

# Second-Party Opinion

## EUROFIMA Green Bond

### Evaluation Summary

Sustainalytics is of the opinion that the EUROFIMA 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 categories for the use of proceeds are aligned with those recognized by the Green Bond Principles. Sustainalytics considers that (i) the purchase of new electric rolling stock and (ii) financing of existing electric rolling stock and (iii) modernization/ refurbishment of existing stock will contribute to a modal shift from road to electric rail, improve energy efficiency of existing rolling stock and advance the UN Sustainable Development Goals 9 and 11.



**PROJECT EVALUATION / SELECTION** EUROFIMA's internal process in evaluating and selecting projects is considered aligned with market best practice. EUROFIMA's Capital Markets Department supported by the Rolling Stock Manager, will be responsible for the identification of the Eligible Green Assets, while final approval will be the responsibility of EUROFIMA's Management Committee.



**MANAGEMENT OF PROCEEDS** EUROFIMA's processes for management of proceeds is aligned with market practice. The company has a system in place to track and monitor the allocation of proceeds, including earmarking eligible assets within EUROFIMA's Treasury system. Unallocated proceeds will be held in accordance with EUROFIMA's liquidity management policy and highlighted in the Reporting



**REPORTING** EUROFIMA intends to report allocation of proceeds in a dedicated Green Bond report on an annual basis. In addition, EUROFIMA is committed to reporting on impact indicators, including overall reduction of CO2 emissions, increase in the use of renewable energy and reduction of energy consumption. In Sustainalytics' view reporting on these metrics is in line with market best practice.

<b>Evaluation date</b>	November 2018
<b>Issuer Location</b>	Basel, Switzerland

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## Introduction

The European Company for the Financing of Railroad Rolling Stock (“EUROFIMA”) is a supranational organization whose mission is to support the development of rail transportation in Europe by supporting the railways operators, which are also its shareholders, in renewing and modernizing their rolling stock. The company finances equipment in various European countries with most of its lending contracts to date being in Switzerland (18.7%), Belgium (18.2%), and Italy (18.2%).<sup>1</sup> EUROFIMA is located in Basel, Switzerland.

EUROFIMA has developed the EUROFIMA Green Bond Framework (the “Framework”) under which it is considering to issue multiple green bonds and use the proceeds to finance and refinance, in whole or in part, existing and future projects that contribute to the modernization of its fleet and contributing to a modal shift towards rail transport. The Framework defines eligibility criteria in three areas:

1. Financing of purchase of newly manufactured rolling stock (rolling stock age  $\leq$  two years)
2. Financing of existing rolling stock (two years  $<$  rolling stock age  $\leq$  fifteen years)
3. Financing of modernization / refurbishment of existing rolling stock (rolling stock age  $>$  two years)

EUROFIMA engaged Sustainalytics to review the EUROFIMA Green Bond Framework and provide a second-party opinion on the alignment of the green bond with the Green Bond Principles 2018 (the “GBP”), as administered by the International Capital Market Association (the “ICMA”),<sup>2</sup> and the Framework’s environmental credentials. This Framework has been published in a separate document.<sup>3</sup>

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

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

<sup>1</sup> Information as of December 31<sup>st</sup>, 2017. <http://www.EUROFIMA.org/en/lending/projects/>

<sup>2</sup> ICMA’s Green Bond Principles 2018 <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

<sup>3</sup> [https://www.eurofima.org/en/assets/File/Green%20Bonds/EUROFIMA%20-%20Green%20Bond%20Framework\\_Final.pdf](https://www.eurofima.org/en/assets/File/Green%20Bonds/EUROFIMA%20-%20Green%20Bond%20Framework_Final.pdf)

## Sustainalytics' Opinion

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

#### Summary

Sustainalytics is of the opinion that the EUROFIMA 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 EUROFIMA's green bond framework:

- Use of Proceeds:
  - Clean Transportation, specifically electric passenger rail transportation, is recognized by the Green Bond Principles as a project category with clear environmental benefits, and Sustainalytics views such investments as having a positive impact (for additional information on impact see Section 3).
  - Sustainalytics considers the use of proceeds (i) the purchase of new electric rolling stock and (ii) financing of existing electric rolling stock and (iii) modernization/ refurbishment of existing stock as impactful.
  - EUROFIMA sets a lookback period of two years for loans financed, aligned with market practice. Sustainalytics notes that the underlying assets may be older than two years, however, the lookback period ensures that only the depreciated value of the capital asset is considered for green bond allocation purposes.
- Project Selection Process:
  - EUROFIMA's process for project selection and evaluation is thorough and transparent, ensuring that selected assets comply with the eligibility criteria and the Company's Equipment Financing Policy. The Capital Markets Department supported by the Rolling Stock Manager, will be responsible for the identification of the Eligible Green Assets, while approval will be the responsibility of EUROFIMA's Management Committee – which consists of the CEO, CFO, and COO – with notification then provided to the Board of Directors. Given C-level involvement in project approval, Sustainalytics views this as a market best practice.
- Management of Proceeds:
  - EUROFIMA's disclosure and processes with respect to management of proceeds are in line with market practice. The eligible assets will be earmarked within the company's internal accounting systems to ensure allocation to eligible projects.
  - Unallocated proceeds will be held in accordance with EUROFIMA's liquidity management policy and highlighted in the Reporting
- Reporting:
  - EUROFIMA will publish a yearly Green Bond Report until full allocation of proceeds. Allocation reporting will be very detailed, identifying each individual asset financed, and clustering the information according to the eligibility criteria, on the basis of both green asset and investment type. Current book value of the financed assets will be used (which is a best practice). Sustainalytics recommends that EUROFIMA strive to obtain external assurance of its allocation reporting.
  - EUROFIMA has a strong commitment to impact reporting, communicating both estimated environmental benefits of the assets financed (CO<sub>2</sub> emissions and energy consumption per passenger/Km), as well as summary of the environmental performance of the stakeholders receiving financing (e.g. railway overall increase in the use of renewable energy). This is in line with market best practice.

#### Alignment with Green Bond Principles 2018

Sustainalytics has determined that the EUROFIMA's 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 EUROFIMA

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

EUROFIMA states that promoting sustainability is at the core of its public mission, to support the development of rail transportation in Europe by supporting railways operators, which are also its shareholders, in renewing and modernizing their rolling stock.<sup>4</sup> As such, EUROFIMA's investments allow European railway operators to comply with the International Union of Railways Declaration on Sustainable Mobility and Transport.<sup>5</sup>

In addition, EUROFIMA has been financing mostly electric rolling stock equipment. In 2016 the company financed 637 electric multiple units, 49 electric locomotives and 158 coaches,<sup>6</sup> while in 2017 124 electric motor cars, 120 trailer cars, and 80 passenger coaches were financed,<sup>7</sup> confirming the company's commitment to a low-carbon future.

Given the mandate of EUROFIMA to support railway transport and thus to facilitate increased rail transport instead of road and air, Sustainalytics considers EUROFIMA to be well positioned to issue green bonds and that the issuance of green bonds will help the company to advance its mission.

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

While Sustainalytics considers the financed assets to have a positive environmental impact, Sustainalytics acknowledges that the financing of rail transport includes environmental and social risks associated with air pollution and passenger safety. In addition, the impact of rail infrastructure on biodiversity from land use change and community opposition are risks associated with rail transport.

Sustainalytics highlights the following measures EUROFIMA has taken to mitigate potential environmental and social risks and therefore due to the following reasons considers EUROFIMA to be well positioned to manage associated risks:

- EUROFIMA finances railway equipment only and not the construction of rail infrastructure. In addition, the company's revenues are mainly derived from countries where environmental regulation requires environmental impact assessments for railway infrastructure projects.<sup>8</sup> Thus, Sustainalytics considers related risks to be significantly reduced.
- EUROFIMA includes incentives for railway operators to increase the use of electric trains by providing better conditions for deals related to electric rolling stock, decreasing the environmental risks of pollution or spills from fossil fuels.
- Additionally, proceeds of the green bonds will only finance electric vehicles. Furthermore, the company complies with the Europe's strong regulatory framework on this matter and supports environmental agreements such as the 2050 Target and Vision developed by CER (Community of European Railways) to reduce the environmental impact of transportation.

Given the contribution of the EUROFIMA Green Bonds to the company's mandate and EUROFIMA's processes to address environmental risks associated with the financing of rolling stock equipment, Sustainalytics is of the opinion that the company is well positioned to issue a green bond.

## Section 3: Impact of Use of Proceeds

### Impact of electric rail transit on reducing greenhouse gas emissions in Europe

<sup>4</sup> EUROFIMA corporate website, Sustainability, accessed October 2018: <https://www.eurofima.org/en/lending/sustainability/>

<sup>5</sup> Described as 'the railway sector's commitment to sustainable development', the declaration sets the vision for sustainable development and asks UIC members to make a public declaration and provide regular progress report on eighteen commitments to reduce environmental impacts and improve service to customers and society.

<https://sustainabledevelopment.un.org/content/documents/3755caven.pdf>

<sup>6</sup> EUROFIMA <http://www.EUROFIMA.org/en/lending/sustainability/>

<sup>7</sup> EUROFIMA Green Bond Framework

<sup>8</sup> According to the EU 'Environmental Impact Assessment Directive', environmental impact assessments need to be conducted for long-distance railway lines: <http://ec.europa.eu/environment/eia/eia-legalcontext.htm>; In Switzerland environmental impact assessments are required by the Environmental Protection Act: <https://www.admin.ch/opc/en/classified-compilation/19830267/index.html>

Advancing rail transportation is closely related to reducing greenhouse gas (GHG) emissions and achieving climate targets. According to the European Commission, the transport sector is, after the energy sector, the biggest emitter of greenhouse gases, accounting for around a quarter of the EU's emissions. As such, in the "Roadmap to a Single European Transport Area" the European Commission has set EU-wide GHG emission reduction targets for the transportation sector.<sup>9</sup> The Roadmap envisages a reduction of emissions from the transport sector of at least 60% by 2050 (with respect to 1990 levels), and an interim target for 2030, aiming at reducing GHG emissions to around 20% below 2008 levels. The Commission aspires to meet these targets by prioritizing modes of transportation that can easily carry large numbers of passengers, such as prioritizing rail transport over car transport. Furthermore, the Roadmap envisages that the existing rail network in Europe will be tripled in length by 2030, with the intention of ensuring that most medium-distance passenger travel is done via rail transport by 2050. Given this context, Sustainalytics is confident that EUROFIMA's green bonds will positively contribute to the availability of electric rail transportation, and to achieving the vision defined in the Commission's Roadmap.

On a local level, EUROFIMA will contribute to the reduction targets set by individual European countries. As of December 2016, most of EUROFIMA's outstanding financing of electric locomotives and trains was focused in Italy.<sup>10</sup> Italy targets a 13% greenhouse gas emission reduction level by 2020 (baseline 2005) and a 33% reduction by 2030.<sup>11</sup> By financing electric passenger transport in Italy, EUROFIMA is also contributing to these targets.

#### **Positive environmental performance of electric rail transportation in comparison with other transportation alternatives**

Sustainalytics is confident that electric rolling stock has better environmental performance compared to other transportation options due to three main factors:

- (i) Greenhouse gas emissions from rail transport are 85% lower than the average emissions from road and air transport,<sup>12</sup> therefore contributing to greenhouse gas reduction targets. The rail transport sector accounts for only 2% of the energy consumed by the transport sector, meaning it is highly energy efficient compared to the 82% of the energy consumed by road transportation. Moreover, modern electric trains consume 85% less energy than airplanes per passenger/km.
- (ii) Financing electric rolling stock, as opposed to diesel fuelled trains, further reduces emissions as electric rolling stock is more energy efficient. While direct comparisons are difficult, in Europe, typically an electric train emits between 20% and 35% less carbon per passenger mile than a diesel train, depending on the energy-mix supplied to the local network.<sup>13</sup> Electric trains also have zero emissions at the point of use, which has a positive impact in the air quality around mainline stations.
- (iii) The power used for electric railway transportation can be sourced from renewable sources, which would reduce greenhouse gas emissions even further.<sup>14</sup> Therefore, as renewable energy supply increases in Europe, increasing the amount of electric rolling stock equipment may significantly reduce European greenhouse gas emissions, contributing to the 2020 sustainability targets for Europe outlined by the COP21 agreement.

In addition to the environmental benefits, the rail transportation sector delivers social benefits such as social cohesion, labour mobility and social integration in Europe. Furthermore, rail transport represents, in terms of fatalities, one of the safest modes of transport.

In conclusion, in Sustainalytics view, the use of proceeds of EUROFIMA's green bonds will render clear environmental benefits, contributing to both European and national greenhouse gas reduction targets and to a less polluting transportation sector, as electric rail is one of the most energy efficient transportation options. Additionally, railway transportation is also considered to deliver the social benefits noted above.

#### **Alignment with/contribution to SDGs**

<sup>9</sup> Roadmap to a Single European Transport Area. 2011 White Paper. Accessed September 9, 2016: <http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52011DC0144>

<sup>10</sup> EUROFIMA <http://www.EUROFIMA.org/en/lending/projects/>

<sup>11</sup> <https://www.c2es.org/international/history-international-negotiations/2020-targets>; <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52016PC0482>

<sup>12</sup> EUROFIMA <http://www.EUROFIMA.org/en/lending/sustainability/>

<sup>13</sup> <https://www.theguardian.com/environment/blog/2012/jul/16/electric-trains-diesel-green-carbon>

<sup>14</sup> UIC Railway Handbook [http://uic.org/IMG/pdf/2014\\_uic-iea\\_railway\\_handbook\\_web\\_low.pdf](http://uic.org/IMG/pdf/2014_uic-iea_railway_handbook_web_low.pdf)

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
Electric rolling stock equipment	9. Industry, Innovation and Infrastructure	9.1 Develop quality, reliable, sustainable and resilient infrastructure (9.1.2 passenger transport), including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.  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.
	11. Sustainable Cities and Communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.

## Conclusion

EUROFIMA has developed a Green Bond Framework in accordance with which it intends to issue green bonds. Proceeds of the bonds will be used to finance expenditures (i.e. Eligible Green Assets) related to (i) purchase of newly manufactured rolling stock, (ii) financing of existing rolling stock equipment and (iii) modernization of existing rolling stock to improve its environmental performance. Such equipment can be electric locomotives, electric multiple units, and railroad passenger carriages.

Sustainalytics is of the opinion that the Eligible Green Assets are recognized by the Green Bond Principles as having clear environmental benefits and will positively contribute to advancing EUROFIMA’s mission to support railway operators improving environmental performance and promote sustainability in the transportation sector in Europe. Specifically, the use of proceeds of EUROFIMA’s Green Bond will render clear environmental benefits, contributing to both European and national greenhouse gas reduction targets and to a less polluting transportation sector, as electric rail is one of the most energy efficient transportation options.

Overall, EUROFIMA’s Green Bond Framework also displays best practices in (i) project selection with C-level involvement in the final approval of Eligible Green Assets, (ii) back-to-back funding structure and (iii) commitment to impact reporting. Sustainalytics recommends that EUROFIMA strive to obtain external assurance of the information disclosed on allocation of proceeds (allocation reporting).

Based on the above, Sustainalytics is confident that EUROFIMA is well positioned to issue Green Bonds and that the EUROFIMA Green Bond Framework is transparent, robust, and it aligns with the four core components of the Green Bond Principles 2018.

## Appendices

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

Issuer name:	EUROFIMA
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: <i>[specify as appropriate]</i>	EUROFIMA Green Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	November 9, 2018
Publication date of review publication: <i>[where appropriate, specify if it is an update and add reference to earlier relevant review]</i>	This is an update to the 2017 EUROFIMA Green Bond Framework

### 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 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*):

Clean Transportation, specifically electric passenger rail transportation, is recognized by the Green Bond Principles as a project category with clear environmental benefits, and Sustainalytics views the investments in (i) the purchase of new electric rolling stock and (ii) financing of existing electric rolling stock and (iii) modernization/ refurbishment of existing stock as impactful. EUROFIMA set a lookback period of two years for loans financed aligned with market practice.

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

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

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

Overall comment on section (if applicable):

EUROFIMA's process for project selection and evaluation is thorough and transparent, ensuring that selected assets comply with the eligibility criteria. The Capital Markets Department supported by the Rolling Stock Manager, will be responsible for the identification of the Eligible Green Assets, while final approval will be the responsibility of EUROFIMA's Management, with notification provided to the Board of Directors. Given C-level involvement in project approval, Sustainalytics views this as a market best practice.

#### Evaluation and selection

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

### 3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

EUROFIMA's disclosure and processes with respect to management of proceeds are in line with market practice. The eligible assets will be earmarked within the company's internal accounting systems to ensure allocation to eligible projects. Unallocated proceeds will be held in accordance with EUROFIMA's liquidity management policy and highlighted in the Reporting.

#### Tracking of proceeds:

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

#### Additional disclosure:

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

### 4. REPORTING

Overall comment on section (if applicable):

EUROFIMA will publish yearly in Green Bond Reports until full allocation of proceeds. Allocation reporting will be very detailed, identifying each individual asset financed, and clustering the information according to the eligibility criteria. Current book value of the financed assets will be used (which is a best practice). Sustainalytics recommends that EUROFIMA strive to obtain external assurance of the information disclosed on allocation of proceeds (allocation reporting).  
EUROFIMA has a strong commitment to impact reporting, communicating both estimated environmental benefits of the assets financed (CO2 emissions and energy consumption per passenger/Km), as well as summary of the environmental performance of the stakeholders receiving financing (e.g. railway overall increase in the use of renewable energy). This is in line with market best practice.

**Use of proceeds reporting:**

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Project-by-project | <input 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 checked="" type="checkbox"/> Energy Savings   |
| <input type="checkbox"/> Decrease in water use              | <input type="checkbox"/> Other ESG indicators ( <i>please specify</i> ): increase in renewable energy used |

**Means of Disclosure**

- |   |   |
|---|---|
| <input type="checkbox"/> Information published in financial report            | <input type="checkbox"/> Information published in sustainability report |
| <input checked="" type="checkbox"/> Information published in ad hoc documents | <input type="checkbox"/> Other ( <i>please specify</i> ):               |

- 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.)

Green Bond reporting: [www.eurofima.org/en/investors/green-bonds/reporting](http://www.eurofima.org/en/investors/green-bonds/reporting)

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

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

- Consultancy (incl. 2<sup>nd</sup> opinion)  Certification  
 Verification / Audit  Rating  
 Other (*please specify*):

**Review provider(s):**

**Date of publication:**

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

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

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

## Sustainalytics

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