



Leeward Renewable Energy

Second-Party Opinion – Green Financing Framework

Excellent
Good
Aligned
Not Aligned

Pillar	Alignment	Key Drivers
Use of Proceeds	Excellent	<ul style="list-style-type: none"> All use of proceeds (UoP) categories described within Leeward Renewable Energy's (LRE) green financing framework are aligned with the ICMA Green Bond Principles (GBP) and the LSTA Green Loan Principles (GLP) and demonstrate clear environmental benefit. Most of the green UoP projects include activities that are eligible under international sustainable finance taxonomies. Projects related to renewable energy and energy efficiency are fully aligned with market best practices to substantially contribute to climate change mitigation.
Use of Proceeds – Other Information	Excellent	<ul style="list-style-type: none"> LRE discloses its lookback period, in line with the ICMA GBP. Its lookback period of 24 months is also in line with standard market practice. Its framework sets out a clearly defined list of excluded activities, which provides assurance that proceeds will not finance projects that cause environmental or social harm.
Evaluation and Selection	Excellent	<ul style="list-style-type: none"> The project selection process includes two approval levels and involves an ESG steering committee, which Sustainable Fitch views as positive because it helps ensure the correct allocation of the UoP and aligns with market best practices.
Management of Proceeds	Good	<ul style="list-style-type: none"> LRE tracks its proceeds in an appropriate manner by earmarking them, and it disclosed its intention to hold unallocated proceeds as liquidity.
Reporting and Transparency	Excellent	<ul style="list-style-type: none"> The issuer commits to annual allocation and impact reporting until the full allocation of proceeds, and it will seek third-party verification of this reporting. This is aligned with the ICMA GBP and LSTA GLP. Impact metrics are measurable and relevant. Selected impact metrics are aligned with the ICMA Handbook – Harmonised Framework for Impact Reporting and its suggested impact reporting metrics for renewable energy, energy efficiency and circular economy.

Relevant UN Sustainable Development Goals

 7 AFFORDABLE AND CLEAN ENERGY	 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	 14 LIFE BELOW WATER	 15 LIFE ON LAND
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Framework Type	Green
Alignment	<ul style="list-style-type: none"> ✓ Green Bond Principles 2021 (ICMA) ✓ Green Loan Principles 2023 (LMA/LSTA/APLMA)
Date assigned	13 September 2024
See Appendix B for definitions.	

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Use of Proceeds Summary – ICMA Categories

Green	Renewable energy Energy efficiency Environmentally sustainable management of living natural resources and land use Circular economy adapted products, production technologies and processes
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Source: LRE green financing framework 2024

Framework Highlights

We consider transactions under LRE’s green financing framework to be aligned with the ICMA GBP and the LSTA GLP. The framework sets out LRE’s standards for financing and refinancing projects through green bonds and loan issuances, and it includes the four relevant pillars from the principles, including the UoP, evaluation and selection, management of proceeds and reporting.

The UoP categories include four green categories of renewable energy; energy efficiency; biodiversity and environmentally sustainable management of living natural resources and land use; and circular economy adapted products, production technologies and processes. We view the eligible projects within this framework as having a positive environmental impact and aligning with LRE’s sustainability strategy.

Investments in energy storage, wind and solar power enable the transition to a low-carbon economy and improve energy supply stability. Projects related to the preservation and restoration of natural landscapes, and related to agrivoltaics, support global biodiversity initiatives and promote ecosystem resilience. Additionally, eligible projects focused on recycling and recovery facilities for wind turbines and solar panels support international sustainability objectives, such as natural resource conservation, climate change mitigation and the transition to a circular economy.

Green finance principles recommend that eligible projects are clearly described in the legal documentation of a sustainable finance transaction. We have only reviewed the green financing framework for this Second-Party Opinion and have not reviewed any transaction-related legal documents or marketing materials; however, the framework provides a description of eligible projects.

Source: Sustainable Fitch, LRE green financing framework 2024

Entity Highlights

LRE, headquartered in Dallas, Texas, is a renewable energy company specialising in the development, ownership and operation of wind, solar and energy storage projects across the US.

LRE operates a portfolio of 31 renewable energy facilities, with a gross installed capacity of around 3GW across 12 states. Additionally, it is developing approximately 130 new projects, totalling a capacity of 30GW. The company is a private entity and a portfolio company of OMERS Infrastructure, the investment arm of OMERS Administration Corporation, one of Canada’s largest defined benefit pension funds.

LRE adheres to industry best practices and regulatory requirements, in line with its sustainability strategy that focuses on expanding renewable energy and building sustainable solutions. The company emphasises safe operations, empowering communities through energy independence, job creation and forming lasting partnerships.

The company manages a portfolio of wind and solar projects, and it plans to expand its capacity through new developments and acquisitions. LRE aims to play a significant role in the renewable energy sector by improving its operations and expanding its impact on sustainable energy development, supporting the transition to a low-carbon economy.

In our view, LRE’s solar and wind power generation activities substantially contribute to climate change mitigation by supplying zero-direct-emissions electricity. Its energy storage business also enhances energy security, though it is less significant in terms of capacity compared to its solar and wind operations.

LRE's focus on renewable energy aligns with global sustainability goals, and the company has taken steps to formalise and report on its sustainability efforts. The company has begun aligning with international standards and frameworks, including the Sustainability Accounting Standards Board, the Task Force on Climate-related Financial Disclosures, and the UN Sustainable Development Goals. LRE plans to advance its reporting on ESG topics and further align with these international standards and frameworks.

The company's environmental goals are centred around providing clean and reliable energy solutions. By offering renewable energy, LRE reduces GHG emissions and supports a sustainable energy transition through diversifying the global energy mix, enhancing energy security and reducing air pollution. LRE's commitment to ESG practices is evident in its operations, community engagement and long-term sustainability focus.

Source: Sustainable Fitch, LRE green financing framework 2024



Use of Proceeds – Eligible Projects

Alignment: Excellent

Company Material

Sustainable Fitch’s View

Renewable energy

- Expenditures related to the development, construction, acquisition, operation and maintenance of wind energy and solar energy assets.

- We consider this UoP to align with the renewable energy category of the ICMA GBP. The development of renewable energy assets is fundamental to the decarbonisation of the economy, reducing the demand for carbon-intensive fossil fuels. Investments in these projects boost the share of renewable energy in the global energy mix.
- We positively view investments in solar and wind energy projects, as outlined in this UoP, as they directly contribute to mitigating climate change and achieving global GHG reduction targets. GHG emissions over the life cycle of these sources are significantly lower than those from fossil-fuel-based generation and are classified as low carbon by science-based international environmental taxonomies.
- International taxonomies, such as the EU taxonomy, consider electricity generation from wind and solar as substantially contributing to climate change mitigation without needing to meet specific thresholds. Therefore, solar and wind projects align with best practices.
- Wind and solar projects pose risks of negative socio-environmental impacts, such as land use and the circularity of decommissioned solar panels and wind turbines. However, the issuer implemented measures to mitigate these impacts as outlined in the framework.
- The projects participated in LRE’s land stewardship programme, which involves technical and local experts to create site-specific land management plans. LRE identifies and addresses potential environmental and social impacts during implementation and operation, in alignment with the International Finance Corporation (IFC) performance standards, and it integrates ESG priority factors into its enterprise risk management programme.
- Additional environmental and social impacts may arise from solar energy projects such as waste from solar assets containing toxic materials like heavy metals, which could be harmful if not recycled or disposed of responsibly at the end-of-life stage.
- Considering the entire life cycle, a pertinent issue for solar energy generation is the disposal of solar panels and wind turbines. LRE’s framework states that its sustainability approach includes recycling solar panels and decommissioned wind turbines and blades into new materials.
- These initiatives are supported by the projects outlined in LRE’s framework and investments in circular infrastructure to process solar and wind equipment after its useful life, which we view positively as it reduces the risk of negative environmental impacts at the end of life for renewable energy projects.



Energy efficiency

- Development, construction, installation and maintenance of battery energy storage facilities that comply with one of the following criteria.
- Wholly dedicated facilities serving a renewable energy power generation facility (below the generation threshold of 100gCO₂e/kWh per life cycle).
- Facilities located in a system where more than 67% of newly enabled generation capacity in this system is renewable energy (below the generation threshold of 100gCO₂e/kWh per life cycle), over the last five-year period.

- We consider this UoP to align with the renewable energy category of the ICMA GBP.
- We view investments in energy storage facilities positively, as they are crucial for decarbonising the economy. Energy storage systems support the integration and efficient use of renewable energy sources, reducing reliance on carbon-intensive fossil fuels, and directly contribute to mitigating climate change and achieving global GHG reduction targets.
- Energy storage projects enhance the stability and reliability of renewable energy supply, displace fossil fuels and help avoid GHG emissions. The projects balance centralised and





- Facilities located in a system where more than 67% of the generation capacity in the interconnection queue for the system are renewable energy projects (below the generation threshold of 100gCO₂e/kWh per life cycle).

distributed electricity generation, contribute to energy security, support demand response and complement grid development. These facilities significantly boost the adoption of clean energy, as they are dedicated to renewable power generation or located in systems with high renewable capacity.

- The eligibility criteria for this UoP can be assessed under the EU taxonomy-eligible activity of the storage of electricity, with substantial contribution criteria for the environmental objective of climate mitigation and climate adaptation.
- All activities relating to the storage of battery electricity align with market best practice, as they contribute to power grid stabilisation.
- Energy storage facilities dedicated to renewable energy power generation, which meet stringent international standards, play a crucial role in maximising the use of renewable energy. By storing excess energy and supplying it during high-demand or low-generation periods, these facilities ensure optimal utilisation of renewable sources, significantly contributing to climate mitigation. This approach is recognised as best practice by global standards such as the EU taxonomy and the Climate Bonds Initiative.
- Facilities located in systems where a substantial portion of the new generation capacity is renewable also significantly support climate goals. These projects are critical for integrating a large share of renewable energy into the grid, further enhancing the sustainable energy infrastructure. Both types of projects align with global standards, effectively contributing to a low-carbon future.
- The construction and maintenance of energy storage facilities pose potential risks of negative environmental impacts, including land use changes and resource consumption. To maximise the positive impact of these projects, proper site selection and strict adherence to environmental regulations are best practices. LRE has taken steps to mitigate these impacts through its land stewardship programme, which aligns with the IFC performance standards and incorporates ESG priority factors into its enterprise risk management programme.



Biodiversity and environmentally sustainable management of living natural resources and land use

- Preservation or restoration of natural landscapes, including expenditures related to:
 - site revegetation (seed mixes and seeding strategies); and
 - soil testing and monitoring.
- For agrivoltaics projects, initiatives and expenditures related to:
 - pollinator habitat establishment; and
 - site design and construction considerations for grazing sites.

- We consider this UoP to align with the environmentally sustainable management of living natural resources and land use category of the ICMA GBP.
- Biodiversity and the sustainable management of natural resources and land use are crucial for maintaining ecosystem services, enhancing climate resilience, and ensuring sustainable agricultural and natural systems.
- We view these projects positively due to their focus on protecting and restoring habitats, promoting biodiversity and supporting sustainable land use. By implementing practices such as site revegetation, soil testing and establishing pollinator habitats, these initiatives significantly enhance biodiversity and land health.
- Sustainable land management practices help reduce runoff and improve water quality, contributing to broader environmental conservation efforts.
- We positively view investments in projects that support the preservation and restoration of natural landscapes. Specifically, site revegetation using seed mixes and seeding strategies is essential for ecosystem restoration, enhancing biodiversity, stabilising soil and sequestering carbon. Similarly, soil testing and monitoring are vital for assessing soil health, detecting contaminants and informing remediation efforts. These activities support sustainable soil





management and align with international standards for land and habitat conservation.

- Initiatives and expenditures in agrivoltaics, such as pollinator habitat establishment, enhance biodiversity and ecosystem services, supporting sustainable agriculture. In addition, the conservation of grazing sites when designing and constructing agrivoltaic sites could potentially minimise environmental impacts by promoting sustainable grazing and enhancing biodiversity, which aligns with sustainable land use practices.
- LRE has a thorough internal process that addresses several requirements. It assesses its land management through a land stewardship programme that partners with technical and local experts to develop site-specific land management plans.
- LRE also identifies potential environmental and social impacts during the implementation and operation stages of its projects, adhering to the IFC performance standards.
- The company confirmed an additional biodiversity and land stewardship policy that sets procedures and management plans for biodiversity and vegetation. This policy enables the development of site-specific conservation and restoration plans, which are tailored based on eco-region, previous land use and native species. We positively view this holistic approach, including the evaluation of agrivoltaic strategies, from an environmental perspective and it aligns with international taxonomies.
- The company confirmed through engagement that the projects will not be developed for the purposes of offsetting its own ecological impact; this is important since ex situ conservation components, such as zoos and seed banks, and offsetting of the impact of the company's own economic activities are not eligible activities.
- Overall, we view investments in the preservation or restoration of natural landscapes and agrivoltaic projects positively, as they enhance biodiversity, improve soil health and integrate sustainable agriculture with renewable energy.

Circular economy adapted products, production technologies and processes

- Expenditures associated with the recycling of wind turbines, blades and solar panels, including:
 - collecting, compounding and transforming associated equipment.
- We consider this UoP to align with the pollution prevention and control category of the ICMA GBP.
- We view investments in these projects positively, as they promote circularity and reduce natural resource consumption.
- Recycling wind turbines, blades and solar panels are crucial for resource conservation, waste reduction and promoting circular economy principles. These projects enhance material recovery, reduce landfill waste and minimise the need for raw material extraction, aligning with international standards and best practices.
- We positively view expenditures associated with the collection, compounding and transforming of equipment for these materials, as it supports the transition to a circular economy by extending the life cycle of materials and promoting sustainable waste management.
- The eligibility criteria for this UoP can be assessed under international taxonomies, such as the EU taxonomy, for the collection and transport of non-hazardous and hazardous waste, with substantial contribution criteria for the circular economy. These investments are sustainable if all collected waste is intended for reuse or recycling operations and is source segregated.
- LRE's investments focus on collecting, compounding and transforming wind and solar equipment that have reached the end of its life cycle. The company minimises the risk of





commingling waste by centring operations around wind and solar energy.

- Expenditures on specialised equipment and processes for recycling wind turbines, blades and solar panels align with market best practices by ensuring waste is source segregated and intended for recycling. This approach guarantees waste is appropriately handled, maximising recycling efficiency.
- International taxonomies specify that operations should be continuously monitored and the quantity and quality of collected waste should be assessed based on predefined performance indicators. Performance against these indicators should be reported, and if necessary, corrective actions should be taken to improve processes.
- The framework does not specify if LRE will be monitoring and evaluating its waste collection process. It is possible that eligible projects can align with best practices for long-term monitoring; however, we cannot confirm this at this stage.
- Overall, we positively view expenditures that support a system to recycle LRE's waste from retired wind and solar equipment, as it aligns with the principles of source-segregated waste collection and the circular economy.

Source: LRE green financing framework 2024

Source: Sustainable Fitch



Use of Proceeds – Other Information

Alignment: Excellent

Company Material

- LRE will allocate proceeds from its green financing instruments to the financing or refinancing, in whole or in part, of new or existing investments or assets that meet the outlined criteria (ie eligible green projects). The proceeds will be allocated within 24 months from the date of execution. Eligible green projects include expenditures made by LRE or any of its subsidiaries and affiliates, beginning with the closing date of any green financings or in the 24 months prior to any such issuance.
- The examples of projects noted in the UoP section are for illustrative purposes only, and no assurance can be provided that disbursements for projects with these specific characteristics will be made by LRE or any of its subsidiaries or affiliates.
- LRE will not knowingly allocate proceeds from the issuance of its green financings to GHG-intensive projects inconsistent with the delivery of a low-carbon economy or activities involving the exploitation of human rights. LRE will allocate projects as soon as practicable.

Sustainable Fitch's View

- LRE disclosed its lookback period for refinancing projects in line with the ICMA GBP. The specified lookback period is 24 months prior to the date of issuance. This is aligned with standard market practice among labelled bond issuers. However, we view shorter lookback periods as best practice, as it enhances the additionality of the bond.
- The framework indicates some exclusions for environmentally and socially harmful activities. These exclusions include knowingly investing in financing GHG-intensive projects or activities that involve the exploitation of human rights, which provides additional assurance that the funds raised under the framework will be applied as stated in the framework.
- LRE does not specify if it intends to allocate a proportion of proceeds to new versus existing projects in its financing framework. However, the company confirmed that the majority of proceeds will be applied to its development pipeline for renewable energy projects. Maintaining a minimum threshold of new project financing ensures the additionality of positive environmental impacts for the funds raised. A greater proportion of new projects financed rather than refinanced projects also helps improve the additionality of positive environmental impacts for the funds raised.

Source: LRE green financing framework 2024

Source: Sustainable Fitch

Evaluation and Selection

Alignment: Excellent

Company Material

- LRE regularly analyses the environmental and social impacts of its businesses, and it assesses how it can mitigate impacts on communities in which it operates.
- The LRE treasury team, in coordination with project managers, will review and select projects that align with its green financing framework. Final allocation will be reviewed and approved by the ESG steering committee.

Sustainable Fitch's View

- We consider the company's framework aligned with the ICMA GBP, having clearly outlined the process for project identification, evaluation and selection.
- The eligible projects for the issuance are reviewed through an internal, two-level process. The treasury team and project managers select eligible projects and the final allocation is approved by the ESG steering committee.
- We consider the multi-layered selection and evaluation process to be positive for an instrument's profile, as the additional layer of checks and balances gives assurance that the projects meet the objectives of the framework.
- We also positively view that the process involves representatives from various business units and the ESG steering committees' sustainability expertise. The involvement of the sustainable expertise in the evaluation and selection process of the projects aligns with market best practice to ensure the correct allocation of the UoP.

Source: LRE green financing framework 2024

Source: Sustainable Fitch

Management of Proceeds

Alignment: Good

Company Material

- LRE will regularly analyse the environmental and social impacts of its businesses and assess how it can mitigate impacts on communities in which it operates.
- The LRE treasury team, in coordination with project managers, will review, select and monitor projects that align with its green financing framework. On a quarterly basis, the same group will also review the compliance of the financed eligible green projects and be responsible for replacing projects that for any reason become non-compliant with the criteria described in this framework. Final allocation will be reviewed and approved by the ESG steering committee.

Sustainable Fitch's View

- We view the process for managing proceeds from debt instruments issued under the framework as well-defined.
- Funds raised will be specifically allocated and monitored according to the ICMA guidelines for the segregation of proceeds. LRE's business activities are dedicated to providing renewable energy. Its business operations are focused on delivering renewable energy, thereby minimising the risk of mixing these funds with other sources that could have a negative impact when deposited into the company's accounts.
- Unallocated proceeds under this framework will be held as company liquidity and managed in accordance with LRE's liquidity policy. LRE's decision to keep unallocated proceeds invested in company liquidity is common market practice. However, investing unallocated proceeds in short-term green projects that fully comply with green principles could



Management of Proceeds

Alignment: Good

Company Material

Sustainable Fitch's View

help maximise positive environmental impact throughout the instrument's term.

- A process for monitoring and removing financed assets should they not comply with the UoP criteria is clearly defined. A commitment to monitor the asset pool to ensure green projects remain eligible under the green financing framework is aligned with best practice.
- Monitoring and replacing any green projects that become ineligible, as soon as an eligible replacement becomes available, would help ensure funds raised are invested in projects that deliver a positive environmental impact, as intended, throughout the instrument's term.
- Disbursements and allocations are subject to an independent accountant's attestation report to ensure loan proceeds are used exclusively for selected projects, which positively influences our assessment. Third-party-reviewed disbursement trails enhance accountability and align with market best practices.

Source: LRE green financing framework 2024

Source: Sustainable Fitch

Reporting and Transparency

Alignment: Excellent

Company Material

Sustainable Fitch's View

- Annually, and on a timely basis in case of material developments, LRE will provide investors and lenders (as applicable) a green impact and allocation report. This report will contain an allocation report and impact information regarding the underlying assets financed or refinanced by the outstanding green financings, including, but not limited to:
- Allocation reporting:
 - the amount of net proceeds allocated to eligible projects either individually or by category on a portfolio basis, subject to confidentiality considerations;
 - a selection of brief project descriptions; and
 - the outstanding amount of net proceeds to be allocated to eligible projects at the end of the reporting period.
 - The allocation reporting will be made annually until full allocation of proceeds.
- Impact reporting:
 - wind and solar renewable energy capacity sourced and developed (MW);
 - total electricity generation produced annually (MWh/GWh);
 - annual GHG emissions reduced/avoided (tCO2e);
 - energy storage capacity (MW);
 - projects with vegetation and biodiversity management plans (number of projects or acres);
 - projects with agrivoltaics (number of projects); and
 - volume or percentage of recycled wind turbine blades and solar panels.

- We positively view LRE's commitment to publish annual allocation and impact reports until full allocation of the bond, as it is in line with the ICMA GBP recommended guidelines for regular reporting on the allocation of proceeds and their impact.
- The commitments to regular impact reporting are positive from an ESG perspective, as this provides transparency to stakeholders.
- Indicators outlined in the green financing framework are quantitative and accurately reflect the impacts of the selected projects.
- For renewable energy and energy efficiency projects, metrics such as renewable energy capacity, energy storage capacity and emissions reduced/avoided effectively demonstrate their impact. These metrics provide tangible and measurable data showing the projects' contributions to sustainable energy production, GHG emissions reduction and overall energy efficiency, aligning with the core indicators identified by the ICMA Harmonised Framework for Impact Reporting.
- Circular economy indicators, measured by the volume or percentage of recycled content, effectively describe material recovery and recycling efforts in alignment with the core indicators identified by the ICMA Harmonised Framework for Impact Reporting.
- The indicators for biodiversity and environmentally sustainable management of natural resources and land use primarily reflect the number of projects or acres covered. This is beneficial; however, these metrics could be enhanced with more precise measurements.
- For preservation and restoration projects, metrics such as the diversity and survival rates of planted species and changes in soil health would provide a clearer picture of ecological impact.
- For agrivoltaic projects, metrics such as the increase in pollinator species, pollinator population health and the effectiveness of grazing site management would better illustrate biodiversity improvements.
- Overall, we consider the impact indicators to be specific, relevant and measurable, providing a high level of granularity on the output and associated impact of the project. The company commits to reporting either individually or by category on a portfolio basis. Reporting on allocation and impact for each individual instrument at the project level or by category enhances transparency and would be market best practice.
- Confidential information relating to contracts and agreements that could potentially disclose competitive information will not be included in the allocation reports, which is in line with common market practice.



Reporting and Transparency

Alignment: Excellent

Company Material

Sustainable Fitch's View

- There is no information on whether LRE will report on the mix of capex and opex financed by the loan proceeds. Disclosing such information would enable better understanding of the extent to which the impact is purely derived from the investment.
- There is a commitment to attain post-issuance independent assurance for the allocation of proceeds; however, the attestation report will not include impact metrics. Having post-issuance external reviews for all aspects of reporting enhances the reliability of the reporting and aligns with market best practices.

Source: LRE green financing framework 2024

Source: Sustainable Fitch



Relevant UN Sustainable Development Goals

- **7.1:** By 2030, ensure universal access to affordable, reliable and modern energy services.
- **7.2:** By 2030, increase substantially the share of renewable energy in the global energy mix.



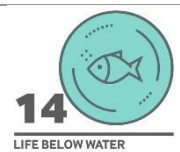
- **9.1:** Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.



- **12.2:** By 2030, achieve the sustainable management and efficient use of natural resources.
- **12.5:** By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.



- **14.1:** By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.



- **15.1:** By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.



Source: Sustainable Fitch, UN

Appendix A: Principles and Guidelines

Type of Instrument: Green

Four Pillars	
1) Use of Proceeds (UoP)	Yes
2) Project Evaluation & Selection	Yes
3) Management of Proceeds	Yes
4) Reporting	Yes
Independent External Review Provider	
Second-party opinion	Yes
Verification	Yes
Certification	No
Scoring/Rating	No
Other	n.a.
1) Use of Proceeds (UoP)	
UoP as per Green Bond Principles (GBP)	
Renewable energy	Yes
Energy efficiency	Yes
Pollution prevention and control	No
Environmentally sustainable management of living natural resources and land use	Yes
Terrestrial and aquatic biodiversity conservation	No
Clean transportation	No
Sustainable water and wastewater management	No
Climate change adaptation	No
Certified eco-efficient and/or circular economy adapted products, production technologies and processes	Yes
Green buildings	No
Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP	No
Other	n.a.
2) Project Evaluation and Selection	
Evaluation and Selection	
Credentials on the issuer's social and green objectives	Yes
Documented process to determine that projects fit within defined categories	Yes
Defined and transparent criteria for projects eligible for sustainability bond proceeds	Yes
Documented process to identify and manage potential ESG risks associated with the project	Yes
Summary criteria for project evaluation and selection publicly available	Yes
Other	n.a.
Evaluation and Selection, Responsibility and Accountability	
Evaluation and selection criteria subject to external advice or verification	No
In-house assessment	Yes
Other	n.a.
3) Management of Proceeds	
Tracking of Proceeds	
Sustainability bond proceeds segregated or tracked by the issuer in an appropriate manner	Yes
Disclosure of intended types of temporary investment instruments for unallocated proceeds	Yes
Other	n.a.



Type of Instrument: Green

Additional Disclosure	
Allocations to future investments only	No
Allocations to both existing and future investments	Yes
Allocation to individual disbursements	Yes
Allocation to a portfolio of disbursements	No
Disclosure of portfolio balance of unallocated proceeds	Yes
Other	n.a.
4) Reporting	
UoP Reporting	
Project-by-project	No
On a project portfolio basis	Yes
Linkage to individual bond(s)	Yes
Other	n.a.
UoP Reporting/Information Reported	
Allocated amounts	Yes
Sustainability bond-financed share of total investment	No
Other	n.a.
UoP Reporting/Frequency	
Annual	Yes
Semi-annual	No
Other	n.a.
Impact Reporting	
Project-by-project	Yes
On a project portfolio basis	No
Linkage to individual bond(s)	No
Other	n.a.
Impact Reporting/Information Reported (exp. ex-post)	
GHG emissions/savings	Yes
Energy savings	Yes
Decrease in water use	No
Other ESG indicators	Renewable energy and energy storage capacity (MW), electricity generation produced p.a. (MWh/GWh), number of projects [or acres] with vegetation and biodiversity management plans, number of projects with agrivoltaics, volume [or percent] of recycled wind turbines blades and solar panels.
Impact Reporting/Frequency	
Annual	Yes
Semi-annual	No
Other	n.a.



Type of Instrument: Green

Means of Disclosure	
Information published in financial report	No
Information published in ad hoc documents	Yes
Information published in sustainability report	No
Reporting reviewed	Yes
Other	n.a.

Note: n.a. – not applicable.
Source: Sustainable Fitch, ICMA

Appendix B: Definitions

Term	Definition
Debt types	
Green	Proceeds will be used for green projects and/or environmental-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Green Bond Principles or other principles, guidelines or taxonomies.
Social	Proceeds will be used for social projects and/or social-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Social Bond Principles or other principles, guidelines or taxonomies.
Sustainability	Proceeds will be used for a mix of green and social projects and/or environmental and social-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Sustainability Bond Guidelines or other principles, guidelines, taxonomies.
Sustainability-linked	Financial and/or structural features are linked to the achievement of pre-defined sustainability objectives. Such features may be aligned with ICMA Sustainability-linked Bond Principles or other principles, guidelines or taxonomies. The instrument is often referred to as an SLB (sustainability-linked bond) or SLL (sustainability-linked loan).
Conventional	Proceeds are not destined for any green, social or sustainability project or activity, and the financial or structural features are not linked to any sustainability objective.
Other	Any other type of financing instrument or a combination of the above instruments.
Standards	
ICMA	International Capital Market Association. In the Second-Party Opinion we refer to alignment with ICMA's Bond Principles: a series of principles and guidelines for green, social, sustainability and sustainability-linked bonds.
LMA, LSTA and APLMA	Loan Market Association (LMA), Loan Syndications and Trading Association (LSTA) and Asia Pacific Loan Market Association (APLMA). In the Second-Party Opinion we refer to alignment with Sustainable Finance Loan Principles: a series of principles and guidelines for green, social and sustainability-linked loans.
EU Green Bond Standard	A set of voluntary standards created by the EU to "enhance the effectiveness, transparency, accountability, comparability and credibility of the green bond market".

Source: Sustainable Fitch, ICMA, UN, EU Technical Expert Group

Appendix C: Second-Party Opinion Methodology

Second-Party Opinion

Second-Party Opinions (SPO) are a way for issuers to obtain an independent external review on their green, social, sustainability and sustainability-linked instruments.

As per the ICMA Guidelines for External Reviewers, an SPO entails an assessment of the alignment of the issuer’s green, social, sustainability or sustainability-linked bond or loan issuance, framework or programme with the relevant principles. For these purposes, “alignment” should refer to all core components of the relevant principles.

Sustainable Fitch analysts vary the analysis based on the type of instruments, to consider whether there are defined uses of proceeds or KPIs and sustainability performance targets. The analysis is done on a standalone basis, separate to the entity.

Analytical Process

The analysis considers all available relevant information (ESG and financial). The reports transparently display the sources of information analysed for each section and provide a line-by-line commentary on the sub-factors analysed. The ESG analysts working on an SPO will also engage directly with the issuer to acquire any additional relevant information not already in the public domain or in instrument-related documentation.

An important part of the analysis is the assessment of the E and S aspects of the use of proceeds. In addition to the alignment with ICMA Principle and Guidelines, the analysis may also refer to major taxonomies (e.g. the EU taxonomy for E aspects, and the UN Sustainable Development Goals for S aspects).

Once the analyst has completed the analysis, with commentary for the related SPO, it is submitted to the approval committee, which reviews it for accuracy and consistency. Based on issuer preference and mandate, an SPO can be monitored (annually or more frequently, if new information becomes available) or on a point-in-time basis.

Scale and Definitions

ESG Framework	
Excellent	Sustainable finance framework and/or debt instrument structure is fully aligned to all relevant core international principles and guidelines. Practices inherent to the structure meet excellent levels of rigour and transparency in all respects and are well in excess of the standards commonly followed by the market.
Good	Sustainable finance framework and/or debt instrument structure is fully aligned to all relevant core international principles and guidelines. Practices inherent to the structure meet good levels of rigour and transparency; in some instances, they go beyond the standards commonly followed by the market.
Aligned	Sustainable finance framework and/or debt instrument structure is aligned to all relevant core international principles and guidelines. Practices inherent to the structure meet the minimum standards in terms of rigour and transparency commonly followed by the market.
Not Aligned	Sustainable finance framework and/or debt instrument structure is not aligned to relevant core international principles and guidelines. Practices inherent to the structure fall short of common market practice.

Source: Sustainable Fitch

SOLICITATION STATUS

The Second Party Opinion was solicited and assigned or maintained by Sustainable Fitch at the request of the entity.

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