



# Second-Party Opinion

## Georgian Renewable Power Operations Green Bond Framework

### Evaluation Summary

Sustainalytics is of the opinion that the Georgian Renewable Power Operations Green Bond Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2021. 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 considers that investments in the eligible category is expected to support the increase in share of renewable energy in Georgia and advance the UN Sustainable Development Goals, specifically SDG 7.



**PROJECT EVALUATION / SELECTION** GRPO's Green Bond Committee (GBC) will be responsible for reviewing and approving eligible projects. GRPO's Environment and Social Management Systems are applicable to all allocation decisions made under the Framework. Sustainalytics considers these risk management systems to be adequate and views this as in line with market practice.



**MANAGEMENT OF PROCEEDS** GRPO's Finance Department will manage the allocation of the net proceeds, using an established register. GRPO intends to allocate proceeds immediately after issuance. This is in line with market practice.



**REPORTING** GRPO commits to provide allocation and impact reporting via an external report which will be published on the Company's website on an annual basis until full allocation of proceeds. The report will include the following information: total amount allocated to eligible projects, share of proceeds allocated to the refinancing of eligible projects, and balance of unallocated proceeds. Additionally, GRPO is committed to, where feasible, reporting on relevant impact indicators, including GHG emissions avoided in tCO<sub>2</sub>e, along with the impact calculation methodology. Sustainalytics views GRPO's allocation and impact reporting as aligned with market practice.

<b>Evaluation Date</b>	June 30, 2022
<b>Issuer Location</b>	Tbilisi, Georgia

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## Introduction

Established in 2022, Georgian Renewable Power Operations JSC (“GRPO”, the “Company” or the “Issuer”), a wholly owned subsidiary of Georgia Capital, invests in renewable energy projects in Georgia. GRPO, through its subsidiaries and related entities, operates approximately 50 MW of hydro power plants and 21 MW of wind power projects. GRPO is headquartered in Tbilisi, Georgia.

GRPO has developed the Georgian Renewable Power Operations Green Bond Framework (the “Framework”) under which it intends to issue a green bond and use the proceeds to refinance, in whole or in part, existing hydro and wind power projects. These expenditures are expected to support the increase in share of renewable energy in Georgia, where GRPO operates. The Framework defines eligibility criteria in the following area:

### 1. Renewable Energy

GRPO engaged Sustainalytics to review the Georgian Renewable Power Operations Green Bond Framework, dated June 2022, and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP).<sup>1</sup> The Framework will be published in a separate document.<sup>2</sup>

### Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent<sup>3</sup> opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible project 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 2021, 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 1.11, 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 GRPO’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. GRPO representatives have confirmed (1) they understand it is the sole responsibility of GRPO 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.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and GRPO.

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. The Second-Party Opinion is valid for issuances aligned with the

<sup>1</sup> 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/>.

<sup>2</sup> The Georgian Renewable Power Operations Green Bond Framework will be available on GRPO’s website: [www.grpc.ge](http://www.grpc.ge).

<sup>3</sup> 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.

respective Framework for which the Second-Party Opinion was written for a period of twenty-four (24) months from the evaluation date stated herein.

In addition, the Second-Party Opinion opines on the potential 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 GRPO has made available to Sustainalytics for the purpose of this Second-Party Opinion.

## Sustainalytics' Opinion

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

Sustainalytics is of the opinion that the GRPO Green Bond Framework is credible and impactful and aligns with the four core components of the GBP. Sustainalytics highlights the following elements of GRPO's Green Bond Framework:

- Use of Proceeds:
  - The eligible category, Renewable Energy, is aligned with those recognized by the GBP. Sustainalytics notes that these expenditures are expected to contribute to increasing the share of renewable energy in Georgia where GRPO operates.
  - GRPO intends to refinance five existing renewable energy assets: four run-of-river hydropower projects and one wind energy farm.
    - The Framework specifies hydropower projects eligible for refinancing are subject to a life-cycle carbon intensity less than 100g CO<sub>2</sub>e/kWh.
    - Sustainalytics notes that GRPO has confirmed that all existing hydropower projects were subject to an environmental and social impact assessment carried out by a credible body according to Georgian legislation.
    - Sustainalytics considers investments in hydropower and wind energy as aligned with market practice.
    - Sustainalytics notes that GRPO excludes financing of any fossil fuel power generation projects and activities involving alcohol, tobacco, gaming or weapons.
- Project Evaluation and Selection:
  - GRPO's Green Bond Committee (the "Committee") will be responsible for identifying, evaluating, selecting and providing the final approval for selected eligible projects in line with the Framework criteria. The Committee will be comprised of GRPO Head, Head of Environmental and Social Affairs, Chief Financial Officer and Head of Investor Relations and Funding. GRPO has developed its Environmental & Social Management Systems to identify and address the environmental risks associated with eligible projects. This evaluation is applicable to all allocation decisions made under the Framework. Sustainalytics considers these risk management systems to be adequate and aligned with market expectation. For additional details, see Section 2.
  - Based on the established process for project selection and the presence of risk management processes, Sustainalytics considers these to be in line with market practice.
- Management of Proceeds:
  - GRPO's Finance Department will manage the allocation of the net proceeds using an established register.
  - GRPO intends to allocate proceeds immediately after issuance.
  - Based on the commitment to full allocation at issuance, Sustainalytics considers this process to be in line with market practice.
- Reporting:
  - GRPO commits to publish an External Report on its website annually until full allocation of proceeds is achieved. The allocation report will include the following information: total amount

- of net proceeds allocated to eligible projects, share of proceeds allocated to refinancing of existing Eligible Green Projects, and the balance of unallocated proceeds.
- Impact reporting, where feasible, will include relevant quantitative indicators such as GHG emissions avoided in tCO<sub>2</sub>e along with the impact calculation methodology.
  - Sustainalytics considers this process to be in line with market practice.

### **Alignment with Green Bond Principles 2021**

Sustainalytics has determined that the GRPO Green Bond Framework aligns with the four core components of the GBP. For detailed information, please refer to Appendix 1: Green Bond/Green Bond Programme External Review Form.

## **Section 2: Sustainability Performance and Strategy of GRPO**

### **Contribution of framework to Georgian Renewable Power Operations JSC's sustainability strategy**

Sustainalytics is of the opinion that as a developer and operator of hydro and wind power generation projects, GRPO's business model supports positive environmental outcomes. Newly established in 2022 as a pure play renewable energy producer, the Company focuses on developing and operating run-of-river hydropower plants and wind farms.

Sustainalytics notes that the sole aim of the Framework is to issue a green bond to finance and refinance existing hydro and wind power projects. The operational run-of-river hydro power plants have a combined generation capacity of 50 MW and the wind farms of 21 MW. To meet the rising electricity demand in Georgia, GRPO is committed to investing in renewable energy projects, and is also aiming to support Georgia's commitment under the Association Agreement between the EU and Georgia.<sup>4</sup>

Sustainalytics acknowledges GRPO's plans to use the proceeds to refinance renewable energy generation projects to support emissions reduction and is of the opinion that the GRPO Green Finance Framework is aligned with the Company's core business model of expanding renewable energy generation. Nevertheless, Sustainalytics encourages GRPO to establish quantified, time-bound targets, and to publicly disclose its targets and report on its progress towards them.

### **Approach to managing environmental and social risks associated with the projects**

Sustainalytics recognizes that the net proceeds from the instruments issued under the Framework will be directed towards eligible projects that are expected to have positive environmental impact. However, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks possibly associated with the eligible projects could include issues involving emissions, effluents, and waste generated in construction; land use and loss of biodiversity resulting from large-scale infrastructure development; and occupational health and safety.

Sustainalytics is of the opinion that GRPO is able to manage or mitigate potential risks through implementation of the following:

- In conformance with Georgian legislation and the International Finance Corporation (IFC) Performance Standards,<sup>5</sup> the Company implemented an environmental and social management system (ESMS), which applies to all renewable energy projects. The system focuses on sustainable waste management, air, water and soil pollution prevention, sustainable use of energy and natural resources, and occupational health and safety.<sup>6</sup>
- As part of the ESMS, the Company conducts an environmental and social impact assessment for the hydropower projects in the development stage and where necessary, outlines a rehabilitation and resettlement plan to address the stakeholder interests.
- Through its group-level environmental and social policy,<sup>7</sup> GRPO is committed to: (i) protecting the environment by following Georgian and local environmental legislation and regulations; (ii) conserving natural resources by improving energy efficiency of buildings and reducing energy

<sup>4</sup> European Parliament, "Association Agreement between the EU and Georgia", (2022), at: [https://www.europarl.europa.eu/RegData/etudes/STUD/2022/699489/EPRS\\_STU\(2022\)699489\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2022/699489/EPRS_STU(2022)699489_EN.pdf)

<sup>5</sup> IFC, "Overview of Performance Standards on Environmental and Social Sustainability", (2012), at: [https://www.ifc.org/wps/wcm/connect/8804e6fb-bd51-4822-92cf-3dfd8221be28/PS1\\_English\\_2012.pdf?MOD=AJPERES&CVID=jiVQlfe](https://www.ifc.org/wps/wcm/connect/8804e6fb-bd51-4822-92cf-3dfd8221be28/PS1_English_2012.pdf?MOD=AJPERES&CVID=jiVQlfe)

<sup>6</sup> The Georgian Renewable Power Operations Green Bond Framework

<sup>7</sup> Georgia Capital, "Georgia Capital Plc Environmental and Social Policy", (2022), at: <https://georgiacapital.ge/sites/default/files/2022-03/Environmental%20and%20Social%20Policy.pdf>

consumption, (iii) providing employees with safe and healthy working conditions by reducing risks to occupational health and safety.

- GRPO follows the IFC Performance Standards 6 for risks associated with biodiversity protection and conservation.<sup>8</sup>
- In case of wind projects, GRPO follows Scottish Natural Heritage and EUROBATS guidelines for assessing potential impacts on bats and for the construction of wind turbines.<sup>9</sup>

Based on the regulatory context in which GRPO operates, Sustainalytics is of the opinion that GRPO is adequately positioned to manage or mitigate environmental and social risks commonly associated with the eligible category.

### Section 3: Impact of Use of Proceeds

The use of proceeds category is aligned with those recognized by the GBP. Sustainalytics has focused below on how the impact is specifically relevant in the local context.

#### Impact of financing renewable energy projects in Georgia

The energy sector is the most significant contributor of GHG emissions in Georgia, accounting for approximately 60% of the country's GHG emissions in 2017<sup>10</sup> and growing since 2011 mainly due to increased thermal power generation.<sup>11</sup> In 2019, natural gas and coal accounted for 72% of the primary energy supply in Georgia, followed by renewable energy with 20%, which includes hydroelectric power and small-scale solar power.<sup>12</sup>

Georgia revised its Nationally Determined Contribution (NDC) and set an unconditional target of 35% GHG emissions reduction by 2030 from a baseline of 1990.<sup>13</sup> In addition, Georgia also developed a 2030 Climate Change Strategy and 2021-2023 Action Plan,<sup>14</sup> setting a goal for the energy generation and transmission sector to reduce GHG emissions by 15% by 2030 compared to a baseline of 1990.<sup>15</sup>

Hydroelectric energy has great potential to contribute to Georgia meeting its emissions goals:<sup>16</sup> approximately 300 rivers in Georgia have a potential annual capacity of 15,000 MW.<sup>17</sup> Georgia's first wind power plant was built in 2016,<sup>18</sup> but the share of wind power in the country's electricity generation is expected to reach 10% by 2030.<sup>19</sup>

Considering the above, Sustainalytics is of the opinion that the Company's investments in renewable energy projects are expected to deliver positive environmental impact by expanding the production of energy from hydro and wind sources in Georgia.

<sup>8</sup> IFC, Performance Standards 6, "Biodiversity Conservation and Sustainable Management of Living Natural Resources" (2019), at: <https://www.ifc.org/wps/wcm/connect/a7c23940-daeb-4e27-a3dc-2e10f502c7f7/3.+Alonso+-+IFC+PS+6.pdf?MOD=AJPERES&CVID=ltRk5S>

<sup>9</sup> UNEP, "Guidelines for consideration of bats in wind farm projects Revision 2014", at: [https://www.eurobats.org/sites/default/files/documents/publications/publication\\_series/pubseries\\_no6\\_english.pdf](https://www.eurobats.org/sites/default/files/documents/publications/publication_series/pubseries_no6_english.pdf)

<sup>10</sup> IEA, "Georgia Energy Profile", at: [https://iea.blob.core.windows.net/assets/3effac34-6632-47ce-a7c7-a16197a2c106/CountryPages\\_Georgia\\_FINAL.pdf](https://iea.blob.core.windows.net/assets/3effac34-6632-47ce-a7c7-a16197a2c106/CountryPages_Georgia_FINAL.pdf)

<sup>11</sup> UNFCCC, "National Greenhouse Gas Inventory Report of Georgia", (2021), at: <https://unfccc.int/sites/default/files/resource/NIR%20%20Eng%2030.03.pdf>

<sup>12</sup> IEA, "Georgia Energy Profile", (2021), at: <https://www.iea.org/reports/georgia-energy-profile>

<sup>13</sup> UNFCCC, "Georgia's Updated Nationally Determined Contribution", (2021), at: [https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Georgia%20First/NDC%20Georgia\\_ENG%20WEB-approved.pdf](https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Georgia%20First/NDC%20Georgia_ENG%20WEB-approved.pdf)

<sup>14</sup> EU4Climate, "Georgia", at: <https://eu4climate.eu/georgia/#:~:text=With%20a%20population%20of%20around,footprint%20of%202.37t%20CO2e.>

<sup>15</sup> Government of Georgia, Ministry of Environmental Protection and Agriculture, "Georgia's 2030 Climate Change Strategy", (2021), at: <https://mepa.gov.ge/En/Files/ViewFile/50123>

<sup>16</sup> Invest in Georgia, "Energy - Hydro Power Plants", at: <https://www.investingeorgia.org/en/key-sectors/energy>

<sup>17</sup> OECD, "Georgia's sustainable infrastructure investments", at: <https://www.oecd-ilibrary.org/sites/c9c594ac-en/index.html?itemId=/content/component/c9c594ac-en>

<sup>18</sup> Agenda.ge, "Watch how Georgia's first wind power plant was built", (2016), at: <https://agenda.ge/en/news/2016/2421>

<sup>19</sup> Invest in Georgia, "Energy – Wind Power", at: <https://investingeorgia.org/en/keysectors/energy>

### Alignment with/contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by the year 2030. The bond(s) issued under the GRPO Green Bond Framework are expected to advance the following SDG and target:

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

GRPO has developed the GRPO Green Bond Framework under which it may issue green bonds and use the proceeds to finance renewable energy projects. Sustainalytics considers that the projects funded by the green bond proceeds are expected to provide positive environmental impact.

The GRPO Green Bond Framework outlines a process for tracking, allocating and managing proceeds, and makes commitments for GRPO to report on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that the GRPO Green Bond Framework is aligned with the overall sustainability strategy of the Company and that the use of proceeds is expected to contribute to the advancement of the UN Sustainable Development Goal 7. Additionally, Sustainalytics is of the opinion that GRPO has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the proceeds.

Based on the above, Sustainalytics is confident that Georgian Renewable Power Operations JSC is well positioned to issue green bonds and that the GRPO Green Bond Framework is robust, transparent and in alignment with the four core components of the Green Bond Principles 2021.

## Appendix

### Appendix 1: Green Bond / Green Bond Programme - External Review Form

#### Section 1. Basic Information

Issuer name: Georgian Renewable Power Operations JSC

Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: GRPO Green Bond Framework

Review provider's name: Sustainalytics

Completion date of this form: June 30, 2022

Publication date of review publication:  
Original publication date *[please fill this out for updates]*:

#### 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:

- |  |  |
|--|--|
| <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*):

The eligible category for the use of proceeds, Renewable Energy, is aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments in the eligible category is expected to support the increase in share of renewable energy in Georgia and advance the UN Sustainable Development Goals, specifically SDG 7.

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

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

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

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

Overall comment on section (*if applicable*):

GRPO's Green Bond Committee (GBC) will be responsible for reviewing and approving eligible projects. GRPO's Environment and Social Management Systems are applicable to all allocation decisions made under the Framework. Sustainalytics considers these risk management systems to be adequate and views this as in line with market practice.

#### Evaluation and selection

- |  |  |
|--|--|
| <input 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 |



- 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*):

GRPO's Finance Department will manage the allocation of the net proceeds, using an established register. GRPO intends to allocate proceeds immediately after issuance. 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*):

GRPO commits to provide allocation and impact reporting via an external report which will be published on the Company's website on an annual basis until the date of maturity of the Green Bond. The report will include the following information: total amount allocated to eligible projects, share of proceeds allocated to the refinancing of eligible projects, and balance of unallocated proceeds. Additionally, GRPO is committed to, where feasible, reporting on relevant impact indicators, including GHG emissions avoided in tCO<sub>2</sub>e, along with the impact calculation methodology. Sustainalytics views GRPO'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  On a project portfolio basis
- Linkage to individual bond(s)  Other (please specify):

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

- GHG Emissions / Savings  Energy Savings
- Decrease in water use  Other ESG indicators (please specify):

**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): External Report
- 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. 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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In case of discrepancies between the English language and translated versions, the English language version shall prevail.

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