity, another is transparency.
Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Ameriabank.

Sustainalytics’ Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics’ Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

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

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

Sustainalytics’ Opinion

Section 1: Sustainalytics’ Opinion on the Ameriabank CJCS Green Bond Framework

Sustainalytics is of the opinion that the Ameriabank CJCS Green Bond Framework is credible and impactful, and aligns with the four core components of the GBP and GLP. Sustainalytics highlights the following elements of Ameriabank’s Green Bond Framework:

- **Use of Proceeds:**
  - The eligible categories – Renewable Energy, Energy Transmission, Distribution and Storage, Sustainable Transport, Water, Sustainable Buildings, Land use and aquatic resources, Energy and Resource Efficiency in Industry, Waste Management, IT Solutions – are aligned with those recognized by the GBP.
  - Renewable Energy financing and refinancing may include solar, wind, geothermal, bioenergy and/or <20MW hydropower plants. Regarding geothermal, the Issuer has included a direct emissions threshold requirement of <100g CO₂/kWh, which is aligned with market practice. Regarding bioenergy, the Issuer has indicated that feedstocks will be sourced from crop waste, timber waste or animal manure. Moreover, all electricity generated from bioenergy projects are required to meet an emissions threshold of 100g CO₂/kWh and all thermal energy generated must be at least 80% lower than a comparable fossil fuel boiler. Sustainalytics positively views the feedstock sourcing criteria and related emissions thresholds.
  - Ameriabank may provide general-purpose loans to manufacturing facilities that are wholly dedicated to the production of renewable energy technology and components; in the case of facilities that manufacture both renewable energy technologies and technologies unrelated to renewable energy, a pro-rata share of proceeds will be allocated based on the percentage of each facility’s annual turnover from renewable energy technologies. Sustainalytics positively views the financing of the manufacture of renewable energy technologies components. However, it is noted that the provision of general-purpose loans to facilities whose production includes other technologies creates the possibility of allocation to activities not aligned with green bond market expectations, even if the Issuer allocates proceeds using the pro-rata approach described above. Sustainalytics considers this to be a limitation of the Framework.
  - Regarding Energy Transmission, Distribution and Storage, Ameriabank may finance or refinance the development or upgrade of the electrical grid, with the intent to increase capacity for renewable energy transmission and distribution as well as improve energy efficiency (by 20%) through smart grid technology and energy storage. If grid infrastructure is <90% renewable electricity, the Issuer will apply a pro-rata approach to determine green allocation to grid development/upgrades. Sustainalytics positively views this approach.
- Sustainable Transport financing or refinancing may include private and public vehicles, including electric and hybrid as well as electric vehicle and public transport infrastructure, such as charging stations and electric bus lines. All hybrid passenger vehicles must meet an emissions threshold of <75gCO₂/p-km, which is aligned with market practice. All passenger buses must be equipped, at a minimum, with Euro V class engines. Sustainalytics acknowledges that the upgrade of passenger bus fleets to buses that meet the Euro V standard will contribute to improving air quality through the reduction in air pollutant emissions, but also encourages Ameriabank to favor electric buses or buses that adhere to the emission threshold of <75gCO₂/p-km.

- In the Water category, the Issuer may finance improvements in the water distribution infrastructure to improve efficiency and reduce losses, resulting in at least a 20% improvement in efficiency. Other eligible projects and activities include water treatment facilities, efficient water irrigation technology and installation of efficient water taps.⁵ Within this category, Ameriabank may also provide financing for flood defense. Sustainalytics positively views investments in flood defense while also encouraging the Issuer to mandate studies to justify the impact and need for the deployment of such projects.

- Sustainable Buildings financing or refinancing may include the refurbishment of existing residential and commercial properties that lead to at least a 20% improvement in energy performance; individual energy efficiency improvements ranging from energy efficient lighting to smart home technologies; and energy efficient appliances, such as refrigerators, ovens, washers, etc. with an EU Energy Label of A. Ameriabank may also finance new construction of residential or commercial buildings that meet a green building standard of LEED Gold or above or IFC EDGE. Sustainalytics positively views the above-mentioned minimum certification levels for energy efficient appliances as well as green buildings, for Sustainalytics assessment of these schemes please refer to the Appendices. Additionally, Sustainalytics notes that refurbishments leading to a 20% improvement in overall energy performance is aligned with market practice.

- The Land Use and Aquatic Resources category may include financing or refinancing of sustainable agriculture, forestry and fishery operations that are certified. For agriculture, the eligible certifications are: Bonsucro, ISCC Plus, Rainforest Alliance, EU Organic, Roundtable on Responsible Soy (RTRS) and Roundtable on Sustainable Biomass (RBS). For forestry operations, eligible certifications are the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certifications (PEFC). Regarding fisheries and aquaculture, the Marine Stewardship Council (MSC) and the Aquaculture Stewardship Council (ASC) are the eligible certifications. Sustainalytics recognizes the aforementioned schemes as credible and has provided an assessment in the Appendices. Within this category, Ameriabank may also finance the implementation of agricultural practices that lead to at least a 20% reduction in GHG emission decreasing, such as substitution of organic fertilizers for nitrogen-based fertilizer and no-tillage systems. The Issuer has confirmed this will not take place on non-certified, commercial-scale agriculture farms.

- Regarding Energy and Resource Efficiency, Ameriabank may finance the substitution of virgin plastic inputs with recycled plastic inputs for material production.⁶ Additionally, the Issuer may finance the installation of industrial heat pumps using absorption technology and other energy efficient technology leading to a 20% improvement in energy efficiency. Sustainalytics positively notes the inclusion of an energy efficiency improvement threshold and notes the Issuer has excluded financing of fossil-fuel powered technology.

- Regarding the Waste Management category, Ameriabank may finance waste collection and material recovery facilities (MRFs) to improve waste management and improve sorting for recyclable materials. All waste management activities must adhere to the waste management hierarchy. Additionally, Ameriabank may finance landfill gas capture, anaerobic digestion and

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⁶ Sustainalytics notes that the extent of recycling of plastics is very low, with an estimated 9% of total global plastic waste having been recycled between 1950 and 2015, and further recognizes that improved recycling rates alone, even if attainable, will not fully address the holistic environmental issues associated with plastics. In order to achieve greater circularity, the industry needs to take substantial measures, including an increased use of sustainably sourced alternative (low-carbon) materials that have greater potential to be recycled without a loss of quality. Sustainalytics nonetheless recognizes that Ameriabank’s financing of projects that limit the use of virgin resources through reusing/recycling materials can contribute to a shift to a more circular economy.
composting. The Framework allows for the installation of gas capture technology to existing and closed landfill facilities, which represents a minor share of the net proceeds. In addition, landfill gas recovery is expected to have high efficiency of more than or equal to 75%. While Sustainalytics views market practice in the green bond market to restrict eligibility to decommissioned landfills, the inclusion of operating landfill facilities with energy capture is considered to be a step forward in Armenia’s context to improving the country’s overall waste management capability. The Issuer may also finance waste-to-energy projects where recyclables and hazardous materials are segregated prior to incineration.

- IT Solutions projects and activities must lead to a 20% direct or indirect energy efficiency improvement and may include data centers, digital conferencing technologies and infrastructure for remote power management. Sustainalytics notes that, regarding data centers, the Issuer has included a Power Usage Effectiveness (PUE) threshold of <1.5, which is aligned with market practice. Sustainalytics encourages the Issuer to report on the types of IT solution projects that are financed and their associated energy savings.

**Project Evaluation and Selection:**

- Ameriabank’s project evaluation and selection process will be managed by the Bank’s Environmental and Social Risk Management unit (E&S team). The E&S team will be responsible for determining eligibility of potential projects or activities based on one of three approaches, (i) product based selection (ii) standard criteria based selection and (iii) assessment based selection, all of which require the E&S team to ensure that any financing complies with all of Ameriabank’s Environmental and Social Risk Management policy as well as national and international laws and regulations in addition to compliance with the eligibility criteria outlined in the Framework. Eligible assets will be included in the Bank’s Green Assets Portfolio. Upon review of the Green Assets Portfolio, if assets are deemed no longer eligible, they will be removed and replaced as soon as practically feasible.
  - Based on the above processes, Sustainalytics considers Ameriabank’s project evaluation and selection to be in line with market practice.

**Management of Proceeds:**

- All Eligible Green Assets in the Green Assets Portfolio will be tracked and recorded in a Green Bond Register, which is managed by its E&S team. Ameriabank intends to fully allocate proceeds at time of issuance or within two years but is unable to stipulate an exact allocation timeframe due to economic volatility. Sustainalytics notes that allocation within 36 months is considered market practice. In the event of any unallocated proceeds, the Issuer will hold the balance in cash, cash equivalents or temporary debt instruments that do not include greenhouse gas intensive projects.
  - Based on the above elements, Sustainalytics considers this process to be in line with market practice.

**Reporting:**

- Ameriabank will report on allocation of proceeds and impact on its website, on an annual basis, until full allocation. Allocation reporting will include the total amount of green bond proceeds allocated to each eligible category, the geographic distribution of assets, portion of financing vs refinancing. Regarding impact, Ameriabank will aim to disclose a qualitative description of Eligible Green Assets by each eligible category, a breakdown of the Eligible Green Assets, potential impact indicators, information on methodological implications/assumptions used in evaluating impact and a Green Bond Framework Development Outcome Indicators, which aggregates the positive environmental and socio-economic impact of financed activities. For the list of potential impact indicators, please refer to the Appendices.
  - Based on the above, Sustainalytics considers this process to be in line with market practice.

**Alignment with Green Bond Principles 2018**

Sustainalytics has determined that the Ameriabank CJCS Green Bond Framework aligns to the four core components of the GBP. For detailed information please refer to Appendix 5: Green Bond/Green Bond Programme External Review Form.

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7 Please refer to Ameriabank’s Green Bond Framework for further details on these selection processes.
Section 2: Sustainability Strategy of Ameriabank

Contribution of framework to Ameriabank’s strategy

Sustainalytics is of the opinion that Ameriabank is committed to conducting its business in a responsible and sustainable way and seeks to reduce its environmental footprint. Ameriabank’s Sustainability Strategy focuses on: (i) sustainable customers and businesses, (ii) creating a sustainable environment and social impact, and (iii) supporting customers’ transition towards a carbon neutral economy. Additionally, Ameriabank is committed to supporting the achievement of the UN Sustainable Development Goals (SDG). Ameriabank recognizes that climate change has a major impact both locally and internationally, and believes that through targeted lending and investments it can play an important role in addressing climate change issues in Armenia. As such, the Bank’s current balance of “green tagged” portfolio is approximately 6% of its total loan portfolio. Since 2009, the Bank originated more than EUR 168.5 million in loans to renewable energy and energy efficiency projects in Armenia. Including over 27 small hydropower plants. By 2023, the Bank intends to double the share of green loans in its portfolio, including renewable energy & energy efficiency, and sustainable buildings & transport loans. By 2025, Ameriabank intends to increase the share of green loans to 20% of its loan portfolio. Ameriabank also seeks to promote resource efficiency in its operations. Its CSR activity embeds “think green, go green” principle among its employees and employees are encouraged to reduce water and paper consumption, saving energy and using reusable materials at the workplace.

Sustainalytics is of the opinion that the Ameriabank Green Bond Framework is aligned with the company’s overall sustainability strategy. Sustainalytics encourages Ameriabank to develop a more comprehensive target-based sustainability strategy as well as track and disclose sustainability metrics.

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

While Sustainalytics recognizes that the net proceeds from the bond(s) issued under the Framework will be directed towards eligible projects that are recognized by GBP to have positive environmental impact, Sustainalytics is aware that such eligible projects, especially large infrastructure projects could also lead to negative environmental and social outcomes such as land-use change, biodiversity loss, pollution, involuntary resettlement and occupational health and safety risks. Sustainalytics is of the opinion that Ameriabank is well positioned to mitigate such risks through the implementation of the following:

- Ameriabank’s Code of Ethics lists out the Bank’s core values and principles. The Code provides a list of mandatory rules and norms that must be acknowledged by its employees, including policies pertaining to non-discrimination, diversity and equal employment opportunity, antibribery and anticorruption, whistle blowing policy etc. The Code of Ethics also lists out the Banks Environmental and Social policy. The Bank regards sustainable development as a fundamental aspect of its business management and commits to identifying, prioritizing and managing environmental risks, both directly through responsible consumption and disposal of resources during its operations, as well indirectly through due diligence of its supply chain or through careful provision of financial services in other businesses or projects.

- Ameriabank has an Environmental and Social Risk Policy (ESRP) Framework in place which outlines Ameriabank’s approach to environmental and social risk management and each employee’s responsibilities for risk management. The ESRP Framework ensures responsible lending and envisages thorough monitoring of creditors to avoid adverse environmental or social impact. The ESRP Framework is aligned with the Banks Enterprise Risk Framework and provides additional clarity and transparency around the Bank’s approach to manage and mitigate environmental and social risks. Ameriabank notes that its environmental and social risk management is based on standards practiced by international financial institutions, including those by FMO, EBRD and IFC.

- Ameriabank has established a Global Environmental, Social & Governance Committee (ESG Committee) who has the overall responsibility for reviewing the Bank’s activities and practices relating to ESG topics. The Committee reviews the ESRP Framework every two years and works with other management committees such as the Management Risk Committee or the Enterprise Risk Committee to strengthen the Banks ESG performance.

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• Prior to providing loans, Ameriabank conducts a check on whether the borrowers adhere to the set performance standards and comply with requirements. This check includes a screening of whether the issuer has assessed issues pertaining to community health, safety and security, as well as if any instance of land acquisition, involuntary resettlement is involved. Sustainalytics encourages Ameriabank to further establish publicly available community consultation policies and processes. Based on these policies, standards and assessments, Sustainalytics is of the opinion that Ameriabank has implemented adequate measures and is well-positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

All nine use of proceeds categories are aligned with those recognized by the GBP. Sustainalytics has focused on two below where the impact is specifically relevant in the local context.

Importance of increasing the share of renewable energy and energy efficiency in Armenia


Sustainalytics is therefore of the opinion that Ameriabank’s financing of renewable energy as well as energy efficiency projects will work directly towards achieving Armenia’s national renewable energy targets and shifting Armenia towards a low carbon economy.

Importance of clean transportation in Armenia

The transport sector accounted for 29% of Armenia’s final energy consumption and roughly accounted for approximately one fifth of the Country’s emissions. Armenia being a landlocked country heavily relies on road transport as its primary mode of transport. Road transport accounts for 89% of passenger and 69% of freight transported in Armenia. Fossil fuels, particularly natural gas, powers about two third of vehicles in Armenia. Road networks are essential for Armenia’s socio-economic development and recognizing this, the Armenia Development Strategy (ADS) 2025 calls for an increase in public resources allocated to construction, maintenance and rehabilitation of roads. This includes improving road networks by reconstruction of the Country’s north–south road, constructing at least one road connecting each settlement

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14 Confidential document provided by Ameriabank to Sustainalytics, pertaining to its lending policies.
with the rest of the country and improvement of public transport services. Improvement in road connectivity will result in an increase in number of vehicles and recognizing this, the Government of Armenia has revealed plans in 2019 to transition electric vehicles starting with the Country’s official fleet.  

Sustainalytics is of the opinion that Ameriabank’s investment in sustainable transport projects will not only improve Armenia's connectivity but also support the government’s effort to transition Armenia’s vehicle fleet to electric, thus contributing to the transition towards a low-carbon economy.

**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 green bond advances the following SDGs and targets:

<table>
<thead>
<tr>
<th>Use of Proceeds Category</th>
<th>SDG</th>
<th>SDG target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewable Energy</td>
<td>7. Affordable and Clean Energy</td>
<td>7.2 By 2030, increase substantially the share of renewable energy in the global energy mix</td>
</tr>
<tr>
<td>Energy Transmission, Distribution and Storage</td>
<td>9. Industry, innovation and infrastructure</td>
<td>9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries acting in accordance with their respective capabilities</td>
</tr>
<tr>
<td>Sustainable Transport</td>
<td>11. Sustainable Cities and Communities</td>
<td>11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons</td>
</tr>
<tr>
<td>Water</td>
<td>6. Clean Water and Sanitation</td>
<td>6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.</td>
</tr>
<tr>
<td>Sustainable Buildings</td>
<td>11. Sustainable Cities and Communities</td>
<td>11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.</td>
</tr>
<tr>
<td>Land use</td>
<td>14. Life below water</td>
<td>14.4 By 2020, effectively regulate harvesting and end overfishing, illegal, unreported and unregulated fishing and destructive fishing practices and implement science-based management plans, in order to restore fish stocks in the shortest time feasible, at least to levels that can produce maximum sustainable yield as determined by their biological characteristics.</td>
</tr>
<tr>
<td></td>
<td>15. Life on land</td>
<td>15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded</td>
</tr>
</tbody>
</table>

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26 Armenpress, Official electric cars for the RA Government. The program will become a reality in the near future, December 2019, at: [https://armenpress.am/arm/news/999519/](https://armenpress.am/arm/news/999519/)
Conclusion

Ameriabank has developed the Ameriabank CJCS Green Bond Framework under which it intends to issue green bonds and the use of proceeds to finance projects that facilitate Armenia’s transition to a sustainable economy. Sustainalytics expects that the projects funded by the green bond proceeds will provide positive environmental impact.

The Ameriabank CJCS Green Bond Framework outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that the Ameriabank CJCS Green Bond Framework is aligned with the overall sustainability strategy of the company and that the green use of proceeds categories will contribute to the advancement of the UN Sustainable Development Goals 6, 7, 9, 11, 12, 14 and 15. Additionally, Sustainalytics is of the opinion that Ameriabank has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the use of proceeds.

Based on the above, Sustainalytics is confident that Ameriabank is well-positioned to issue green bonds and that the Ameriabank CJCS Green Bond Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2018.
Appendices

Appendix 1: Overview and Assessment of Real Estate Certification Schemes

<table>
<thead>
<tr>
<th></th>
<th>LEED[^27]</th>
<th>EDGE[^28]</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Background</strong></td>
<td>Leadership in Energy and Environmental Design (LEED) is a US Certification System for residential and commercial buildings used worldwide. LEED was developed by the non-profit U.S. Green Building Council (USGBC) and covers the design, construction, maintenance and operation of buildings.</td>
<td>EDGE (or &quot;Excellence in Design for Greater Efficiencies&quot;) is a green building standard and certification system developed by the International Finance Corporation and applicable in 140 countries.</td>
</tr>
<tr>
<td><strong>Certification Levels</strong></td>
<td>Certified, Silver, Gold, Platinum</td>
<td>Certified/ non-certified</td>
</tr>
<tr>
<td><strong>Areas of Assessment: Environmental Performance of the Building</strong></td>
<td>Energy and atmosphere, Sustainable Sites, Location and Transportation, Materials and resources, Water efficiency, Indoor environmental quality, Innovation in Design, Regional Priority</td>
<td>1. Climatic Conditions of the Location: Monthly average wet and dry bulb temperature; Monthly average outdoor wind velocity; Monthly average outdoor humidity; Solar radiation intensity; Annual average rainfall; Carbon dioxide intensity of the electricity grid; Average cost of energy (by fuel type) and water.</td>
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<td></td>
<td></td>
<td>2. Building Type and Occupant Use: Homes: for both apartments and houses (assumptions for area and occupancy are based on income categories); Hotels: for both hotels and resorts (assumptions for area, occupancy and the type of support services are based on the star rating of the property); Offices: assumptions are based on occupancy density and hours of use; Hospitals: assumptions are based on the type of hospital (e.g., nursing home, private or public hospital, clinic or diagnostic center); Retail: assumptions are based on the type of retail building (e.g., department store, mall, supermarket, light industry or warehouse); Education: assumptions are based on the type of educational facility (e.g., pre-school, university or sports facility), as well as occupancy density and hours of use.</td>
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<td></td>
<td>3. Design and Specifications: Thermal properties of the building envelope; Window to Wall Ratio; Building Orientation</td>
</tr>
</tbody>
</table>

[^27]: Website available at: [https://new.usgbc.org/leed](https://new.usgbc.org/leed)
[^28]: Website available at: [https://www.edgebuildings.com/marketing/edge/](https://www.edgebuildings.com/marketing/edge/)
4. Calculation of the End Use Demand
Overall energy demand in buildings; heating ventilation and air conditioning demand; virtual energy for comfort, energy demand for hot water requirements; lighting energy demand; water demand in buildings; estimations on rainwater harvesting or recycled water onsite; embodied energy in building materials.

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Prerequisites (independent of level of certification) + Credits with associated points</th>
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<tbody>
<tr>
<td></td>
<td>These points are then added together to obtain the LEED level of certification</td>
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<td></td>
<td>There are several different rating systems within LEED. Each rating system is designed to apply to a specific sector (e.g. New Construction, Major Renovation, Core and Shell Development, Schools-/Retail-/Healthcare New Construction and Major Renovations, Existing Buildings: Operation and Maintenance).</td>
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<tr>
<td></td>
<td>To achieve the EDGE standard, a building must demonstrate a minimum 20% reduction in operational energy consumption, water use and embodied energy in materials as compared to typical local practices.</td>
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Performance Display

Appendix 2: Overview and Assessment of forestry certification schemes

<table>
<thead>
<tr>
<th>Forest Stewardship Council (FSC)</th>
<th>Programme for the Endorsement of Forest Certification (PEFC)</th>
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<tbody>
<tr>
<td><strong>Background</strong></td>
<td></td>
</tr>
<tr>
<td>The Forest Stewardship (FSC) is a non-profit organization established in 1993 that aims to promote sustainable forest management practice by evaluating forest management planning and practices independently against FSC's standards.</td>
<td>Founded in 1999, the Programme for the Endorsement of Forest Certification (PEFC) is a non-profit organization that promotes sustainable forest management through independent third-party certification, this includes assessments, endorsements and recognition of national forest certification systems. PEFC was created in response to the specific requirements of small- and family forest owners as an international umbrella organization.</td>
</tr>
</tbody>
</table>

29 Forest Stewardship Council, FSC Principles and Criteria for Forest Stewardship: https://ca.fsc.org/preview.principles-criteria-v5.a-1112.pdf
30 PEFC, Standards and Implementation: https://www.pefc.org/standards-implementation
### Basic Principles
- Compliance with laws and FSC principles
- Tenure and use rights and responsibilities
- Indigenous peoples’ rights
- Community relations and workers’ rights
- Benefits from the forests
- Environmental impact
- Management plans
- Monitoring and assessment
- Special sites – high conservation value forests (HCVF)
- Plantations

<table>
<thead>
<tr>
<th>Types of standards/benchmarks</th>
<th>Forest Management certification (for single/multiple applicant(s) – industrial or private forest owners, forest license holders, community forests, and government-managed forests)</th>
<th>Sustainable Forest Management benchmark – international requirements for sustainable forest management. National forest management standards must meet these requirements in order to obtain PEFC endorsement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Small and Low Intensity Management Forests (SLIMFs) program (for small forests and forests that are managed at low intensity would be eligible)</td>
<td>Group Forest Management Certification – outlines the requirements for national forest certification systems who have group forest management certification</td>
</tr>
<tr>
<td></td>
<td>Chain of Custody (CoC) certification (for supply chain companies’ planning, practices and products – all operations that want to produce or make claims related to FSC-certified products must possess this certificate)</td>
<td>Standard Setting – covers the processes that must be adhered to during the development, review and revision of national forest management standards</td>
</tr>
<tr>
<td></td>
<td>Controlled Wood verification (for assurance that 100% virgin fiber mixed with FSC-certified and recycled fiber originates from a verified and approved source)</td>
<td>Chain of Custody – outlines the conditions for obtaining CoC certification for forest-based products</td>
</tr>
</tbody>
</table>

### Governance

| The General Assembly is comprised of all FSC members and constitutes the highest decision-making body. Members can apply to join one of three chambers – environmental, social, or economic – that are further divided into northern and southern sub-chambers. Each chamber maintains 33.3% of the weight in votes, and votes are weighted so that the North and South hold an equal portion of authority in each chamber, to ensure influence is shared equitably between interest groups and countries with different levels of economic development. |
| PEFC’s governance structure is formed by the General Assembly (GA) which is the highest authority and decision-making body. It is made up of all PEFC members, including national and international stakeholders. In general, PEFC’s governance structure is more representative of industry and government stakeholders than of social or environmental groups. Members vote on key decisions including endorsements, international standards, new members, statutes and budgets. All national members have between one and seven votes, depending on membership fees, while international stakeholder members have one vote each. |

### Scope

| FSC is a global, multi-stakeholder owned system. All FSC standards and policies are set by a consultative process. There is an FSC Global standard and for certain countries FSC National standards. Economic, social, and environmental interests have equal weight in the standard setting process. FSC follows the ISEAL Code of Good Practice for Setting Social and Environmental Standards. |
| Multi-stakeholder participation is required in the governance of national schemes as well as in the standard-setting process. Standards and normative documents are reviewed periodically at intervals that do not exceed five years. The PEFC Standard Setting standard is based on ISO/IEC Code for good practice for standardization (Guide 59)\(^{31}\) and the ISEAL Code of Good Practice for Setting Social and Environmental Standards. |

### Chain-of-Custody

| The Chain-of-Custody (CoC) standard is evaluated by a third-party body that is accredited |
| Quality or environmental management systems (ISO 9001:2008 or ISO 14001:2004 respectively) may be used to implement the minimum requirements for |

by FSC and compliant with international standards

- CoC standard includes procedures for tracking wood origin
- CoC standard includes specifications for the physical separation of certified and non-certified wood, and for the percentage of mixed content (certified and non-certified) of products
- CoC certificates state the geographical location of the producer and the standards against which the process was evaluated. Certificates also state the starting and finishing point of the CoC

| Non-certified wood sources | FSC’s Controlled Wood Standard establishes requirements to participants to establish supply-chain control systems, and documentation to avoid sourcing materials from controversial sources, including:

a. Illegally harvested wood, including wood that is harvested without legal authorization, from protected areas, without payment of appropriate taxes and fees, using fraudulent papers and mechanisms, in violation of CITES requirements, and others.

b. Wood harvested in violation of traditional and civil rights.

c. Wood harvested in forests where high conservation values are threatened by management activities.

d. Wood harvested in forests being converted from forests and other wooded ecosystems to plantations or non-forest uses, Wood from management units in which genetically modified trees are planted.

The PEFC’s Due Diligence System requires participants to establish systems to minimize the risk of sourcing raw materials from:

a. forest management activities that do not comply with local, national or international laws related to:
   - operations and harvesting, including land use conversion,
   - management of areas with designated high environmental and cultural values, protected and endangered species, including CITES species,
   - health and labour issues,
   - indigenous peoples’ property, tenure and use rights,
   - payment of royalties and taxes.

b. genetically modified organisms, forest conversion, including conversion of primary forests to forest plantations.

Accreditation/verification

FSC-accredited Certification Bodies (CB) conduct an initial assessment, upon successful completion companies are granted a 5-year certificate. Companies must undergo an annual audit and a reassessment audit every 5 years. Certification Bodies undergo annual audits from Accreditation Services International (ASI) to ensure conformance with ISO standard requirements.

Accreditation is carried out by an accreditation body (AB). In the same way that a certification body checks that a company meets the PEFC standard, the accreditation body checks that a certification body meets specific PEFC and ISO requirements. Through the accreditation process, PEFC has assurance that certification bodies are independent and impartial, that they follow PEFC certification procedures.

PEFC does not have their own accreditation body. Like with the majority of ISO based certifications, PEFC relies on national ABs under the umbrella of the International Accreditation Forum (IAF). National ABs need to be a member of the IAF, which means they must follow IAF’s rules and regulations.

Qualitative considerations

Sustainalytics views both FSC and PEFC as being robust, credible standards that are based on comprehensive principles and criteria that are aligned with ISO. Both schemes have received praise for their contribution to sustainable forest management practices and both have also faced criticism from civil society actors. In certain instances, these standards go above and beyond national regulation and are capable of providing a high

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33 Yale Environment 360, Greenwashed Timber: How Sustainable Forest Certification Has Failed: [https://e360.yale.edu/features/greenwashed-timber-how-sustainable-forest-certification-has-failed](https://e360.yale.edu/features/greenwashed-timber-how-sustainable-forest-certification-has-failed)
34 EIA, PEFC: A Fig Leaf for Stolen Timber: [https://eia-global.org/blog-posts/PEFC-fig-leaf-for-stolen-timber](https://eia-global.org/blog-posts/PEFC-fig-leaf-for-stolen-timber)
level of assurance that sustainable forest management practices are in place. However, in other cases, the standards are similar or equal to national legislation and provide little additional assurance. Ultimately, the level of assurance that can be provided by either scheme is contingent upon several factors including the certification bodies conducting audits, national regulations and local context.

### Appendix 3: Overview and Assessment of Fishery and Aquaculture Certifications

<table>
<thead>
<tr>
<th>Marine Stewardship Council</th>
<th>Aquaculture Stewardship Council</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Background</strong></td>
<td></td>
</tr>
<tr>
<td>Marine Stewardship Council (MSC) is a non-profit organization founded in 1996, that issues eco-label certifications for fisheries which are sustainable and well-managed.</td>
<td>The Aquaculture Stewardship Council (ASC) is an independent, international NGO that manages the ASC certification and labelling program for responsible aquaculture.</td>
</tr>
<tr>
<td><strong>Clear positive impact</strong></td>
<td></td>
</tr>
<tr>
<td>Promoting sustainable fisheries practices.</td>
<td>Promoting sustainable aquaculture practices.</td>
</tr>
<tr>
<td><strong>Minimum standards</strong></td>
<td></td>
</tr>
<tr>
<td>A minimum score must be met across each of the performance indicators.</td>
<td>Quantitative and qualitative thresholds which are designed to be measurable, metric- and performance-based.</td>
</tr>
<tr>
<td>As a condition to certification, low-scoring indicators must be accompanied by action plans for improvement.</td>
<td>Certification may be granted with a “variance” to certain requirements of the standard. This variance is designed to allow the standard to adapt to local conditions but has been criticized for weakening the standard and overriding the consultations involved in the standard-setting process.</td>
</tr>
<tr>
<td><strong>Scope of certification or programme</strong></td>
<td></td>
</tr>
<tr>
<td>The MSC standard consists of a fisheries standard and a chain of custody standard.</td>
<td>ASC encompasses nine farm standards, covering 15 fish species as well as the harvest of seaweed. These farm standards lay out minimum requirements regarding both environmental and social performance.</td>
</tr>
<tr>
<td>The Fishery Standard assesses three core principles: sustainable fish stocks, minimising environmental impact, and effective fisheries management; collectively these account for the major environmental and social impacts.</td>
<td>Additionally, a Chain of Custody Standard is mandatory for all supply chain actors in order to ensure traceability.</td>
</tr>
<tr>
<td>The Chain of Custody standard addresses certified purchasing, product identification, separation, traceability and records, and good management.</td>
<td></td>
</tr>
<tr>
<td><strong>Verification of standards and risk mitigation</strong></td>
<td></td>
</tr>
<tr>
<td>Third-party conformity assessment bodies (CABs), certified by Accreditation Service International (ASI) carry out assessments in line with the MSC standard and ISO 17065. Certification is valid for up to five years.</td>
<td>Third-party conformity assessment bodies (CABs), certified by Accreditation Service International (ASI) carry out assessments in line with the ASC standard and ISO 17065. Major non-compliances must be remedied within three months.</td>
</tr>
<tr>
<td><strong>Third party expertise and multi-stakeholder process</strong></td>
<td></td>
</tr>
<tr>
<td>Aligned with the UN Code of Conduct for Responsible Fishing, and further informed by the Global Sustainable Seafood Initiative (GSSI), World Trade Organization (WTO), and International Social and Environmental Accreditation and Labelling (ISEAL)</td>
<td>Developed in line with United Nation’s Food and Agriculture Organization) UN FAO) and International Labour Organization (ILO) principles. Managed in accordance with the International Social and Environmental Accreditation and Labelling (ISEAL) Codes of Good Practice.</td>
</tr>
</tbody>
</table>

### Performance display

#### Qualitative considerations

The MSC label is the most widely recognized sustainable fisheries label worldwide and is generally accepted to have positive impacts on marine environments.

Proponents of the label cite the transparent science-based process for approval and its successful engagement with industry groups. Criticism from various observers include lack of focus on preventing by-catch, protecting marine mammals and endangered species, follow-up on conditions, crew safety, and live tracking of supply chains.

Widely recognized and modelled on the successful MSC certification.

Some criticism has been focused on the ability to certify with a "variance", in which certain aspects of the standard can be interpreted or waived during the audit procedure.

While a reputable certification overall, the standard does not fully mitigate all the risks associated with aquaculture.

### Appendix 4: Overview and Assessment of Agricultural Certifications

<table>
<thead>
<tr>
<th>Roundtable on Responsible Soy (RTRS)</th>
<th>Bonsucro38</th>
<th>Roundtable on Sustainable Biomaterials (RSB)39</th>
<th>ISCC40</th>
<th>EU Organic41</th>
<th>Rainforest Alliance42</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Background</strong></td>
<td>Bonsucro was developed out of the Better Sugarcane Initiative, an international multi-stakeholder NGO whose purpose is to lower the environmental and social impacts of sugarcane production. The Bonsucro Production Standard aims to ensure that the sugarcane production and sugarcane derived products are sustainably produced.</td>
<td>The Roundtable on Sustainable Biomaterials (RSB) is an international initiative that promotes and supports the sustainability of biomaterials production and processing, bringing together companies, farmers, NGOs, and inter-governmental agencies. While the RSB was set up in 2007 as a means of ensuring the sustainability of liquid biofuels for transport, in 2013, it expanded its scope to include biomaterials.</td>
<td>International Sustainability and Carbon Certification (&quot;ISCC&quot;) is a German certification system that provides sustainability solutions for traceable and deforestation-free supply chains of agricultural, forestry, waste and/or residue raw materials, non-bio renewables and recycled carbon materials and fuels.</td>
<td>The EU Organic Farming is a European wide label organized under the European Commission’s Council Regulation (EC) no 834/2007. The regulation covers the organic production and labelling of organic products including live or unprocessed agricultural projects, processed agricultural products for use of food, feed, and vegetative propagating material and seeds for cultivation.</td>
<td>The Rainforest Alliance Seal is a global certification system for Agriculture, Forestry and Tourism. The Rainforest Alliance certification indicates compliance with the organization’s standards for environmental, social and economic sustainability. Rainforest Alliance merged with UTZ in January 2018.</td>
</tr>
</tbody>
</table>

| **Clear positive impact** | Promoting sustainable soy production for human | Promoting sustainable sugarcane production. | Promoting sustainable biomaterials. | Promoting sustainable supply chain practices. | Promotion of a sustainable management | Promoting sustainable practices in |

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37 RTRS: [https://www.rainforestalliance.org/](https://www.rainforestalliance.org/)
38 Bonsucro: [https://www.bonsucro.com/](https://www.bonsucro.com/)
39 RSB: [https://rsb.org/](https://rsb.org/)
40 International Sustainability Carbon Certification (ISCC): [https://www.iscc-system.org/](https://www.iscc-system.org/)
42 Rainforest Alliance: [https://www.rainforest-alliance.org/](https://www.rainforest-alliance.org/)
| Minimum standards | The RTRS soy certification sets requirements in the areas of legal compliance and good business practices, responsible labour conditions, responsible community relations, environmental responsibility, and good agricultural practices. | The Bonsucro Production Standard sets minimum requirements in the areas of legal compliance, biodiversity and ecosystem impacts, human rights, production and processing and continuous improvement. | The RSB sets minimum requirements in the areas of legality, planning, monitoring and continuous improvement, GHG emissions, human and labour rights, rural and social development, local food security, conservation, soil, water and air management, use of technology, inputs and management of waste, land rights and chain of custody. The RSB standard requires that biofuels achieve 50% lower lifecycle GHG emissions compared with a fossil fuel baseline. Each Principle also includes type of feedstock as a specific indicator of compliance. | The ISCC system has core sustainability criteria requirements that must be met. In addition to the core requirements of ISCC PLUS, voluntary add-ons can be added to adapt ISCC PLUS certificates to meet specific market requirements. Verification of GHG emissions is considered voluntary and can be added by applying as an add-on. | The EU Organic Farming system prohibits the use of GMOs (minimum 95% GMO free), the use of ionizing radiation and sets core requirements for plant production, production rules for seaweed, livestock production rules, production rules for aquaculture animals. | Rainforest Alliance establishes a minimum threshold for impact through critical criteria and requires farmers to go beyond by demonstrating improved sustainability on 14 continuous improvement criteria. |
| Scope of certification or programme | The RTRS soy certification addresses human rights, child labour, forced labour, human health and safety, biodiversity use, soil quality, substance use (agrochemicals), GHG emissions, and resource management (energy, water, waste) through its criteria. | Bonsucro addresses key risks such as human and labour rights, ecosystem management, biodiversity and land use through its criteria. | The RBS certification addresses key risks such as human and labour rights, supply chain, resource management, and land and biodiversity use through its criteria. | Different certifications are available (ISCC PLUS, ISCC EU, ISCC Solid Biomass NL and ISCC Non-GMO) depending on the type of market suppliers are targeting; food, bio-based products, feed and energy. Within each specific certification, different types of agricultural materials are covered. ISCC PLUS includes all types of agricultural and forestry raw materials, waste and | The EU Organic Farming system addresses key risks such as substance use (e.g. pesticides, soluble fertilizers, soil conditioners or plant protection products), the maintenance and enhancement of soil life, natural soil fertility, soil stability and biodiversity, preventing and combating soil damage | Rainforest Alliance addresses key risks such as human rights, child labour, pesticide use and biodiversity use through its criteria. |
### Verification of standards and risk mitigation

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certified entities undergo third-party audits to ensure compliance with criteria. As the certificate is valid 5 years, the certified entity is subject to annual surveillance surveys.</td>
<td>Certified entities undergo third-party audits to ensure compliance with criteria. Certificate is valid for 5 years, and annual surveillance audits are conducted.</td>
</tr>
<tr>
<td>Certified entities undergo a self-assessment process and, afterward, receive a visit from a third-party auditor. Annual audits will also take place after the validation.</td>
<td>Certified entities undergo third-party audits to ensure compliance with the sustainability standards and legal requirements or voluntary agreements.</td>
</tr>
<tr>
<td>Certified entities undergo third-party verifications audits to ensure compliance with the sustainability criteria.</td>
<td>Certified entities undergo third-party audits to ensure compliance with criteria and continuous improvement at least once a year, or more often based on a risk assessment.</td>
</tr>
<tr>
<td>Certified entities undergo audits to ensure compliance with criteria and continuous improvement.</td>
<td>Certified entities undergo third-party verification to ensure compliance with criteria and continuous improvement.</td>
</tr>
</tbody>
</table>

### Third party expertise and multi-stakeholder process

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>The RTRS Standard for Responsible Soy Production was developed through the efforts of producers, industry and civil society, which agreed upon the Principles and Criteria for certifying soy as a responsible crop.</td>
<td>RSB is a full member of the ISEAL Alliance and respects its Codes of Good Practice for multi-stakeholder sustainability standards. RSB’s benchmarks are available with Rainforest Alliance, the Sustainable Agriculture Network, the Forest Stewardship Council, Bonsucro and the IFC Performance standards.</td>
</tr>
<tr>
<td>Bonsucro is a full member of the ISEAL Alliance and respects the ISEAL Code of Good Practice for Setting Social and Environmental Standards and the Impacts Code.</td>
<td>Standard setting is aligned with the UN Global Compact, the ISEAL Standard Setting Code and ISAE 3000.</td>
</tr>
<tr>
<td>The EU Organic Farming is a government-based standard resulting from public consultations and third-party deliberations in line with the European Commission’s typical legislative approach.</td>
<td>Standard setting is aligned with the ISEAL Standard Setting Code.</td>
</tr>
</tbody>
</table>

### Performance Display

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>RTRS has more than 180 members from countries all around the world, selling over 1.3 million tonnes of RTRS certified soy. The RTRS certifications have been criticized for managing allegedly ‘flawed’ criteria which allow the certification of GMO and herbicide resistant crops. Additionally, the RTRS criteria allow for</td>
<td>Bonsucro has certified around 3.37% of global sugarcane production and covers 3.70% of global area of sugarcane, having 207 member organizations in over 20 countries. The RSB certification is considered strong by organizations such as WWF, IUCN and NRDC. In 2017, RSB certified 50 industrial facilities and 56,784 hectares of farmland. Global recognition across more than 100 countries. There are over 23,000 ISCC certified supply chains with approximately 3,500 system users. For ISCC PLUS, no certification schemes other than ISCC are currently accepted which means that all economic operators along the supply chain must demonstrate that the ISCC sustainability criteria have been fulfilled. ISCC focuses on Stage 1 of the biofuel product life cycle;</td>
</tr>
</tbody>
</table>
| Every Member State must designate one or more private and/or public control authorities in charge for the organic production and labelling of organic products in the EU Member States. | - Africert
- Conservacion y Desarrollo Certified S.A. 
- Imaflora
- IMO India
- CERES
- IBID
- Indocert
- NaturaCert
- Productos y Procesos Sustenables, A.C. NEPCon
deforestation of secondary forest areas (not identified as primary or high conservation value). Moreover, in 2009 and 2010 two major Brazilian organisations in the soya supply chain quit the RTRS because the addition of a criteria related to deforestation. RTRS members such as Nidera, Monsanto and DuPont/Pioneer were sanctioned by Argentine authorities in the past due to forced labour, despite the fact that respecting labour laws are a condition for using the RTRS label.

<table>
<thead>
<tr>
<th>Feedstock production and collection.</th>
</tr>
</thead>
</table>

The EU Organic Farming system is widely recognized across all 28 Member States. Currently, 11.9 million hectares are currently certified under the system, with the whole organic area representing 6.2% of the total utilized agricultural area in the European Union.

Global recognition across 76 countries around the world. There are 763 Rainforest Alliance certified products and more than 1,354,057 people who have conducted training, certification and verification under the Rainforest Alliance standard. Rigorous on the enforcement of minimum standards and strong governance over the implementation of social and environmental mitigation processes.
Appendix 5: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name: Ameriabank CJCS

Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: Ameriabank CJCS Green Bond Framework

Review provider’s name: Sustainalytics

Completion date of this form: November 20, 2020

Publication date of review publication:

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review. The review assessed the following elements and confirmed their alignment with the GBP:

☒ Use of Proceeds
☒ Process for Project Evaluation and Selection

☒ Management of Proceeds
☒ Reporting

ROLE(S) OF REVIEW PROVIDER

☒ Consultancy (incl. 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):
The eligible categories for the use of proceeds — Renewable Energy, Energy Transmission, Distribution and Storage, Sustainable Transport, Water, Sustainable Buildings, Land use and aquatic resources, Energy and Resource Efficiency in Industry, Waste Management, IT Solutions — are aligned with those recognized by the Green Bond Principles 2018. Sustainalytics considers that the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 6, 7, 9, 11, 12, 14 and 15.

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

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

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

**2. PROCESS FOR PROJECT EVALUATION AND SELECTION**

Overall comment on section (if applicable):

Ameriabank’s internal process in evaluating and selecting projects is managed by the Environmental and Social Risk Management unit (E&S team). The E&S team is responsible for identifying eligible assets, confirming alignment with internal policies, laws, and Framework eligibility criteria. Upon selection, eligible assets will be included in the Eligible Green Asset Portfolio. Sustainalytics considers the project selection process in line with market practice.

**Evaluation and selection**

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

Ameriabank’s processes for management of proceeds will be handled by its Asset & Liability Management team. Ameriabank has established a Green Bond Register to track and monitor allocation of proceeds to the Green Asset Portfolio. In the event of any unallocated proceeds, Ameriabank may temporarily hold the balance in short term cash, cash equivalents or in short-term debt instruments that are not tied to greenhouse gas investments. The Issuer intends to allocate within 24 months. This is in line with market practice.

Tracking of proceeds:

☒ Green Bond proceeds segregated or tracked by the issuer in an appropriate manner

☒ Disclosure of intended types of temporary investment instruments for unallocated proceeds

☐ Other (please specify):

Additional disclosure:

☐ Allocations to future investments only  ☒ Allocations to both existing and future investments

☐ Allocation to individual disbursements  ☒ Allocation to a portfolio of disbursements

☐ Disclosure of portfolio balance of unallocated proceeds  ☐ Other (please specify):

4. REPORTING

Overall comment on section (if applicable):

Ameriabank intends to report allocation proceeds on its website, on an annual basis, until full allocation. Allocation reporting will include the total amount of green bond proceeds allocated per eligibility category, the geographic distribution of assets, portion of financing vs refinancing and, if any, the balance of unallocated proceeds. In addition, Ameriabank is committed to reporting on relevant impact metrics. Sustainalytics views Ameriabank’s allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:

☐ Project-by-project  ☒ On a project portfolio basis

☐ Linkage to individual bond(s)  ☐ Other (please specify):
Information reported:
- Allocated amounts
- Green Bond financed share of total investment
- Other (please specify):

Frequency:
- Annual
- Semi-annual
- Other (please specify):

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

Information reported (expected or ex-post):
- GHG Emissions / Savings
- Energy Savings
- Decrease in water use
- Other ESG indicators (please specify):
  - See Framework for full list of potential impact indicators

Frequency
- Annual
- Semi-annual
- Other (please specify):

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

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

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

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:
- Consultancy (incl. 2nd opinion)
- Certification
- Verification / Audit
- Rating
ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

i. Second-Party Opinion: An institution with environmental expertise, that is independent from the issuer may issue a Second-Party Opinion. The institution should be independent from the issuer’s adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second-Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer’s overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.

ii. Verification: An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer’s internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.

iii. Certification: An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.

iv. Green Bond Scoring/Rating: An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.
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