

Second-Party Opinion

RWE Green Bond Framework



Evaluation Summary

Sustainalytics is of the opinion that the RWE Green Bond Framework aligns with the four core components of the Green Bond Principles 2018. This assessment is based on the following:



USE OF PROCEEDS The eligible category for the use of proceeds, Renewable Energy, is aligned with those recognized by the Green Bond Principles 2018. Sustainalytics considers that the eligible category will lead to positive environmental impacts by increasing the capacity for renewable energy production and advance the UN Sustainable Development Goals, specifically SDG 7 – Affordable & Clean Energy.



PROJECT EVALUATION / SELECTION RWE's internal process in evaluating and selecting projects is overseen by a Green Bond Committee (the "Committee"). The Committee will be responsible for the evaluation and selection of projects that are aligned with the Framework eligibility criteria, the monitoring of the Project Portfolio and, if assets are no longer eligible, the Committee will replace them with eligible assets as soon as feasible. Sustainalytics considers the project selection process in line with market practice.



MANAGEMENT OF PROCEEDS RWE's processes for management of proceeds is handled by the Finance & Credit Risk Department. Proceeds will be allocated to eligible projects and tracked via RWE's internal tracking and accounting systems. RWE will strive to maintain a level of allocation which matches or exceeds the balance of net proceeds from its outstanding green bonds. Any unallocated proceeds will be temporarily held in RWE's liquidity portfolio invested in cash and cash equivalents. This is in line with market practice.



REPORTING RWE intends to report allocation proceeds on its website, on an annual basis, until full allocation. The Company will report on total amounts of investments and expenditures allocated to eligible projects, financing vs refinancing and, if any, unallocated proceeds. In addition, RWE is committed to reporting on relevant impact metrics. Sustainalytics views RWE's allocation and impact reporting as aligned with market practice.

Evaluation date	May 1, 2020
Issuer Location	Essen, Germany

Report Sections

Introduction.....	2
Sustainalytics' Opinion.....	4
Appendices	7

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Introduction

In 2020, RWE (“RWE”, or the “Company”) will become one of Europe’s largest providers for renewable energy and the world’s second largest offshore wind company, after acquiring the renewable energy businesses from E.ON and Innogy. The Company has an international presence in 36 countries and in 2019 had approximately 43GW of generation capacity.

RWE has developed the RWE Green Bond Framework (the “Framework”) under which it intends to issue multiple green bonds and use the proceeds to finance and/or refinance, in whole or in part, existing and/or future projects that will contribute to the expansion of renewable energy capacity, specifically solar energy as well as on- and off-shore wind farms. The Framework defines eligibility criteria in one area:

1. Renewable Energy

RWE engaged Sustainalytics to review the RWE Green Bond Framework, dated April 2020, and provide a second-party opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2018 (GBP).¹ This Framework has been published in a separate document.²

Scope of work and limitations of Sustainalytics Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics independent³ opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible categories are credible and impactful.

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

- The Framework’s alignment with the ICMA Green Bond Principles 2018
- The credibility and anticipated positive impacts of the use of proceeds
- 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 1.3.1, 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 RWE’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. RWE representatives have confirmed (1) they understand it is the sole responsibility of RWE 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 RWE.

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 actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

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

¹ The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

² The RWE Green Bond Framework is available on RWE’s website at: <https://www.group.rwe/en/investor-relations/bonds-and-rating/green-financing>

³ 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.

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 RWE has made available to Sustainalytics for the purpose of this SPO.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the RWE Green Bond Framework

Sustainalytics is of the opinion that the RWE Green Bond Framework aligns with the four core components of the GBP 2018. Sustainalytics highlights the following elements of RWE's Green Bond Framework:

- Use of Proceeds:
 - The eligible category, Renewable Energy, is aligned with those recognized by the GBP 2018.
 - RWE may use proceeds for the conception, development, construction, installation and acquisition of renewable energy production units, specifically solar energy, onshore and offshore wind farms. In regards to solar energy, RWE has indicated to Sustainalytics that concentrated solar power (CSP)/solar thermal facilities are not currently in consideration to be financed, but may invest into these CSP/solar thermal facilities in the future. In the event that financing is provided for such facilities, Sustainalytics recommends that the Issuer reports on the use of fossil-fuel backup sources. Projects will primarily be in Europe and North America. Sustainalytics positively views investments into the expansion of renewable energy capacity.
 - RWE has set a look-back period of three years.
- Project Evaluation and Selection:
 - RWE has established a Green Bond Committee (the "Committee"), which is comprised of representatives from RWE's Corporate Responsibility, Finance & Credit Risk, Investor Relations and Controlling departments. The Committee is responsible for all aspects of project evaluation and selection, including reviewing and approving eligible projects for the Eligible Project Portfolio, monitoring project eligibility and removing/replacing as needed
 - Based on this, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - RWE's Finance & Credit Risk Department will manage the allocation of proceeds. An amount equivalent to the net proceeds raised from the bond(s) will be allocated to the Eligible Project Portfolio based on the recommendation of the Committee. Proceeds will be tracked via RWE's internal tracking and accounting systems. RWE will strive to maintain a level of allocation for the Eligible Project Portfolio that matches or exceeds the balance of net proceeds from its outstanding green bonds. If any, unallocated proceeds will be temporarily held in RWE's liquidity portfolio, invested in cash and/or cash equivalents, and re-allocated as soon as feasible.
 - Based on these elements, Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - On an annual basis, RWE is committed to reporting on allocation and, where feasible, impact of the portfolio at least at the Eligible Project category level, starting one after issuance. Material developments such as, Framework modifications or allocation portfolio will be reported in a timely manner. Allocation reporting will include the total amount of investments and expenditures allocated to the Eligible Project Portfolio, the portion of financing vs refinancing, and, if any, unallocated proceeds. In addition, RWE will strive to report on estimated positive environmental impact from projects using indicators such as annual energy generation (in kWh) of green funded investments; and estimated annual CO₂ avoided (tCO₂). In addition, RWE may provide qualitative descriptions of the outcomes and impacts of selected Eligible Projects.
 - Based on the above, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2018

Sustainalytics has determined that the RWE Green Bond Framework aligns to the four core components of the GBP 2018. For detailed information please refer to Appendix 1: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Performance of RWE/ Sustainability Strategy of RWE

Contribution of framework to RWE's sustainability strategy

RWE demonstrates a strong commitment to sustainability and represents a high level of transparency in its sustainability reporting.⁴ The Company has defined its sustainability purpose as "Our energy for a sustainable life" and its transition towards clean, renewable energy is embedded into the business. In 2019, RWE was able to reduce energy emissions compared to the previous year, making it the seventh consecutive year of reduced emissions. Since 2012, the Company has succeeded in halving its CO₂ emissions, representing a saving of more than 90 million metric tons of CO₂. As part of its commitment to sustainability, RWE has established the objective of becoming carbon neutral by 2040.⁴ As one of the leading energy suppliers in Europe, this is an ambitious goal that, if achieved, could contribute significantly to national climate reduction targets. As such, Sustainalytics is of the opinion that the renewable energy projects and activities financed under this Framework will contribute to RWE's sustainability strategy and its 2040 target to become carbon neutral.

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

While it is recognized that the net proceeds from the bonds issued under the Framework will be directed towards eligible projects that are recognized by the GBP 2018, Sustainalytics acknowledges that the development of renewable energy facilities and related infrastructure has associated environmental and social risks. Some key environmental and social risks associated could include land-use change, water use and waste management as well as worker health and safety issues and community safety. Sustainalytics is of the opinion that RWE can manage and/or mitigate potential risks through its implementation of the following:

- RWE has established an Environmental Management System (EMS) that follows the ISO 14001 standard, which is viewed as a robust, credible international EMS standard.⁵ As of 2019, the 89% of the Company's EMS' were externally certified and the Company maintains a goal to obtain 100% coverage of its' EMS systems.⁶
- The Company's waste prevention and disposal policy follows the waste hierarchy and aims to prevent, reuse, recycle and eliminate waste to the greatest extent possible. Moreover, the Company strives to reduce its water use and ensure proper treatment of any effluents.⁷
- RWE requires all employees to go through intensive training for accident-prevention and to create awareness about general safe working conditions. The Company has also implemented processes to ensure community safety and regularly engages with local stakeholders to ensure readiness in the event of any safety risk.⁸

Based on these policies, standards, and assessments, Sustainalytics is of the opinion that RWE has implemented adequate measures and is well positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

Renewable energy is a use of proceeds category recognized by the GBP. Sustainalytics has provided commentary below to highlight the impacts of this category relevant to the local context.

Increasing Renewable Energy Power Capacity & Generation in the EU

Energy production and consumption are the largest sources of GHG emissions in the EU.⁹ To reduce energy-related emissions and the reliance on fossil fuels, the EU has set a binding target to achieve a share of at least 32% of renewable energy by 2030.¹⁰ This would also help the EU in meeting its emission reduction targets; the EU and its Member States are committed to a minimum 40% domestic reduction in GHG emissions by 2030, from 1990 levels.¹⁰ Forecast studies have shown that to achieve a 35% share of renewable energy sources in final consumption, total renewable electricity production should range between 60-65%, demonstrating the

⁴ RWE, "Responsibility and sustainability", (2020), at: <https://www.group.rwe/en/responsibility-and-sustainability>

⁵ ISO, "14001 :2015", (2015), at : <https://www.iso.org/standard/60857.html>

⁶ RWE, "Environmental protection", (2020), at: <https://www.group.rwe/en/responsibility-and-sustainability/environmental-protection>

⁷ RWE, "Water use and waste management", (2020), at: <https://www.group.rwe/en/responsibility-and-sustainability/environmental-protection/water-use-and-waste-management>

⁸ RWE, "Safety", (2020), at: <https://www.group.rwe/en/responsibility-and-sustainability/social-affairs-and-society/safety>

⁹ European Environment Agency, "Energy and non-energy related greenhouse gas emissions", (2015), at: <https://www.eea.europa.eu/data-and-maps/indicators/specification.2010-08-09.2026605593/assessment-1>

¹⁰ European Commission, "2030 climate & energy framework", at : https://ec.europa.eu/clima/policies/strategies/2030_en

need for substantial expansion of renewable energy production.¹¹ In 2018, renewables (including hydro) produced 28.2% of the electricity in the EU-28, increasing its share by 2.5% since 2016.¹² Sustainalytics is of the opinion that the projects funded through the Framework could further help the EU in meeting its renewable energy and emission reduction targets by increasing renewable energy power capacity and generation.

Increasing Renewable Energy Power Capacity & Generation in the US

In the US, CO₂ emissions from the energy sector decreased by 16%, from 2007 to 2017.¹³ Power generation experienced the largest change, with a decrease of 27% below 2007 levels.¹³ In addition, a recent decline in the global carbon intensity of the US economy is primarily due to lower carbon intensity in electricity generation.¹³ The growth of renewable electricity generation contributed to reduce CO₂ from power generation on both a level and intensity basis.¹³ In addition, the share of renewable energy in the US increased from 9% in 2008 to 16% in 2018, with wind and solar contributing the most. As such, RWE renewable energy projects such as solar and wind could further increase the share of renewable electricity in power generation and reduce electricity production carbon intensity.

Sustainalytics is of the opinion that projects funded through the Framework are impactful in the EU and US context, contributing to reduce energy related CO₂ emissions by increasing renewable power generation and subsequently reducing the average carbon intensity of the electricity generated.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. This green bond advances the following SDG goal 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

RWE has developed the RWE Green Bond Framework under which it will issue green bonds and the use of proceeds to finance renewable energy production units, specifically solar energy, onshore and offshore wind farms. Sustainalytics considers that the projects funded by the green bond proceeds will provide positive environmental impact by increasing low-carbon electricity production.

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

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

¹¹ IFRI, "More renewables in the European Union? Yes, we can", (2018), at: <https://www.ifri.org/en/publications/editoriaux-de-ifri/edito-energie/more-renewables-european-union-yes-we-can>

¹² Eurostat, "SHARES", at: <https://ec.europa.eu/eurostat/web/energy/data/shares>

¹³ IEA, "Energy Policies of IEA Countries – United States 2019 Review", (2019), at: https://webstore.iea.org/download/direct/2829?fileName=United_States_2019_Review.pdf

Appendices

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

Section 1. Basic Information

Issuer name:	RWE
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: <i>[specify as appropriate]</i>	RWE Green Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	April 23, 2020
Publication date of review publication: <i>[where appropriate, specify if it is an update and add reference to earlier relevant review]</i>	

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarize 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 nd 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 2018. Sustainalytics considers that the eligible category will lead to positive environmental impacts by increasing the capacity for renewable energy production and advance the UN Sustainable Development Goals, specifically SDG 7 – Affordable & Clean Energy.

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

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

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

RWE's internal process in evaluating and selecting projects is overseen by a Green Bond Committee (the "Committee"). The Committee will be responsible for the evaluation and selection of projects that are aligned with the Framework eligibility criteria, the monitoring of the Project Portfolio and, if assets are no longer eligible, the Committee will replace them with eligible assets as soon as feasible. Sustainalytics considers the project selection process in line with market 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*):

RWE's processes for management of proceeds is handled by the Finance & Risk Department. Proceeds will be allocated to eligible projects and tracked via RWE's internal tracking and accounting systems. RWE will strive to maintain a level of allocation which matches or exceeds the balance of net proceeds from its outstanding green bonds. Any unallocated proceeds will be temporarily held in RWE's liquidity portfolio invested in cash and cash equivalents. This is in line with market practice.

Tracking of proceeds:

- | |
|--|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input 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*):

RWE intends to report allocation proceeds on its website, on an annual basis, until full allocation. The Company will report on total amounts of investments and expenditures allocated to eligible projects, financing vs refinancing and, if any, unallocated proceeds. In addition, RWE is committed to reporting on relevant impact metrics. Sustainalytics views RWE's allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:

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

Information reported:

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

Frequency:

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

Impact reporting:

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

Frequency:

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

Information reported (expected or ex-post):

- | | |
|---|--|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input type="checkbox"/> Energy Savings |
| <input type="checkbox"/> Decrease in water use | <input checked="" type="checkbox"/> Other ESG indicators (<i>please specify</i>): Annual energy generation from investments (kWh/yr) |

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>): Published in sustainability report and/or website |

- 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.)

<https://www.group.rwe/en/responsibility-and-sustainability>

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- Consultancy (incl. 2nd 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.

Disclaimer

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These are based on information made available by the issuer and therefore are not warranted as to their merchantability, completeness, accuracy, up-to-dateness or fitness for a particular purpose. The information and data are provided "as is" and reflect Sustainalytics' opinion at the date of their elaboration and publication. Sustainalytics accepts no liability for damage arising from the use of the information, data or opinions contained herein, in any manner whatsoever, except where explicitly required by law. Any reference to third party names or Third-Party Data is for appropriate acknowledgement of their ownership and does not constitute a sponsorship or endorsement by such owner. A list of our third-party data providers and their respective terms of use is available on our website. For more information, visit <http://www.sustainalytics.com/legal-disclaimers>.

The issuer is fully responsible for certifying and ensuring the compliance with its commitments, for their implementation and monitoring.

Sustainalytics

Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that supports investors around the world with the development and implementation of responsible investment strategies. For over 25 years, the firm has been at the forefront of developing high-quality, innovative solutions to meet the evolving needs of global investors. Today, Sustainalytics works with hundreds of the world's leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. Sustainalytics also works with hundreds of companies and their financial intermediaries to help them consider sustainability in the policies, practices and capital projects. With 16 offices globally, Sustainalytics has more than 600 staff members, including over 200 analysts with varied multidisciplinary expertise across more than 40 industry groups. For more information, visit www.sustainalytics.com.

