

# Second-Party Opinion

## ENGIE APAC Green Loan Framework



### Evaluation Summary

Sustainalytics is of the opinion that the ENGIE APAC Green Loan Framework is credible and impactful and aligns with the four core components of the Green Loan Principles 2020. 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 Loan Principles 2020. Sustainalytics considers that ENGIE APAC’s investments can help reduce total GHG emissions by facilitating the utilization of solar and wind energy in the APAC region while advancing the UN Sustainable Development Goals (SDGs), particularly SDG 7.



**PROJECT EVALUATION / SELECTION** The project evaluation and selection process is carried out by the Company’s Board of Directors and Duty of Vigilance Committee (“Committee”), including representatives from the areas of sustainability, legal, ethics, supply chain, environment, and health. Eligible projects are selected based on the environmental and social criteria (“ESG Criteria”). Sustainalytics considers the project selection process in line with market practice.



**MANAGEMENT OF PROCEEDS** The net loan proceeds will be monitored and tracked by the relevant Finance and Accounting Team, who is overseen by the Company’s CEO. The proceeds will be tracked using a dedicated proceeds account. Additionally, the funds from all commercial facilities will be reviewed by the Lender’s Technical Advisor (LTA). Pending full allocation, unallocated proceeds will be held in dedicated cash accounts of Special Purpose Vehicles (SPV) or invested in low-risk financial products. This process is in line with market practice.



**REPORTING** Until full allocation, ENGIE APAC intends to report on the allocation of proceeds to the lenders of eligible projects where required. Allocation reporting will provide relevant transaction information such as the construction progress, the total amount of funds that are drawn and the expenses to which they are being deployed. In addition, through the construction reports (to be provided quarterly) and operational reports (to be provided semi-annually), the Company is committed to reporting on relevant impact metrics. Sustainalytics views ENGIE APAC’s allocation and impact reporting as aligned with market practice.

<b>Evaluation Date</b>	December 15, 2020
<b>Borrower Location</b>	Singapore, The Republic of Singapore

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## Introduction

ENGIE Asia Pacific (the “Company”, or the “Parent Sponsor”), an Asia Pacific arm of the ENGIE Group, is an energy and services company operating in four areas: (i) client solutions, (ii) renewable energy sources, (iii) networks, and (iv) thermal power generation. As of October 2020, ENGIE APAC has approximately 3,500 employees in Australia, Indonesia, Japan, Korea, New Zealand, Malaysia, Mongolia, Singapore, Thailand and the Philippines.

ENGIE APAC has developed the ENGIE APAC Green Loan Framework (the “Framework”) under which the Company or any of its subsidiaries, project companies or majority-owned joint ventures intend to use the loan proceeds to finance and/or refinance, in whole or in part, existing and future projects that contribute to a carbon-neutral economy by promoting renewable energy in the APAC region. In each green loan transaction, a Special Purpose Vehicle (SPV) will be designated to perform as a borrower. Sustainalytics notes that the designated borrower for the first green loan transaction is Kerian Solar. The Framework defines eligibility criteria in one area:

1. Renewable Energy

ENGIE APAC engaged Sustainalytics to review the ENGIE APAC Green Loan Framework, dated November 2020, and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Loan Principles 2020 (GLP).<sup>1</sup> This Framework has been published in a separate document.<sup>2</sup>

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

Sustainalytics’ Second-Party Opinion reflects Sustainalytics independent<sup>3</sup> opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible categories are credible and impactful.

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

- The Framework’s alignment with the Green Loan Principles 2020, as administered by LMA<sup>4</sup>;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.6.1, 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 ENGIE APAC’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. ENGIE APAC representatives have confirmed (1) they understand it is the sole responsibility of ENGIE APAC 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 ENGIE APAC.

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

<sup>1</sup> The Green Loan Principles are administered by the Loan Markets Association and are available at: <https://www.lsta.org/content/green-loan-principles/>

<sup>2</sup> The ENGIE APAC Green Loan Framework is available on ENGIE APAC’s website at: <https://www.engie-sea.com/>

<sup>3</sup> When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

<sup>4</sup> In addition to the Loan Markets Association, the GLP is also administered by the Asia Pacific Loan Market Association and the Loan Syndications & Trading Association

projects expected to be financed with loan proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

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

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that ENGIE APAC has made available to Sustainalytics for the purpose of this Second-Party Opinion.

## Sustainalytics' Opinion

### Section 1: Sustainalytics' Opinion on the ENGIE APAC Green Loan Framework

Sustainalytics is of the opinion that the ENGIE APAC Green Loan Framework is credible and impactful, and aligns with the four core components of the GLP. Sustainalytics highlights the following elements of ENGIE APAC's Green Loan Framework:

- Use of Proceeds:
  - The eligible category, Renewable Energy, is aligned with those recognized as impactful by the GLP. Sustainalytics believes that investments of ENGIE APAC will contribute to renewable energy development and the decarbonization of the energy sector in the APAC region.
  - ENGIE APAC has established a look-back period of three years for its refinancing activities and intends to allocate the full proceeds within two years after the issuance, which Sustainalytics considers to be in line with market practice.
  - Loan proceeds will be used exclusively for the development and construction of solar photovoltaics and wind energy projects.
  - ENGIE APAC excludes any investments associated with fossil fuel and nuclear energy from its financing under the Framework.
- Project Evaluation and Selection:
  - The green loan requirements are determined by ENGIE APAC's Board of Directors and the Duty of Vigilance Committee in accordance with the Company's goal of reducing carbon emissions by developing renewable energy projects. The Duty of Vigilance Committee ("Committee") is comprised of members who are in charge of sustainability, legal, ethics, supply chain, environment, and health and safety areas of the Company.
  - The eligible projects are evaluated and selected by the Committee based on environmental and social criteria ("ESG Criteria"), which includes considerations on following: (i) Fighting climate change and/or contributing to natural resources preservation, (ii) Environmental Management, (iii) Biodiversity and natural resources, (iv) Stakeholder dialogue and community involvement, (v) Business Ethics, (vi) Responsible purchases, (vii) Human and labour rights, and (viii) Health and Safety.
  - Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
  - Under the supervision of the CFO, the relevant Finance and Accounting Team is in charge of monitoring and tracking the use of proceeds, using an account dedicated to eligible projects. To ensure further transparency, the funds from all commercial facilities will be reviewed by the Lender's Technical Advisor (LTA).
  - Pending full allocation, unallocated proceeds will be held in dedicated cash accounts of Special Purpose Vehicles (SPV) or invested in low-risk financial products such as locally denominated time deposits, certificates of deposits, instruments issued/guaranteed by governments, commercial papers, corporate promissory notes, money market funds with credit ratings agreed with relevant agents and lender.
  - This process is in line with market practice.

- Reporting:
  - ENGIE APAC is committed to providing its allocation report to the lenders of eligible projects on an as-requested basis until full allocation. The reporting will include information on the construction progress, the total amount of funds that are drawn and the expenses to which they are being deployed.
  - As part of the construction reports (to be provided quarterly) and operational reports (to be provided semi-annually), ENGIE APAC will share impact indicators such as MW of contracted capacity, MWh of energy produced or delivered, and avoided GHG emissions with its lenders.
  - This reporting process is in line with market practice.

### Alignment with Green Loan Principles 2020

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

## Section 2: Sustainability Strategy of ENGIE APAC

### Contribution of Framework to ENGIE APAC's sustainability strategy

As an Asia Pacific arm of the ENGIE Group, Engie APAC adheres to the Group's environmental objectives. Some of these objectives include achieving net-zero emissions for "Ways of Working" by 2030 and obtaining 58% of production from renewable energy by 2030.<sup>5</sup> As part of its low-carbon strategy, as of 2019, ENGIE Group excludes investments in emission-intensive power generation assets and projects.<sup>6</sup>

ENGIE APAC is committed to facilitating a low-carbon transition of APAC, primarily in Australia and South East Asia (Malaysia, Philippines, and Indonesia), with a focus on renewables and client solutions.<sup>7</sup> As of 2020, the Company has 3,165 MW of renewable projects (in operation and under development) in Australia, and 4,310 MW in South East Asia.<sup>8</sup> In 2020, ENGIE APAC has increased its installed renewable capacity by 0.9 GW, of which 0.3 GW from wind and 0.6 GW from solar energy.<sup>9</sup> Additionally, ENGIE APAC has established the mid-term target of adding 4,000 MW of renewable capacity in the APAC region by 2030 compared to the 2020 baseline.<sup>10</sup>

Based on ENGIE APAC's renewable energy-related commitments and strategy, Sustainalytics is of the opinion that the ENGIE APAC Green Loan Framework is aligned with the Company's overall sustainability strategy and initiatives and will further the Company's action on its key environmental priorities.

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

While Sustainalytics recognizes that the net proceeds from the loans used under the Framework will be directed towards eligible projects that are recognized by the GLP 2020 to have positive environmental impact, Sustainalytics is aware that infrastructure development projects could also lead to negative environmental and social outcomes such as emissions, effluents, improper management of waste, land-use change, biodiversity loss, occupational health and safety, and community relations. Sustainalytics is of the opinion that ENGIE APAC is able to manage and mitigate such risks through the following:

- Following its *Environmental Policy*,<sup>11</sup> ENGIE APAC conducts an Environmental Social Impact Assessment (ESIA) on the entire lifecycle of eligible projects. The Company uses ESIA to manage its carbon emissions and its impact on biodiversity and water. The ESIA requires the implementation of an Environmental and Social Management Plan, follows the Equator Principles ("EPs"), and includes a third party verification assessment on the implementation of EPs.

<sup>5</sup> The ENGIE APAC Green Loan Framework is available on ENGIE APAC's website at: <https://www.engie-sea.com/>

<sup>6</sup> BIOENERGY, "ENGIE completes divestment of coal-fired energy assets in Asia-Pacific", (2019), at: <https://bioenergyinternational.com/heat-power/engie>

<sup>7</sup> ENGIE APAC's client solutions include (i) *Smart cities* (decentralized energy generation, heating and cooling solutions, green mobility solutions, etc); (ii) *Smart facility management* (Integrated and customized services to improve the overall performance of public and private customers' facilities); and (iii) *Smart services* (supporting our clients reach their environmental goals and save energy).

<sup>8</sup> The ENGIE APAC Green Loan Framework is available on ENGIE APAC's website at: <https://www.engie-sea.com/>

<sup>9</sup> ENGIE Group, "2020 ENGIE Integrated Report", (2020), at: <https://www.engie.com/sites/default/files/assets/documents/2020-04/RI-Engie2020-ENG-vdef.pdf>

<sup>10</sup> The ENGIE APAC Green Loan Framework is available on ENGIE APAC's website at: <https://www.engie-sea.com/>

<sup>11</sup> ENGIE Group, "Environmental Policy", (2020), at: [https://www.engie.com/sites/default/files/assets/documents/2020-07/2020%20-%20ENGIE%20-%20Environmental%20policy%20%2B%20annex%20vdef\\_0.pdf](https://www.engie.com/sites/default/files/assets/documents/2020-07/2020%20-%20ENGIE%20-%20Environmental%20policy%20%2B%20annex%20vdef_0.pdf)

- The ENGIE Group has established the *Vigilance Plan* to identify and prevent the Company's potential negative impacts on people and the environment associated with the Group's activities.<sup>12</sup> In conformity with the *ENGIE Vigilance Plan*, ENGIE APAC mandates all employees to comply with applicable environmental and occupational health and safety policies. As part of the health and safety policy, ENGIE APAC conducts a risk analysis on health and safety issues throughout the project life cycle. Based on the results of the analysis, the Company appoints the health and safety coordinator in the concerned phase, while community health and safety management plan is established for the on-site workers and community of the eligible project.<sup>13</sup> Moreover, ENGIE APAC assesses and verifies the eligible projects in compliant with the international human and labor right standards such as the Universal Declaration of Human Rights,<sup>14</sup> its associated Covenants and Conventions of the International Labor Organization.<sup>15</sup>
- According to *Code of Conduct in Supplier Relations*, suppliers of ENGIE APAC are obliged to comply with the ENGIE APAC's regulations and standards as well as international regulations regarding human rights, occupational health and safety, and environmental protection.<sup>16</sup> Following the Company's due diligence process involving its suppliers, subcontractors and partners, any of the parties involved in controversies such as child and forced labor are excluded from ENGIE APAC's investments.<sup>16</sup>
- ENGIE APAC engages with local communities associated with the projects to integrate their opinions into the Company's decision-making process.<sup>17</sup> Accordingly, ENGIE APAC follows local community engagement plans involving relevant parties.<sup>18</sup> In case of financing projects associated with land acquisition or population displacement, a community consultation procedure is included in the design and construction stage of such projects.<sup>19</sup>

Based on the abovementioned policies, standards and assessments, Sustainalytics is of the opinion that ENGIE APAC 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

#### Importance of promoting renewable energy in the APAC region

According to International Renewable Energy Agency (IRENA), the APAC region currently accounts for more than 50% of global energy consumption while 85% of that is originated from fossil fuels.<sup>20</sup> The APAC countries emit about 53% of global GHG emissions, with the average annual emissions growth rate over 4% over the past two decades.<sup>21</sup> Overall, the population growth and urbanization in the APAC region has been leading to a surge in energy demand, which is estimated to increase two times higher by 2030 compared to 2016.<sup>20</sup>

Given the above, promoting renewable energy can be a crucial part of meeting the surging energy needs in the APAC region in a green and effective way.<sup>22</sup> To this end, renewable energy deployment has grown substantially in recent decades in APAC, along with the national supports, including subsidies and energy-related targets.<sup>21</sup> Despite the rapid deployment of renewable energy, coal remains the leading source of meeting the growing energy demands in the region.<sup>23</sup> The coal consumption of APAC countries had annually increased by 3.1% between 2006 and 2016,<sup>23</sup> indicating the importance of investing in renewable energy projects across the region to facilitate a shift to decarbonized economies.

<sup>12</sup> ENGIE Group, "The Vigilance Plan", at: <https://www.engie.com/en/ethics-and-compliance/vigilance-plan>

<sup>13</sup> The ENGIE APAC Green Loan Framework is available on ENGIE APAC's website at: <https://www.engie-sea.com/>

<sup>14</sup> UN, "Universal Declaration of Human Rights", at: <https://www.un.org/en/universal-declaration-human-rights/>

<sup>15</sup> The ENGIE APAC Green Loan Framework is available on ENGIE APAC's website at: <https://www.engie-sea.com/>

<sup>16</sup> ENGIE Group, "Code of Conduct in Supplier Relations", (2016), at: [https://engie-eps.com/wp-content/uploads/2019/01/ENGIE\\_Code-of-conduct-in-supplier-relations.pdf](https://engie-eps.com/wp-content/uploads/2019/01/ENGIE_Code-of-conduct-in-supplier-relations.pdf)

<sup>17</sup> ENGIE Group, "Societal Policy", (2020), at: [https://www.engie.com/sites/default/files/assets/documents/2020-07/2020%20-%20ENGIE%20-%20Societal%20policy%20vdef\\_0.pdf](https://www.engie.com/sites/default/files/assets/documents/2020-07/2020%20-%20ENGIE%20-%20Societal%20policy%20vdef_0.pdf)

<sup>18</sup> The ENGIE APAC Green Loan Framework is available on ENGIE APAC's website at: <https://www.engie-sea.com/>

<sup>19</sup> The relevant documents were provided by ENGIE APAC in September 2020.

<sup>20</sup> IRENA, "Asia and Pacific", at: <https://www.irena.org/asiapacific>

<sup>21</sup> UN ESCAP, "The Economics of Climate Change in the Asia-Pacific Region", (2016), at: <https://www.unescap.org/sites/default/files/The%20Economics%20of%20Climate%20Change%20in%20the%20Asia-Pacific%20region.pdf>

<sup>22</sup> ADB, "Clean Energy", at: <https://www.adb.org/sectors/energy/issues/clean-energy>

<sup>23</sup> UN ESCAP, "Economic and Social Survey of Asia and the Pacific 2020", (2020), at: <https://www.unescap.org/sites/default/files/publications/Economic%20and%20Social%20Survey%20of%20Asia%20and%20the%20Pacific%202020%20Towards%20sustainable%20economies.pdf#page=27>

Sustainalytics is of the opinion that ENGIE APAC's financing in renewable energy projects is expected to increase low-carbon energy production through renewables and thereby promoting a shift to carbon-neutral economies in the APAC region.

#### 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 loan advances the following SDG and target:

Use of Proceeds Category	SDG	SDG target
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix

#### Conclusion

ENGIE APAC has developed the ENGIE APAC Green Loan Framework under which the relevant SPV will borrow green loans and the use of proceeds to finance the solar photovoltaics and wind projects in the APAC region. Sustainalytics considers that the projects funded by the green loan proceeds will provide positive environmental impact.

The ENGIE APAC Green Loan 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 ENGIE APAC Green Loan Framework is aligned with the overall sustainability strategy of the Company and that the green use of proceed category will contribute to the advancement of the UN Sustainable Development Goal 7 (Affordable and Clean Energy). Additionally, Sustainalytics is of the opinion that ENGIE APAC 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 ENGIE APAC is well-positioned to borrow green loans and that the ENGIE APAC Green Loan Framework is robust, transparent, and in alignment with the four core components of the Green Loan Principles 2020.

## Appendix

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

#### Section 1. Basic Information

<b>Issuer name:</b>	ENGIE Asia Pacific
<b>Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:</b>	ENGIE APAC Green Loan Framework
<b>Review provider's name:</b>	Sustainalytics
<b>Completion date of this form:</b>	November 26, 2020
<b>Publication date of review publication:</b>	

#### Section 2. Review overview

##### SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBP:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds        | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting                                    |

##### ROLE(S) OF REVIEW PROVIDER

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 <sup>nd</sup> opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification   | <input type="checkbox"/> Rating        |
| <input type="checkbox"/> Other ( <i>please specify</i> ):                       |  |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

##### EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (*if applicable*)

Please refer to Evaluation Summary above.

#### Section 3. Detailed review

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



## 1. USE OF PROCEEDS

Overall comment on section (if applicable):

The eligible category, Renewable Energy, is aligned with those recognized as impactful by the GLP. Sustainalytics believes that investments of ENGIE APAC will contribute to renewable energy development, and the decarbonization of the energy sector in the APAC region. ENGIE APAC has established a look-back period of three years for its refinancing activities and intends to allocate the full proceeds within two years after the issuance, which Sustainalytics considers to be in line with market practice. Loan proceeds will be used exclusively for the construction of solar photovoltaics and wind energy projects. ENGIE APAC excludes any investments associated with fossil fuel and nuclear energy from its financing under the Framework.

### Use of proceeds categories as per GBP:

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

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

## 2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

The green loan requirements are determined by ENGIE APAC's Board of Directors and the Duty of Vigilance Committee in accordance with the Company's goal of reducing carbon emissions by developing renewable energy projects. The Duty of Vigilance Committee ("Committee") is comprised of members who are in charge of sustainability, legal, ethics, supply chain, environment, and health and safety areas of the Company. The eligible projects are evaluated and select by the Committee based on environmental and social criteria ("ESG Criteria"), which includes considerations on following: (i) Fighting climate change and/or contributing to natural resources preservation, (ii) Environmental Management, (iii) Biodiversity and natural resources, (iv) Stakeholder dialogue and community involvement, (v) Business Ethics, (vi) Responsible purchases, (vii) Human and labour rights, and (viii) Health and Safety. Sustainalytics considers this process to be 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 checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available       | <input type="checkbox"/> Other ( <i>please specify</i> ):   |

### Information on Responsibilities and Accountability

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

Under the supervision of the CFO, Engie APAC's Finance and Accounting Team is in charge of monitoring and tracking the use of proceeds, using an account dedicated to eligible projects. To ensure further transparency, the funds from all commercial facilities will be reviewed by the Lender's Technical Advisor (LTA). Pending full allocation, unallocated proceeds will be held in dedicated cash accounts of Special Purpose Vehicles (SPV) or invested in low-risk financial products such as locally denominated time deposits, certificates of deposits, instruments issued/guaranteed by governments, commercial papers, corporate promissory notes, money market funds with credit ratings agreed with relevant agents and lender. This process is in line with market practice.

#### Tracking of proceeds:

- |  |
|--|
| <input checked="" type="checkbox"/> Green Loan 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*):

ENGIE APAC is committed to providing its allocation report to the lenders of eligible projects on an as requested basis until full allocation. The reporting will include information on the construction progress, the total amount of funds that are drawn and the expenses to which they are being deployed. As part of the construction reports to be provided quarterly and operational reports to be provided semi-annually, ENGIE APAC will share impact indicators such as MW of contracted capacity, MWh of energy produced or delivered, and avoided GHG emissions with its lenders. This reporting process is in line with market practice.

**Use of proceeds reporting:**

- Project-by-project
  On a project portfolio basis  
 Linkage to individual bond(s)
  Other (*please specify*):

**Information reported:**

- Allocated amounts
  Green Bond financed share of total investment  
 Other (*please specify*): Lenders will receive reports in line with reporting framework under the financing agreements

**Frequency:**

- Annual
  Semi-annual  
 Other (*please specify*): On an requested basis

**Impact reporting:**

- Project-by-project
  On a project portfolio basis  
 Linkage to individual bond(s)
  Other (*please specify*):

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

- GHG Emissions / Savings
  Energy Savings  
 Decrease in water use
  Other ESG indicators (*please specify*): MW of contracted capacity; MWh of energy produced or delivered

**Frequency**

- Annual
  Semi-annual  
 Other (*please specify*): (i) Construction reports – quarterly, (ii) Operational reports – semi-annually, using qualitative and quantitative metrics as described in the Framework

**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 (please specify): Reporting will be shared with lenders |
| <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.)

<https://www.engie-sea.com/>

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

- |  |  |
|--|--|
| <input type="checkbox"/> Consultancy (incl. 2 <sup>nd</sup> opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification / Audit                        | <input type="checkbox"/> Rating        |
| <input type="checkbox"/> Other (please specify):                     |  |

**Review provider(s):****Date of publication:****ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GLP**

- 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 Loan 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 Loan 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 Loan proceeds, statement of environmental impact or alignment of reporting with the GLP, may also be termed verification.
- iii. **Certification:** An issuer can have its Green Bond or associated Green Loan 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 Loan, associated Green Loan 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 GLP, 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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