

Second-Party Opinion

Sandnes Sparebank Boligkreditt

Green Bond Framework



Evaluation Summary

Sustainalytics is of the opinion that the Sandnes Sparebank (SSB) Boligkreditt Green Bond Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2018. This assessment is based on the following:



USE OF PROCEEDS The eligible category for the use of proceeds – Green Buildings – is aligned with those recognized by the Green Bond Principles 2018. Sustainalytics considers that the eligible category will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG Goal 11.



PROJECT EVALUATION / SELECTION SSB Boligkreditts' internal process in evaluating and selecting projects is managed by a dedicated Green Bond Committee, which is comprised of various senior members of the Company, including Director, Head of Retail Division, Head of ESG, and Head of Treasury. The Green Bond Committee is also responsible for any future updates of the Green Bond Framework and overseeing its implementation. Sustainalytics considers the project selection process to be in line with market practice.



MANAGEMENT OF PROCEEDS SSB Boligkreditts' Green Bond Committee will manage allocation using a portfolio approach and will track the proceeds in a dedicated registry. Selected eligible loans will be placed in the Eligible Green Loan Portfolio. Unallocated proceeds will be temporarily placed in a bank account held by SSB Boligkreditt or in the short-term money market. This is in line with market practice.



REPORTING SSB Boligkreditt commits to publish on its company website a combined report including both allocation reporting and impact reporting annually until full allocation. Allocation reporting will include the total amount allocated, the number of loans in the portfolio, the amount and percentage of financing versus re-financing, and the total amount of unallocated proceeds. In addition, SSB Boligkreditt is committed to reporting on relevant impact metrics, where feasible. Sustainalytics views SSB Boligkreditts' allocation and impact reporting as aligned with market practice.

Evaluation date	January 2020
Issuer Location	Sandnes, Norway

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Introduction

SSB Boligkreditt (“SSB”, the “issuer” or the “company”) is the subsidiary fully owned by Sandnes Sparebank that focuses on securing long-term funding through issuance of covered bonds. Founded in 2008, SSB is headquartered in Rogaland county, Norway, and acquires the residential mortgages from Sandnes Sparebank which fulfils certain criteria according to the Norwegian covered bond legislation. The mortgage portfolio is then refinanced in the covered bond market.

SSB has developed the SSB Boligkreditt 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 future projects that promote environmental and sustainable benefits through enabling energy efficiency in residential buildings in Norway. The Framework defines eligibility criteria in one area:

1. Green Buildings

SSB engaged Sustainalytics to review the SSB Boligkreditt Green Bond Framework, dated January 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

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

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

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 SSB Boligkreditt Green Bond Framework is available on SSB Boligkreditts’ website at: www.sandnes-sparebank.no/investor-relations/gronn-obligasjon

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the SSB Boligkreditt Green Bond Framework

Summary

Sustainalytics is of the opinion that the SSB Boligkreditt Green Bond Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2018. Sustainalytics highlights the following elements of SSB's green bond framework:

- Use of Proceeds:
 - The use of proceeds category, Green Buildings, is recognized as impactful by the GBP 2018. The eligible projects in this category provide meaningful environmental contributions. Sustainalytics views SSB's eligible projects as contributing to energy efficiency and providing sustainable infrastructure for residential buildings in Norway.
 - SSB partnered with an external consultant, Multiconsult, to define the associated eligibility criteria as well as eligible project selection methodology. Sustainalytics has conducted methodology review and considers it to be credible.
 - The proceeds will be allocated to provide loans or investments for financing or refinancing new residential buildings that belong to the top 15% most energy efficient buildings of the local building stock, or refurbished residential buildings that achieved energy savings of at least 30% compared to the baseline performance of the buildings prior to the refurbishment. Buildings to be considered as eligible must meet below defined criteria:
 - 1) New or existing residential buildings in Norway: apartments that are completed from 2012 and onwards in compliance with the Norwegian building codes of 2010 (TEK10), 2017 (TEK17) or subsequent building codes, and other residential dwellings completed from 2009 and onwards in compliance with the Norwegian building codes of 2007 (TEK07), 2010 (TEK10), 2017 (TEK17) or subsequent building codes.
 - 2) Existing residential buildings in Norway: existing residential buildings using building codes older than TEK10 for apartments, or TEK07 for other residential dwellings (built before 2009) with EPC³ labels A, B, or C.
 - 3) Refurbished residential buildings in Norway: refurbished Norwegian residential buildings with at least two steps of improvement in energy label compared to the calculated label based on building code in the year of construction; or with a minimum of 30% improvement in energy efficiency measured in specific energy, kWh/m², compared to the calculated label based on building code in the year of construction.
 - Sustainalytics notes the exclusion of any projects linked to fossil energy generation, nuclear energy generation, research and/or development regarding weapons and defense, potentially environmentally negative resource extraction (such as rare-earth elements or fossil fuels), gambling or tobacco. The national defined exclusion guideline, Government Pension Fund Global (No: Statens Pensjonsfond Utland),⁴ is also incorporated in SSB's practice.
- Project Evaluation and Selection:
 - SSB has established a Green Bond Committee that consists of members from selected departments in the organization, including Director, Head of Retail Division, Head of ESG, and Head of Treasury.
 - SSB relies on a third-party consultant for selecting any buildings that comply with the defined criteria within SSB's existing portfolio as refinancing projects. After the inaugural issuance under this Framework, all financed and re-financed eligible Green Loans are to be evaluated and selected by the Green Bond Committee based on the methodology defined in the external report prepared by the third party. Sustainalytics has conducted an analysis of the methodology and considers it to rely on credible data sources and proxies. The committee is also responsible of any updates to the Framework and oversees its implementation.

³ EPC: Energy Performance Certificate

⁴ Government Pension Fund Global (Statens Pensjonsfond Utland): <https://www.nbim.no/no/>

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- Sustainalytics considers the project evaluation and selection process to be in line with market practice.
- Management of Proceeds:
 - SSB will manage the green bond proceeds based on a portfolio approach. All selected proceeds will be allocated in the Eligible Green Loan Portfolio. A registry will be used to keep track of all eligible green loans. The Eligible Green Loan Portfolio will be periodically reviewed by the Green Bond Committee. Any unallocated proceeds will be temporarily held by SSB in an ordinary bank account or in the short-term money market.
 - Sustainalytics considers SSB’s management of proceeds to be aligned with market practice.
- Reporting:
 - SSB commits to publish on its company website the allocation reporting and impact reporting on at least an annual basis until no green bonds are outstanding.
 - Allocation reporting will include (i) the total amount of proceeds allocated to Eligible Green Loans, (ii) the number of loans in the Eligible Green Loan Portfolio, (iii) the amount and percentage of financing versus refinancing, and (iv) the total amount of unallocated proceeds, if any. SSB confirms that its potential impact reporting indicators include but are not limited to (i) estimated ex-ante annual energy consumption in kWh/m² or energy savings in MWh, and (ii) estimated annual greenhouse gas emissions (GHG) reduced/avoided in tons of CO² equivalent.
 - Sustainalytics views SSB’s reporting practice as aligned with market practice.

Alignment with Green Bond Principles 2018

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

Section 2: Sustainability Performance of SSB

Contribution of framework to SSB’s sustainability performance

SSB is a financial institution that has incorporated environment, social, and governance (ESG) considerations into its own operational procedures and strategies. In 2019, the Company signed the inaugural UN Principles for Responsible Banking (UNEP FI)⁵ which guides the banking industry to internally embed sustainability policies into the banking operations. Furthermore, SSB is also involved in Finance Norway’s (No: Finans Norge) Sustainability reference group which allows SSB to further contribute to sustainability on a policy level in Norwegian banking sector.

While SSB has not disclosed quantitative targets focusing on use of proceeds relevant topics, based on the initiatives and UNEP FI based sustainable banking policies, Sustainalytics considers SSB to be well positioned to issue green bonds.

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

While Sustainalytics recognizes the positive impact of Green Buildings, Sustainalytics also acknowledges the potential environmental and social risks associated with buildings and mortgages. For mitigating potential risks associated with its lending practices, SSB follows internal, national, and international regulations. Sustainalytics further highlights below risk mitigation practices from SSB:⁶

- Considering the high debt-to-income (DTI) ratio in Norway, SSB follows the Norwegian Financial Regulatory Authority’s guidelines for housing-related lending⁷ in order to reduce the credit risk from mortgage customers.
- As a Norwegian bank, SSB complies to not only national regulations, but also international guidance, such as the Equator Principles,⁸ in which Norway is a designated country, which is a risk management framework that guides financial institutions to determining, assessing and managing environmental and social risks in projects.

⁵ Principles for Responsible Banking, UNEP Finance Initiative. Further information can be found at: <https://www.unepfi.org/banking/bankingprinciples/>

⁶ SSB’s environment-oriented policies: <https://sandnes-sparebank.no/samfunnsansvar/miljo-og-innkjop>

⁷ New regulation on requirements for residential mortgage loans, Ministry of Finance (2019). To be accessed at:

<https://www.regjeringen.no/en/aktuelt/new-regulation-on-requirements-for-residential-mortgage-loans/id2677835/>

⁸ The Equator Principles, The Equator Principles Association (2019), to be accessed at: <https://equator-principles.com/about/>

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- Although SSB, as a specialist mortgage financing and refinancing company, does not engage in corporate lending, lending for the following types of companies is excluded by the Company: production of tobacco, pornography, weapons, violation of human/workers' rights, coal production, and power production based on fossil fuel.

Based on the above, Sustainalytics considers SSB's procedures and policies well-positioned in mitigating potential environmental and social risks linked to its financing under this Framework, as well as its lending practice in general.

Section 3: Impact of Use of Proceeds

The use of proceeds category is recognized as impactful by GBP. Sustainalytics has focused on below where the impact is specifically relevant in the local context.

The Importance of Pursuing Sustainable Cities and Communities in Norway via Enabling Energy Efficiency in Buildings

Due to the high energy demand from the household sector, Norway specifically stated that its 30% emission reduction in 2020 goal shall primarily (67%) come from domestic emissions.⁹ The Norwegian Parliament also approved a goal of reducing 10 TWh of energy consumption from existing buildings by 2030 compared to 2016.¹⁰

Research shows that with older buildings, the energy requirements for heating usually constitutes 30-45% of energy requirements with domestic heating demand higher than office heating demand. In a new or renovated building that complies with new national energy requirements, the energy demand from heating constitutes only 5-15%.¹¹ While the main energy source in Norway comes from renewable energy, reducing electricity consumption from households can make renewable energy available for other purposes, or to export clean energy to other European countries which could further advance the renewable energy mix in EU as a whole.¹²

As such, Sustainalytics considers SSB's focus on financing energy efficient new buildings and/or refurbished buildings that comply with Norwegian national building codes impactful in contributing to the reduction of emissions and advancing Norway's national energy efficiency goals.

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 framework advances the following SDG goals and targets:

Use of Proceeds Category	SDG	SDG target
Green Buildings	11. Sustainable cities and communities	11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries

⁹ Norway's Emission Reduction Commitments, Rosland, A. (2011). Norwegian Ministry of the Environment. To be retrieved from: [https://unfccc.int/files/meetings/ad_hoc_working_groups/lca/application/pdf/1-3-2-norway_emission_reduction_targets_-_april_2011\[1\].pdf](https://unfccc.int/files/meetings/ad_hoc_working_groups/lca/application/pdf/1-3-2-norway_emission_reduction_targets_-_april_2011[1].pdf)

¹⁰ The Property Sector's Roadmap Towards 2050, Grønn Byggallianse and Norsk Eiendom (2016). To be retrieved from: <https://byggalliansen.no/wp-content/uploads/2019/02/roadmap2050.pdf>

¹¹ Idem

¹² The Norwegian American, Hydropower should be Norway's next great export, October 2016: <https://www.norwegianamerican.com/opinion/hydropower-should-be-norways-next-great-export/>

Conclusion

SSB Boligkreditt has developed the Sandnes Sparebank Boligkreditt Green Bond Framework in which it intends to finance green building projects aligned with the defined eligibility criteria as outlined in the Framework. Sustainalytics believes that SSB's green bond proceeds will contribute to the advancement of CO₂ emission reduction goals of the Norwegian government, and further support the UN SDGs, specifically 11.

SSB's process of project selection and evaluation, proceed management, and reporting are aligned with the four core components of the Green Bond Principles 2018, and Sustainalytics is of the opinion that the Framework is robust, transparent, and will contribute to positive impact in the residential housing sector in Norway.

Appendices

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

Issuer name:	SSB Boligkreditt AS
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: <i>[specify as appropriate]</i>	SSB Boligkreditt Green Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	January 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 use of proceeds category, Green Buildings, is recognized as impactful by the GBP 2018. The eligible projects in this category provide meaningful environmental contributions. Sustainalytics views SSB's eligible projects to promote energy efficiency and provide sustainable infrastructure in residential buildings in Norway. The proceeds will be allocated to support new and existing mortgages for energy efficient residential apartment buildings or other dwellings located in Norway, defined as those that belong to the top 15% most energy efficient buildings of the local building stocks, or refurbished residential buildings that achieved energy savings of at least 30% compared to the baseline performance of the buildings prior to the refurbishment.

Use of proceeds categories as per GBP:

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

SSB has established a Green Bond Committee that consists of members from selected departments in the organization, including Director, Head of Retail Division, Head of ESG, and Head of Treasury. SSB relies on the third-party consultant, Multiconsult, for selecting any buildings that comply with the defined criteria within SSB's existing portfolio as its refinancing projects. After the inaugural issuance under this Framework, all financed and re-financed eligible Green Loans are to be evaluated and selected by the Green Bond Committee based on the methodology defined in the external report by Multiconsult. Based on a formal establishment of a dedicated committee formed by cross-department and management members, Sustainalytics considers the project evaluation and selection process to be in line with market practice.

Sandnes Sparebank Boligkreditt Green Bond Framework

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*):

SSB will manage the green bond proceeds based on a portfolio approach. All selected proceeds will be allocated in the Eligible Green Loan Portfolio. A registry will be used to keep track on all eligible green loans. The Eligible Green Loan Portfolio will be periodically reviewed by the Green Bond Committee. Any unallocated proceeds will be temporarily held by SSB in an ordinary bank account or in the short-term money market. Sustainalytics considers SSB's management of proceeds is aligned with market practice.

Tracking of proceeds:

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

Additional disclosure:

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

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4. REPORTING

Overall comment on section (if applicable):

SSB commits to report and publish on SSB's company website the allocation reporting and impact reporting on at least an annual basis until no green bonds are outstanding. Allocation reporting will include (i) the total amount of proceeds allocated to Eligible Green Loans, (ii) the number of loans in the Eligible Green Loan Portfolio, (iii) the amount and percentage of financing versus refinancing, and (iv) the total amount of unallocated proceeds, if any. SSB confirms its potential impact reporting indicators include but not limited to (i) estimated ex-ante annual energy consumption in kWh/m² or energy savings in MWh, and (ii) estimated annual greenhouse gas emissions (GHG) reduced/avoided in tons of CO₂ equivalent. Sustainalytics views SSB's reporting practice 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 (please specify): |

Information reported:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Allocated amounts | <input type="checkbox"/> Green Bond financed share of total investment |
| <input checked="" type="checkbox"/> Other (please specify): the number of loans in the portfolio; the amount and percentage of financing versus refinancing; the total amount of unallocated proceeds, if any | |

Frequency:

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

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 (please specify): |

Frequency:

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

Information reported (expected or ex-post):

- | | |
|---|---|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input checked="" type="checkbox"/> Energy Savings |
| <input type="checkbox"/> Decrease in water use | <input type="checkbox"/> Other ESG indicators (please specify): |

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Means of Disclosure

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

www.sandnes-sparebank.no/investor-relations/gronn-obligasjon

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- | | |
|--|--|
| <input type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification / Audit | <input type="checkbox"/> Rating |
| <input type="checkbox"/> 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 recognized 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 specialized 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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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. 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. In 2015, Global Capital awarded Sustainalytics "Best SRI or Green Bond Research or Ratings Firm" and in 2018 and 2019, named Sustainalytics the "Most Impressive Second Party Opinion Provider. The firm was recognized as the "Largest External Reviewer" by the Climate Bonds Initiative as well as Environmental Finance in 2018, and in 2019 was named the "Largest Approved Verifier for Certified Climate Bonds" by the Climate Bonds Initiative. In addition, Sustainalytics received a Special Mention Sustainable Finance Award in 2018 from The Research Institute for Environmental Finance Japan and the Minister of the Environment Award in the Japan Green Contributor category of the Japan Green Bond Awards in 2019.

For more information, visit www.sustainalytics.com

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