

# Second-Party Opinion

## North American Development Bank

### Green Bond

#### Evaluation Summary

Sustainalytics is of the opinion that the North American Development Bank (NADB) Green Bond Framework is credible and impactful, and aligns with the four core components of the Green Bond Principles 2017. This assessment is based on the following:



<b>Evaluation date</b>	May 11, 2018
<b>Issuer Location</b>	San Antonio, USA



**USE OF PROCEEDS** The eligible categories for the use of proceeds, which include renewable energy, sustainable water and wastewater management, energy efficiency, and pollution prevention and control, are aligned with those recognized by the Green Bond Principles, and have clear positive environmental impacts.



**PROJECT EVALUATION / SELECTION** Certified projects must comply with NADB’s existing project selection criteria. The NADB’s Board of Directors, which includes representatives from Mexican and American federal agencies and states, is responsible for the certification and approval of selected projects, which must meet various compliance requirements, and provide tangible environmental benefits to the USA-Mexico border region. This is in line with market practice.



**MANAGEMENT OF PROCEEDS** Bond proceeds will be held in cash, cash equivalents, or investment-grade securities until disbursed, in accordance with NADB’s investment management guidelines. NADB’s processes for management and tracking of proceeds are in line with market practice.



**REPORTING** NADB intends to report on the allocation of proceeds on an annual basis. In addition, NADB is committed to reporting on project certification which includes environmental qualifications and expected benefits of funded projects, and where feasible, quantitative performance indicators will be provided. In Sustainalytics’ view reporting on these metrics is in line with market practice.

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## Introduction

The North American Development Bank (“NADB”, or the “issuer”) is a bi-national institution founded by the governments of the United States of America and Mexico, with the mission<sup>1</sup> to “provide financing, as well as technical and other assistance” to promote and implement projects that protect and enhance the environment of the border region and the well-being of its inhabitants. In 2014, NADB began the process of integrating with its sister organization, the Border Environment Cooperation Commission (“BECC”). The role of the BECC, was to identify and certify qualifying environmental infrastructure projects based on technical aspects, while NADB focused on project financing. The merger of the BECC and NADB was completed in 2017 and now all BECC functions and protocols reside at the NADB, including the identification, qualification, eligibility and endorsement of the certification of environmental infrastructure projects.

Since its foundation in 1994, NADB has funded 278 projects, totalling \$10.3bn in investment. This includes 173 water treatment and conservation projects, 28 solid waste projects, 33 clean energy projects, and 13 air quality projects, benefitting over 16 million residents<sup>2</sup>. Eligible projects for NADB support must be located in the border region, defined as 100 km north of the USA-Mexico border, in the states of Arizona, California, New Mexico, and Texas, and 300 km south of the border, in the states of Baja California, Chihuahua, Coahuila, Nuevo Leon, Sonora, and Tamaulipas.

NADB has developed the NADB Green Bond Framework (the “framework”) under which it is planning to issue green bonds and use the proceeds to finance or refinance, in whole or in part, projects that provide tangible environmental benefits to the border region. The framework defines the following areas for potential inclusion:

1. Renewable energy
  - a. Solar (includes production, transmission, and maintenance)
  - b. Wind (includes production, transmission, and maintenance)
2. Sustainable water and wastewater management (e.g. Potable water supply, wastewater treatment & reuse, water conservation, storm drainage & flood control)
3. Energy efficiency (e.g. municipal and commercial building upgrades, industrial equipment retrofits, public lighting)
4. Pollution prevention and control (e.g. industrial emissions reduction, waste treatment and disposal)

NADB engaged Sustainalytics to review the NADB Green Bond Framework and provide a second-party opinion on the alignment of the green bond with the Green Bond Principles 2017 (the “GBP”), as administered by the International Capital Market Association (the “ICMA”)<sup>3</sup>, and the framework’s environmental credentials. This framework has been published in a separate document<sup>4</sup>.

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

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

1 <http://www.nadbank.org/~nadborg/index.php?acc=contest&tpl=mission>

2 <http://www.becc.org/our-impact/border-region>

3 ICMA’s Green Bond Principles 2017 <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/GreenBondsBrochure-JUNE2017.pdf>

4 <http://www.nadb.org/greenbonds>

## Sustainalytics' Opinion

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

#### Summary

Sustainalytics is of the opinion that the NADB Green Bond Framework is credible and impactful, and aligns with the four core components of the Green Bond Principles 2017. Additionally, Sustainalytics views NADB's green bond positively. Some of its key strengths are that:

- The eligible use of proceeds categories (renewable energy, sustainable water and wastewater management, energy efficiency, and pollution prevention and control) are recognized by the Green Bond Principles 2017 as projects providing clear environmental benefits. The NADB Green Bond Framework specifies that only projects certified as environmental infrastructure by the Bank, in line with its mandate, are eligible for inclusion.
- NADB's project selection process includes the evaluation of financial, environmental, and social aspects of all projects, which must demonstrate environmental merit as well as compliance with all relevant environmental regulations. Projects which meet these qualification criteria are then presented to the NADB Board of Directors for certification and approval. The NADB Board includes representatives from American and Mexican federal agencies and states, including the US Environmental Protection Agency and the Mexican Secretariat of Environment and Natural Resources.
- NADB has an internal system in place to track the allocation of proceeds, including monthly tracking and quarterly reporting, which is aligned with market practices. Unallocated proceeds will be held in cash, cash equivalents, or investment-grade securities until disbursed, in accordance with the NADB's investment management guidelines.
- NADB will endeavor to make information regarding the allocation of proceeds and impact reporting readily available via its website. The report will be updated annually until the proceeds have been fully allocated, and will include amounts disbursed as well as a brief description of each project. Impact reporting will include detailed information on the certification of projects and the expected environmental benefits. Where feasible, quantitative performance indicators, including renewable energy generated and estimated emissions (CO<sub>2</sub>, SO<sub>2</sub>, and NO<sub>x</sub>) avoided will be published on the NADB website. Sustainalytics encourages NADB to develop and report on quantitative metrics wherever possible.

#### Alignment with Green Bond Principles 2017

Sustainalytics has determined that NADB's Green Bond Framework aligns with the four core components of the Green Bond Principles 2017. For detailed information please refer to Appendix 1: Green Bond/Green Bond Programme External Review Form.

## Section 2: Sustainability Mandate of the Issuer

### Contribution of framework to NADB's mandate and purpose

Supporting the development of environmental infrastructure is the core mandate of NADB, primarily through financing of infrastructure projects in the USA-Mexico border region. The NADB Charter<sup>5</sup> states that its purpose "shall be to help preserve, protect and enhance the environment of the border region in order to advance the well-being of the people of the United States and Mexico." The Charter further specifies that it may achieve this goal either by providing assistance and support to public and private entities developing such projects in the border region, or by providing funding or financing to such environmental infrastructure projects. Within NADB's policy, projects that "provide maximum environmental benefits" should be prioritized.

The NADB/BECC Certification Criteria & Process document<sup>6</sup> elaborates on the mandate specified in the Charter. In particular, it states that the projects it certifies will either prevent or reduce environmental pollutants, improve drinking water supplies, or protect flora and fauna. Additionally, such projects must either improve human health, promote sustainable development, or contribute to a higher quality of life. The Process document provides examples of sectors that are eligible for certification; all four use of proceeds categories specified in the framework are listed in this section of the document.

Given this stated mandate, and project certification criteria, Sustainalytics considers the use of proceeds to contribute to the NADB sustainability mandate, and thus believes that the institution is well-positioned to issue it green bonds.

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

With any environmental infrastructure project, there are potential environmental and social risks associated with construction and operation. For projects associated with the use of proceeds categories described in the framework such risks may include, for example, bird strikes from wind turbines, alterations to natural hydrology by water management programs, worker health and safety during project construction and operation, and disruption to local populations.

Sustainalytics is of the opinion that NADB is well-positioned to mitigate the environmental and social risks associated with infrastructure development based on its project eligibility and certification criteria as follows:

- All projects must be in compliance with relevant environmental and other regulations, and obtain the necessary permits based on the jurisdiction in which they are located. This includes environmental permits or assessments from state and/or federal agencies where applicable.
- NADB requires that project sponsors demonstrate that they possess sufficient capacity to implement and operate the project as intended, including the ability to secure appropriate financing as well as any necessary technical expertise.
- All projects must be documented to be technically feasible, which may include reviews by independent engineers where appropriate.
- All project sponsors must prepare a plan detailing the expected benefits of the project, a comparison to the no-action alternative, and a plan to mitigate any environmental risks associated with the project.
- Environmental risks identified and mitigation strategies along with project details are made available for public comment by NADB to encourage public sector engagement.

Given NADB's eligibility criteria and certification process, and lack of involvement in significant controversies, Sustainalytics considers NADB to be well-positioned to mitigate potential environmental and social risks related to the use of proceeds.

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<sup>5</sup> [http://server.cocof.org/CertProj/Eng/BD%202016-20%20Mercader%20Bus%20Program%202016%20\(Eng\)\\_PUBLIC.pdf](http://server.cocof.org/CertProj/Eng/BD%202016-20%20Mercader%20Bus%20Program%202016%20(Eng)_PUBLIC.pdf)

<sup>6</sup> [http://server.becc.org/english/Projects/Criteria/Certification\\_Criteria\\_English.pdf](http://server.becc.org/english/Projects/Criteria/Certification_Criteria_English.pdf)

### Section 3: Impact of Use of Proceeds

The proceeds of the bond will be dedicated to four categories: renewable energy, sustainable water and waste water, energy efficiency, as well as pollution prevention and control. All use of proceeds categories are recognized as impactful by GBP. Sustainalytics has focused on two below where the impact is specifically relevant in the local context.

#### State and federal commitments to renewable energy and greenhouse gas reductions

The government of Mexico is a signatory to the Paris Agreement, and has committed to reducing greenhouse gases and black carbon emissions by 25% from the business-as-usual baseline by 2030; as part of this commitment it has set a target of 35% clean energy generation by 2024 and 43% by 2030<sup>7</sup>. NADB has supported the preparation of emissions inventories for the Mexican border region states, in order to provide a starting point for future policy development.<sup>8</sup> Some states have policies that encourage renewable energy and greenhouse gas reductions, including Coahuila<sup>9</sup> and Baja California<sup>10</sup>. These policies generally support and encourage climate and energy goals without providing specific targets or timelines. All four US states of the border region have implemented Renewable Portfolio Standards (RPS), mandating that certain percentages of electricity generation come from renewable sources.<sup>11</sup> The US State of California has also set greenhouse gas reductions targets under state legislation, with a commitment of a 40% reduction from 1990 levels by 2030<sup>12</sup>.

Sustainalytics believes that the renewable energy use of proceeds category will support the achievement of state energy targets, and that the renewable energy and energy efficiency use of proceeds categories will support the achievement of Mexico's greenhouse gas emissions reductions plans.

#### Importance of water management and treatment in the border region

The climate in the US-Mexico border region is generally semi-arid to arid, with higher precipitation levels found near the Pacific and, in particular, the Gulf coast. Average annual rainfall is as low as 80mm in some desert areas, while it approaches 675mm at the eastern end. Minimum annual temperatures are as low as 10°C along the western part of the border region, and maximum temperatures can reach 40°C in the central desert. According to the Intergovernmental Panel on Climate Change, the Mexican border states are particularly vulnerable to droughts<sup>13</sup>.

In addition to water scarcity, water quality and wastewater treatment are ongoing issues in the region. According to the US Environmental Protection Agency "many residents of small, economically distressed communities along the US-Mexico border have inadequate or no access to basic drinking water and sanitation".<sup>14</sup> In their 18<sup>th</sup> report, published September 2017, the Good Neighbor Environmental Board, an advisory agency reporting to the US Congress and President, states that "rapid population growth in the border region, combined with lack of adequate infrastructure, has brought major public health and environmental concerns for both countries as a result of frequent raw sewage discharges" and additionally that, due to the scarce water resources in the region and growing demand pressures "border communities must employ expensive and complicated solutions" to meet their water needs.<sup>15</sup>

In 2016, seven of the 15 projects qualified by the BECC related to water or wastewater. Since 1994, 147 projects have been certified in the water and wastewater area, which cumulatively provide the capacity to treat 470 million gallons per day of wastewater, equivalent to the output of 13 million people. It is Sustainalytics' view that the sustainable water and wastewater management use of proceeds category will allow the continuation of initiatives that provide impactful environmental benefits in these areas.

7 [https://www.gob.mx/cms/uploads/attachment/file/162973/2015\\_indc\\_ing.pdf](https://www.gob.mx/cms/uploads/attachment/file/162973/2015_indc_ing.pdf)

8 <http://www.becc.org/capacity-building/publications-reports/category/greenhouse-gas-emissions-reports>

9 [http://uccrnn.org/wp-content/uploads/2017/06/2016\\_Coahuila\\_Phase-2-State-Climate-Action-Plan.pdf](http://uccrnn.org/wp-content/uploads/2017/06/2016_Coahuila_Phase-2-State-Climate-Action-Plan.pdf)

10 [http://uccrnn.org/wp-content/uploads/2017/06/2014\\_Baja-California\\_Climate-Action-Plan.pdf](http://uccrnn.org/wp-content/uploads/2017/06/2014_Baja-California_Climate-Action-Plan.pdf)

11 Arizona's target is 15% by 2025, although revision is currently being considered; California's target is 33% by 2020 and 50% by 2030; New Mexico's target is 10-20% by 2020, depending on the utility; Texas' target is 10,000 MW by 2025, with certain additional targets based on the type of renewable generation.

12 <https://www.arb.ca.gov/cc/scopingplan/scopingplan.htm>

13 <http://www.ipcc.ch/ipccreports/tar/wg2/index.php?idp=589>

14 [https://www.epa.gov/sites/production/files/2016-02/documents/us\\_mexico\\_border-annual\\_report\\_2014.pdf](https://www.epa.gov/sites/production/files/2016-02/documents/us_mexico_border-annual_report_2014.pdf)

15 <https://nepis.epa.gov/Exe/ZyPDF.cgi/P100STQ0.PDF?Dockey=P100STQ0.PDF>

## North American Development Bank Green Bond

### Alignment with and 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
Water Management	6. Clean Water and Sanitation	6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally 6.5 By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate
Energy Efficiency	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency
Pollution Prevention and Control	12. Responsible Consumption and Production	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

### Conclusion

NADB intends to issue green bonds to finance and refinance expenditures and investments in eligible projects, certified by NADB according to their project certification process.

The four use of proceeds categories outlined in the framework are recognized by the Green Bond Principles 2017 as impactful, and will have a positive environmental benefit to the USA-Mexico border region. Furthermore, the eligible projects align with the NADB's mission to support infrastructure projects that preserve, protect, or enhance the environment of the area and improve the well-being of residents of the region.

NADB has a system in place to track expenditures of the proceeds, which is aligned with market practice. The institution will report the allocated proceeds on an annual basis, and will include information on the amounts allocated to eligible green projects as well as brief descriptions of the projects. Additionally, detailed information regarding the expected environmental benefits will be provided and, where possible, quantitative performance indicators will be reported.

Based on the above, Sustainalytics considers the NADB Green Bond Framework to be robust, credible, and transparent.

## Appendices

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

Issuer name:	North American Development Bank (NADB)
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Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: <i>[specify as appropriate]</i>	NADB Green Bond Framework
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Review provider's name:	Sustainalytics
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Completion date of this form:	May 8, 2018
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Publication date of review publication: <i>[where appropriate, specify if it is an update and add reference to earlier relevant review]</i>	
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### 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.
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### Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

#### 1. USE OF PROCEEDS

Overall comment on section (*if applicable*):

The eligible categories for the use of proceeds, which include renewable energy, sustainable water management, energy efficiency, and pollution prevention and control are aligned with those recognized by the Green Bond Principles, and have clear positive environmental impacts.

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

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Renewable energy   | <input checked="" type="checkbox"/> Energy efficiency  |
| <input checked="" 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 checked="" 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):

Certified projects must comply with the NADB's existing project selection criteria. The NADB's Board of Directors, which includes representatives from Mexican and American federal agencies and states, is responsible for the certification and approval of selected projects, which must meet various compliance requirements, and provide tangible environmental benefits to the USA-Mexico border region.

##### 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 |
|---|---|



## North American Development Bank Green Bond

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

### 3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

Until allocation the bond proceeds will be held in cash or investment-grade securities, and tracked on a monthly basis. NADB's processes for management and tracking of proceeds 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:

- |   |  |
|---|--|
| <input type="checkbox"/> Allocations to future investments only                             | <input type="checkbox"/> Allocations to both existing and future investments |
| <input checked="" type="checkbox"/> Allocation to individual disbursements                  | <input type="checkbox"/> Allocation to a portfolio of disbursements          |
| <input checked="" 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*):

NADB intends to report on the allocation proceeds on an annual basis. In addition, NADB is committed to reporting on environment certification and expected benefits of funded projects, and where feasible, quantitative performance indicators will be provided. In Sustainalytics' view reporting on these metrics is in line with market practice.

#### Use of proceeds reporting:

## North American Development Bank Green Bond

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

### Information reported:

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

### 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 checked="" type="checkbox"/> Decrease in water use   | <input checked="" type="checkbox"/> Other ESG indicators ( <i>please specify</i> ): <i>Number of residents served, other air quality indicators</i> |

### 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> ): <i>Published on website</i> |
| <input type="checkbox"/> 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.)

<a href="http://www.nadb.org/greenbonds/">http://www.nadb.org/greenbonds/</a>
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**North American Development Bank Green Bond**

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**SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE****Type(s) of Review provided:**

- |   |  |
|---|--|
| <input checked="" 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.

## Disclaimer

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The Opinion was drawn up with the aim to explain why the analyzed bond is considered sustainable and responsible. Consequently, this Opinion is for information purposes only and Sustainalytics will not accept any form of liability for the substance of the opinion and/or any liability for damage arising from the use of this Opinion and/or the information provided in it.

As the Opinion is based on information made available by the client, Sustainalytics does not warrant that the information presented in this Opinion is complete, accurate or up to date.

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

## Sustainalytics

Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that support investors around the world with the development and implementation of responsible investment strategies. With 13 offices globally, the firm partners with institutional investors who integrate ESG information and assessments into their investment processes. Spanning 30 countries, the world’s leading issuers, from multinational corporations to financial institutions to governments, turn to Sustainalytics for second-party opinions on green and sustainable bond frameworks. Sustainalytics has been certified by the Climate Bonds Standard Board as a verifier organization, and supports various stakeholders in the development and verification of their frameworks. Global Capital named Sustainalytics the “Most Impressive Second Party Opinion Provider in 2017. In 2018, the firm was recognized as the “Largest External Reviewer” by the Climate Bonds Initiative as well as Environmental Finance. In addition, Sustainalytics received a Special Mention Sustainable Finance Award in 2018 from The Research Institute for Environmental Finance Japan for its contribution to the growth of the Japanese Green Bond Market.

For more information, visit [www.sustainalytics.com](http://www.sustainalytics.com)

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