

# Second-Party Opinion

## Banco Atlántida Green Bond

### Evaluation Summary

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



**USE OF PROCEEDS** The eligible category for the use of proceeds, renewable energy, is aligned with those recognized by the Green Bond Principles. Sustainalytics consider the expansion of renewable energy projects to have clear positive environmental impacts.



**PROJECT EVALUATION / SELECTION** Banco Atlántida will integrate the project evaluation process with its existing credit evaluation to identify potentially eligible projects. The final responsibility for determining that projects comply with the framework rests with a dedicated green bond committee. This is in line with market standards.



**MANAGEMENT OF PROCEEDS** The net proceeds of the green bond(s) will be tracked by the Bank's treasury team, using internal systems. Pending allocation, proceeds will be held in cash or cash-equivalent financial instruments, in line with the Bank's treasury management policy. This is in line with market expectations.



**REPORTING** Banco Atlántida intends to report annually to investors on the allocation and impact of the proceeds. Allocation reporting will include a description of projects funded, and the amount allocated to each, or, if a breakdown is not feasible, on a consolidated basis. Impact reporting will include, where feasible, installed generating capacity, renewable energy generation, and annual greenhouse gas emissions avoided. This is in line with market practice.

<b>Evaluation date</b>	September 2018
<b>Issuer Location</b>	Tegucigalpa, Honduras

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## Introduction

Banco Atlántida (“the Bank” or “the issuer”) is the largest bank in Honduras ranked by both deposits and shareholder’s equity. Founded in 1913, the Bank has 190 branches in all 18 departments of the country.

The Bank has developed the Banco Atlántida Green Bond Framework (the “framework”) under which it is planning to issue a green bond and use the proceeds to finance and refinance, in whole or in part, existing and future renewable energy projects in Honduras. The framework further specifies project subcategories in the areas of:

- Solar Energy
- Wind Energy
- Biomass Energy (from sustainable sources)
- Small Hydropower Energy (up to 25 MW installed capacity)

Banco Atlántida engaged Sustainalytics to review the Banco Atlántida Green Bond Framework and provide a second-party opinion on the alignment of the green bond with the Green Bond Principles, 2018, as administered by the International Capital Market Association (the “ICMA”),<sup>1</sup> and the framework’s environmental credentials. This framework has been published in a separate document.<sup>2</sup>

As part of this engagement, Sustainalytics held conversations with various members of the Bank’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 Bank’s green bond. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Banco Atlántida Green Bond Framework and should be read in conjunction with that framework.

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<sup>1</sup> ICMA’s Green Bond Principles 2018 <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

<sup>2</sup> <https://www.bancatlan.hn/greenbondframework>

## Sustainalytics' Opinion

### Section 1: Sustainalytics' Opinion on the Banco Atlántida Green Bond Framework

#### Summary

Sustainalytics is of the opinion that the Banco Atlántida Green Bond Framework is credible and impactful, and aligns with the four core components of the Green Bond Principles 2018. Sustainalytics highlights the following elements of Banco Atlántida's Green Bond Framework:

- The eligible use of proceeds category (Renewable Energy) is recognized by the Green Bond Principles, 2018, as a project category having positive environmental benefits. For additional information, please see Section 3 for Sustainalytics' assessment of the use of proceeds
  - The Bank has specified that hydroelectric generation projects must be 25MW in size or smaller to qualify as eligible. While some investors may consider small-scale hydro to be less than 15MW or 20MW, Sustainalytics is of the opinion that, in the Honduran context, well-managed projects of this size will provide positive overall environmental benefits.
  - Biomass generation feedstock will be limited to sources that do not deplete existing terrestrial carbon pools, protect biodiversity, and do not involve the burning of peat. The projects will produce bioenergy from agricultural or forestry residue (i.e., bagasse or wood waste).
- The Bank project selection and evaluation process is integrated with its regular credit approval process, whereby potentially eligible projects are selected by the relevant business line and assessed through the Bank's Environmental and Social Risk Analysis Process. The responsibility for determining that projects comply with the framework's eligibility criteria rests with a dedicated green bond committee, including members of the Treasury team and the Corporate Sustainability Management team.
- The net proceeds of the green bond(s) will be tracked by the Bank's Treasury team, using internal systems, and allocated to financing Eligible Projects. Should divestment from one asset occur, the Bank will re-allocate the funds to another Eligible Project. Pending allocation, proceeds will be held in cash or cash-equivalent financial instruments, in line with the Bank's treasury management policy.
- The Bank expects to report annually on the allocation and impact of the proceeds until all funds are disbursed. The Bank expects to make this information available to investors in a framework that is yet to be determined but which will be either through the trustee, a secured document or website or other similar methods. Allocation reporting will include the total amount allocated to various projects, or alternatively on a consolidated project portfolio basis, while impact reporting will include, where feasible, installed generating capacity, and renewable energy generation, and annual greenhouse gas emissions avoided.

#### Alignment with Green Bond Principles 2018

Sustainalytics has determined that the Banco Atlántida green bond aligns to the four core components of the Green Bond Principles, 2018. For detailed information please refer to Appendix 1: Green Bond/Green Bond Programme External Review Form.

### Section 2: Sustainability Performance of the Issuer

#### Contribution of framework to issuer's sustainability strategy

The Bank's corporate social responsibility policy is based on the core values of solidarity, commitment, excellence, and professionalism, and is summarized by the phrase "*hacer negocios basados en principios éticos y apegados a la ley*", or "do business based on ethical principles and in accordance with law".<sup>3</sup> To put these practices in action, the Bank has a Corporate Social Responsibility committee chaired by the Bank's CEO, which oversees social engagement with charitable organizations, corporate volunteering, educational programs, and arts and culture initiatives. To date, the Bank has contributed over HNL 8 million (over USD \$300,000) to social investments and HNL 2 million (USD \$83,400) to education programs.<sup>4</sup>

<sup>3</sup> <https://bancatlan.hn/rse/>

<sup>4</sup> <https://bancatlan.hn/rse/en-cifras/>

The Bank has an environmental management system based on three pillars: internal environmental management, management of environmental risk from credit activities, and involvement in green financing solutions.<sup>5</sup> The green financing pillar references the design and provision of credit services for investments in projects that will have positive environmental impacts, particularly in the areas of renewable energy and energy efficiency. Proceeds from green bonds will support activities in this area.

Although the Bank does not have quantifiable targets for its environmental and/or social activities, it has a demonstrated history of sustainable actions, as well as policies in place to promote these initiatives on an ongoing basis. In particular, the Bank has been actively involved in Honduras' energy sector, having been involved in the financing of the country's first privately-owned energy company in 1994. Since this time, the Bank has supported financing for 260.34 MW of renewable energy generation, 18% of all privately-owned renewable capacity in Honduras. Given the above, Sustainalytics considers the use of proceeds to contribute to the Bank's environmental and sustainability goals, and thus believes that the Bank is well-positioned to issue its green bond.

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

Renewable energy projects provide tangible environmental benefits, including decreased air and water pollution and fewer greenhouse gas emissions than fossil fuel generation. However, social and environmental risks may still occur; examples include land use impacts at the project site (e.g. flooding for hydro reservoirs, installation of photovoltaic panels), alterations to river hydrology (e.g. from water diversion or sedimentation), and biodiversity impacts (e.g. impact of hydropower on fish or of wind power on birds and bats), impacts on local communities (e.g. displacement or impacts on traditional food sources), and construction worker health and safety.

Sustainalytics is of the opinion that the Bank is well-positioned to mitigate environmental and social risks, based on the following points:

- The Environmental Policy of the Bank specifies that not only will it comply with all relevant environmental regulations, but that it will also consider environmental and social criteria in risk analysis and support investments with strong practices in these areas. As a subset of the Environmental Policy, the Green Credit Program provides unique investment solutions for projects classified as green.<sup>6</sup> The eligibility criteria of the Banco Atlántida Green Bond Framework aligns well with this initiative.
- The Bank has an internal Environmental and Social Risk Analysis Process, which includes an exclusion list, reporting, project visits, and ongoing monitoring throughout the term of any loans. The green bond committee will ensure compliance with stated procedures.
- All selected projects must comply with the International Finance Corporation's Performance Standards on Environmental and Social Sustainability.<sup>7</sup>
- By placing a limit on the size of hydroelectric projects, some of the risks are mitigated, as larger projects generally have more significant impacts, both environmentally and socially. Sustainalytics recognizes that some hydroelectric developments have deleterious environmental impacts. In particular, non-run-of-river (i.e., storage hydro) facilities in tropical climates may trigger significant carbon emissions from newly-flooded artificial reservoirs. By limiting hydro projects to 25MW in size, the Bank has taken steps to mitigate this risk. Additionally, Sustainalytics encourages Banco Atlántida to consider factors such as reservoir size and life-cycle environmental impacts, as well as social impacts and community consultations, when making decisions on the financing of hydro generation.

Given the Bank's risk management processes, history of support for environmental projects, and lack of involvement in significant controversies, Sustainalytics considers the Bank to be well-positioned to mitigate the potential environmental and social risks related to the projects funded by the green bond proceeds.

<sup>5</sup> <http://www.bancoatlantida.com.sv/banca-de-personas/gestion-medio-ambiental/nuestros-estandares.php>

<sup>6</sup> Eligible categories of the Bank's Green Credit Program include renewable energy, energy efficiency, clean production, wastewater management and treatment, sustainable agriculture, sustainable forestry, tourism, transport and green buildings.

<sup>7</sup> [https://www.ifc.org/wps/wcm/connect/c8f524004a73daeca09afdf998895a12/IFC\\_Performance\\_Standards.pdf?MOD=AJPERES](https://www.ifc.org/wps/wcm/connect/c8f524004a73daeca09afdf998895a12/IFC_Performance_Standards.pdf?MOD=AJPERES)

### Section 3: Impact of Use of Proceeds

The eligible use of proceeds category (Renewable Energy) is unequivocally recognized as impactful by the Green Bond Principles, 2018.

#### Renewable Energy and Climate Change in Honduras

Honduras generates approximately 56% of its electricity from fossil fuel sources<sup>8</sup> (coal, gas, & oil), 32% from hydropower,<sup>9</sup> and 11% from non-hydro renewables<sup>10</sup> (wind, solar, biomass). Over the last 15 years, Honduras has increased its access to electricity rate from 63% to 88%,<sup>11</sup> and is now at the worldwide average for this metric. However, electricity consumption per capita in Honduras remains at approximately one fifth of the global rate, indicative of an electricity supply that is intermittent, unreliable, or unaffordable. When compared to the other countries of the Central American Integration System,<sup>12</sup> Honduran residential energy prices are slightly above average.<sup>13</sup>

Due to geographic and infrastructural factors, Honduras is particularly vulnerable to the impacts of climate change. Climate-linked natural disasters such as hurricanes, storms, floods, droughts, and landslides, are projected to increase as a result of climate change. Specifically, most models project temperature increases and a reduction in overall rainfall with more intense drought periods, coupled with more frequent extreme rainfall events.<sup>14</sup> As a signatory to the Paris Agreement, Honduras has submitted a nationally determined contribution (NDC) to the UNFCCC, committing to a 15% reduction in greenhouse gas emissions by 2030 compared to the business-as-usual scenario. Additional goals include reforestation of one million hectares and a 39% reduction in firewood use as a fuel source.<sup>15</sup> In May 2018, Honduras formalized its first action plan, or *Hoja de Ruta*, identifying 5 priority areas and 21 activities to achieve these goals.<sup>16</sup>

Sustainalytics is of the opinion that the expansion of renewable energy projects will support achieving the greenhouse gas targets of the Paris commitments, and that expansion of Honduras' electrical supply will enable reductions in firewood usage, while specifying that only sustainably sourced biomass is eligible will contribute to afforestation goals. Furthermore, investment in the renewable energy sector will result in more resilient and reliable infrastructure, supporting the social and economic development of the country, in particular in rural areas.

#### 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 SDG goals and targets:

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

### Conclusion

The Bank has developed the Banco Atlántida Green Bond Framework, under which it intends to issue green bonds. Proceeds of the bonds will be used to finance renewable energy projects, specifically wind, solar, small

<sup>8</sup> <https://data.worldbank.org/indicator/EG.ELC.FOSL.ZS?locations=HN>

<sup>9</sup> <https://data.worldbank.org/indicator/EG.ELC.HYRO.ZS?locations=HN>

<sup>10</sup> <https://data.worldbank.org/indicator/EG.ELC.RNWX.ZS?locations=HN>

<sup>11</sup> [https://data.worldbank.org/indicator/EG.ELC.ACCS.ZS?locations=HN-1W&year\\_high\\_desc=false](https://data.worldbank.org/indicator/EG.ELC.ACCS.ZS?locations=HN-1W&year_high_desc=false)

<sup>12</sup> Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama, Belize, and the Dominican Republic.

<sup>13</sup> [https://repositorio.cepal.org/bitstream/handle/11362/42720/1/S1701275\\_es.pdf](https://repositorio.cepal.org/bitstream/handle/11362/42720/1/S1701275_es.pdf)

<sup>14</sup> [https://www.climatelinks.org/sites/default/files/asset/document/2017\\_USAID%20ATLAS\\_Climate%20Change%20Risk%20Profile\\_Honduras.pdf](https://www.climatelinks.org/sites/default/files/asset/document/2017_USAID%20ATLAS_Climate%20Change%20Risk%20Profile_Honduras.pdf)

<sup>15</sup> [http://www4.unfccc.int/ndcregistry/PublishedDocuments/Honduras%20First/Honduras%20INDC\\_esp.pdf](http://www4.unfccc.int/ndcregistry/PublishedDocuments/Honduras%20First/Honduras%20INDC_esp.pdf)

<sup>16</sup> <http://ndcpartnership.org/news/honduras-releases-first-ndc-partnership-plan-climate-action>

hydro, and sustainable biomass projects. This category is recognized as having positive environmental impacts.

Sustainalytics has reviewed the Banco Atlántida Green Bond Framework with respect to its alignment with the Green Bond Principles 2018. The Bank's use of proceeds criteria and commitments for project selections, management of proceeds, and reporting are in line with market practice. By supporting the development of renewable energy resources in Honduras, the green bonds will contribute to the decarbonization of the Central American electrical system and to meeting national climate goals.

Overall, Sustainalytics is of the opinion that the Banco Atlántida Green Bond Framework is credible, transparent, and aligned with the four core components of the Green Bond Principles, 2018, and that the Bank is well-positioned to issue green bonds.

## Appendices

### Appendix 1: Green Bond / Green Bond Programme - External Review Form Section 1. Basic Information

Issuer name:	Banco Atlántida
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: <i>[specify as appropriate]</i>	Banco Atlántida Green Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	September 7, 2018
Publication date of review publication: <i>[where appropriate, specify if it is an update and add reference to earlier relevant review]</i>	

### Section 2. Review overview

#### SCOPE OF REVIEW

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

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

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

#### ROLE(S) OF REVIEW PROVIDER

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

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

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

Please refer to Executive 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)*:

An amount equal to the net proceeds of the notes under the Banco Atlántida Green Bond Framework will be allocated towards financing and/or refinancing of new and existing renewable energy projects that meet the following Eligibility Criteria:

- Loans dedicated to investments in the development, construction and operation of the following renewable energy sources: solar, wind, small hydro (installed capacity up to 25 MW) or sustainable biomass<sup>17</sup>.
- The projects should have had a disbursement (i) made during the twenty-four months preceding the issue date of the notes and/or (ii) following the issue date of the notes and until the maturity date of the notes.

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

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Renewable energy<br><br>(solar, wind, biomass, small hydro up to 25 MW)  | <input type="checkbox"/> Energy efficiency   |
| <input type="checkbox"/> Pollution prevention and control  | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation   | <input type="checkbox"/> Clean transportation  |
| <input type="checkbox"/> Sustainable water and wastewater management   | <input type="checkbox"/> Climate change adaptation   |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes                             | <input type="checkbox"/> Green buildings   |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input type="checkbox"/> Other <i>(please specify)</i> :   |

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

<sup>17</sup> Banco Atlantida will assure that the bioenergy comes from sources that do not deplete existing terrestrial carbon pools. Also the projects must protect biodiversity and should not involve the burning of peat. The projects will produce bioenergy from agricultural residues or forestry residues.



## 2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

Eligible Projects are expected to comply with local laws and regulations, including any applicable regulatory environmental and social requirement, and with the International Finance Corporation's (IFC) Performance Standards on Environmental and Social Sustainability. Banco Atlántida expects to approve a list of specific types of Eligible Projects expected to be funded from the net proceeds; provided that in the Bank's discretion it may change any of such projects and find a substitute Eligible Project. A Green Bond Committee is expected to be set-up, including the Treasury team, the Corporate Sustainability Management team, and any relevant business lines involved in the selection of Eligible Projects when required. The Green Bond Committee will also monitor the environmental and social risk analysis process of the Eligible Projects.

### Evaluation and selection

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives            | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories               |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input type="checkbox"/> Summary criteria for project evaluation and selection publicly available                  | <input type="checkbox"/> Other ( <i>please specify</i> ):   |

### Information on Responsibilities and Accountability

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

## 3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

The net proceeds will be allocated to the financing of new projects and / or refinancing of existing projects under the Eligible Project Category. Banco Atlántida's treasury team will track internally the proceeds raised from the Green Bonds to be allocated to Eligible Projects. In case of project divestment, Banco Atlántida expects to use the net proceeds to finance other Eligible Projects which are compliant with the current Use of Proceeds. Pending the full allocation of the proceeds, the balance of unallocated proceeds will be held in cash or cash equivalent instruments in line with Banco Atlántida's treasury management.

**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:**

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

**4. REPORTING**

Overall comment on section (if applicable):

**Allocation Reporting:**  
Allocation reporting is expected to be available to any investors within approximately one year from the date of the issuance of the notes, and thereafter once a year until the proceeds have been fully allocated. The reporting will produce the total amount allocated to the various eligible projects.

Reporting information is expected to be communicated with investors in a framework that is yet to be determined but which will be either through the trustee, a secured document or website or other similar methods. Alternatively, and/or in conjunction to the aforementioned Banco Atlántida may publish reporting of projects on a consolidated basis (without project breakdown). Example of reporting indicators:

- Consolidated proceeds utilization across projects (i.e., all hydro, solar, or wind) and/or list of projects financed by the proceeds, including their description (date, location, category, progress) and the corresponding allocated amount (in \$)
- Allocated amount vs. total amount (in %)

**Impact Reporting:**  
On an annual basis and until the full allocation of the proceeds, Banco Atlántida expects to provide an impact report on Eligible Projects. The relevant metrics may include:

- Installed capacity in MW
- Annual renewable energy generation in MWh
- Annual GHG emissions reduced/avoided in tons of CO2 equivalent

**Use of proceeds reporting:**

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

**Information reported:**

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

**Frequency:**

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

**Impact reporting:**

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

**Frequency:**

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

**Information reported (expected or ex-post):**

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> GHG Emissions / Savings  | <input type="checkbox"/> Energy Savings   |
| <input type="checkbox"/> Decrease in water use   | <input checked="" type="checkbox"/> Other ESG indicators ( <i>please specify</i> ): |
| <ul style="list-style-type: none"> <li>- Installed capacity in MW</li> <li>- Annual renewable energy generation</li> </ul> |   |

**Means of Disclosure**

- |  |   |
|--|---|
| <input type="checkbox"/> Information published in financial report                       | <input type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents                       | <input checked="" type="checkbox"/> Other ( <i>please specify</i> ):    |
| <ul style="list-style-type: none"> <li>-Via trustee, secured document/website</li> </ul> |   |

- Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

An external verification on the allocation of the Green Bond proceeds will be provided, on an annual basis until the complete allocation of proceeds by Sustainalytics.

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.)

Link to Green Bond Framework: <https://www.bancatlan.hn/greenbondframework>

#### SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

**Type(s) of Review provided:**

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

**Review provider(s):**

**Date of publication:**

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

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

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

## Sustainalytics

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