

EXTERNAL REVIEW

Meyer Burger Green Bond Annual Report

Green Bond Allocation and Impact Report
Meyer Burger Technology AG

7 July 2022

VERIFICATION PARAMETERS

Type(s) of reporting	<ul style="list-style-type: none"> ▪ Green Bond Allocation and Impact
Relevant standard(s)	<ul style="list-style-type: none"> ▪ Harmonized Framework for Impact Reporting (HFIR) as administered by the ICMA (June 2022) ▪ Green Bond Principles as administered by the ICMA (as of June 2022)
Scope of verification	<ul style="list-style-type: none"> ▪ Meyer Burger’s Green Bond Allocation and Impact Reporting (as of July 7, 2022) ▪ Meyer Burger’s Green Financing Framework (as of June 2021)
Lifecycle	<ul style="list-style-type: none"> ▪ Post-issuance verification
Validity	<ul style="list-style-type: none"> ▪ As long as no material changes are undertaken by the issuer to its Green Bond Reporting as of July 7, 2022

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SCOPE OF WORK

Meyer Burger Technology AG, Gwatt (Thun), Switzerland on behalf of its 100% subsidiary MBT Systems GmbH, Hohenstein-Ernstthal, Germany (“Meyer Burger” or “the issuer”) commissioned ISS ESG to provide an External Review¹ on its Green Bond Allocation and Impact Report by assessing:

1. The alignment of the Meyer Burger’s Green Bond Allocation and Impact Report with the commitments set forth in Meyer Burger Green Financing Framework (June 2021 version)².
2. Meyer Burger’s Green Bond Allocation and Impact Report - benchmarked against Handbook Harmonized Framework for Impact Reporting, updated June 2022, administered by the International Capital Market Association.
3. The disclosure of proceeds allocation and soundness of reporting indicators³ – whether the impact metrics align with best market practices and are relevant to the Green Bond issued.

¹ ISS ESG does not provide limited or reasonable assurance on the information presented in Meyer Burger’s Green Bond Allocation and Impact Report. ISS ESG solely conducted a review of the use of proceeds’ Allocation and Impact reporting against ICMA’s Harmonized Framework for Impact Reporting, core principles and recommendations where applicable, and the criteria outlined in the underlying Framework. ISS ESG bases its assessment solely on the information provided in the Allocation and Impact Report. The issuer is responsible for the preparation of the report including the application of methods and internal control procedures designed to ensure that the subject matter information is free from material misstatement.

² The Framework was assessed by ISS ESG as aligned with the Green Bond Principles and Green Loan Principles as of June 18, 2021.

ISS ESG ASSESSMENT SUMMARY

REVIEW SECTION	SUMMARY	EVALUATION
<p>Part 1.</p> <p>Alignment with the issuer's commitments set forth in the Framework</p>	<p>ISS ESG finds that Meyer Burger's Green Bond Allocation and Impact Report aligns with the issuer's commitments set forth in the Green Financing Framework. The proceeds were allocated to project categories Renewable Energy in accordance with the eligibility criteria defined in the Framework. The issuer meets reporting criteria as set forth in the Framework.</p>	<p>Aligned</p>
<p>Part 2.</p> <p>Assessment against the Harmonized Framework for Impact Reporting</p>	<p>ISS ESG finds that the Green Bond Allocation and Impact Report is in line with ICMA's Harmonized Framework for Impact Reporting. The issuer follows core principles and where applicable key recommendations.</p> <p>Meyer Burger reports within one year from issuance. The report will be available on Meyer Burger's website. The Bond has been issued on 8 July 2021 following the Framework publication in June 2021 and matures on 8 July 2026. Proceeds have been exclusively allocated to Green Projects, in line with the eligibility criteria set forth in the underlying Framework. The issuer discloses transparently the share of allocated proceeds and proceeds remaining to be allocated as of 31 December 2021. The issuer reports on the projects' impact for the period 1 January 2021 to 31 December 2021.</p>	<p>Aligned</p>
<p>Part 3.</p> <p>Disclosure of proceeds allocation and soundness of reporting indicators</p>	<p>ISS ESG finds that the allocation of the bond's proceeds has been disclosed, with a detailed breakdown across different eligible project categories as outlined in the Framework⁴.</p> <p>Meyer Burger's Green Bond Allocation and Impact Report has adopted an appropriate methodology to report the impact generated by providing comprehensive disclosure on data sourcing, calculations methodologies and granularity reflecting best market practices.</p>	<p>Positive</p>

⁴ ISS ESG bases its assessment on the information provided in the allocation reporting. The issuer is responsible for the preparation of the report including the application of methods and procedures designed to ensure that the subject matter information is free from material misstatement.

ISS ESG EXTERNAL REVIEW ASSESSMENT

PART I: ALIGNMENT WITH COMMITMENTS SET FORTH IN THE GREEN FINANCING FRAMEWORK⁵

The following table presents ISS ESG's assessment of the Green Bond Reporting against the commitments set forth in Meyer Burger's Framework, which are based on the core requirements of the Green Bond Principles as well as best market practices.

GPB	ISS ESG'S OPINION	ALIGNMENT
1. Use of Proceeds	<p>Meyer Burger confirms to follow the Use of Proceeds' description provided in its Green Financing Framework. The report is in line with the commitments set forth e.g., the Use of Proceeds Category Renewable Energy under eligibility criteria of expenditures for conception, development, and construction of renewable energy production products (e.g., solar panels).</p> <p>Further categories from the Framework namely Green Buildings, Energy Efficiency and Natural Resource Preservation and related eligible project categories have not been financed through the Green Bond proceeds during the reporting period.</p> <p>The issuer's green project categories are in accordance with the eligibility criteria as proposed by Meyer Burger's Green Financing Framework. Environmental benefits at project level are described and quantified.</p>	✓
2. Process for Project Evaluation and Selection	<p>Meyer Burger confirms to follow the Process for Project Evaluation and Selection description as described in its Green Financing Framework.</p> <p>The projects selected are categorized and described in a structured and congruous manner.</p> <ul style="list-style-type: none"> ▪ Project 1 Setup and Ramp-up of German solar plants: Solar cell fabrication in Bitterfeld-Wolfen and solar module fabrication in Freiberg ▪ Project 2 Setup and Ramp-up of US solar plant: Solar module fabrication in Goodyear AZ <p>The issuer confirms compliance with the Eligibility Criteria. ESG risks are identified and managed through an appropriate process at group level in the following areas:</p>	✓

⁵ ISS ESG assessed the Meyer Burger Green Financing Framework as aligned with the GBP/SBP (May 2021 version) as of June 18, 2021.

	<p>Economy, Society, Politics and Regulations, Human capital, Operations, Strategy.</p> <p>The issuer involves various cross-functional stakeholders organized in as Green Bond Committee in this process in line with best market practices.</p>	
3. Management of Proceeds	<p>Meyer Burger confirms to follow the Process for Management of Proceeds description as described in its Green Financing Framework.</p> <p>The proceeds collected are equal to 100% of the amount allocated to eligible projects, with no exceptions. The proceeds are tracked in an appropriate manner and embedded in a formal internal process. The issuer discloses the amount of unallocated proceeds not being temporarily invested. Meyer Burger intends, to the best of its abilities, to fully allocate the proceeds within 24 months after the Green Bond issuance date.</p>	✓
4. Reporting	<p>ISS ESG considers that the Meyer Burger Impact Report is coherent with the Reporting description provided by its Green Financing Framework.</p> <p>The sections ‘Allocation reporting’ and ‘Impact Reporting’ of the Green Bond Allocation and Impact Reporting comply with the pre-issuance commitment expressed in the Framework. The report is intended to be publicly available. The issuer commits to report on an annual basis until full allocation of the proceeds.</p> <p>Moreover, Meyer Burger includes information on the level of impact reporting and indicators, reflecting best market practices.</p> <p><i>Further analysis of this section is available in Part III of this report.</i></p>	✓
5. Verification	<p>ISS ESG has provided a Second Party Opinion (SPO) on Meyer Burger’s Green Financing Framework.</p>	

PART II: ASSESSMENT AGAINST ICMA'S HANDBOOK HARMONIZED FRAMEWORK FOR IMPACT REPORTING

Reporting is a core component of the GBP and transparency is of particular value in communicating the expected and/or achieved impact of projects in the form of an annual reporting. Green bond issuers are required to report on both the use of green bond proceeds, as well as the environmental impacts and social co-benefits if applicable at least on an annual basis until full allocation or maturity of the bond. ICMA's Handbook Harmonized Framework for Impact Reporting has been chosen as Benchmark for this analysis as it represents the most widely adopted standard.

The table below presents the findings of ISS ESG's assessment of Meyer Burger Green Bond Allocation and Impact Report against ICMA's Handbook Harmonized Framework for Impact Reporting.

CORE PRINCIPLES		
ICMA HFIR	GREEN BOND REPORTING	ASSESSMENT
Reporting on an annual basis	Meyer Burger has reported within one year from issuance and will continue to do so until all the proceeds have been fully allocated. The report will be available on Meyer Burger's website. The Bond has been issued on 8 July 2021 following the Framework publication in June 2021 and matures on 8 July 2026.	✓
Illustrating the environmental impacts	<p>The assessment and measurement of the impacts generated by Meyer Burger Green Bonds cover the following areas:</p> <ul style="list-style-type: none"> a. Renewable energy capacity sold in MWp b. GHG emissions avoided over expected lifetime of modules sold in CO₂e tons c. Energy yield over expected lifetime of module sold in GWh <p>The issuer reports on a period starting 01 January 2021 with a closing day set 31 December 2021. A look-back period of up to 36 months was set for the allocation. The issuer applied a look-back period of 6 months.</p>	✓
Transparency on the currency	All Green Bond-related cash-flows are reported in one currency (EUR) when allocating the green bond proceeds and reporting on the projects.	✓

RECOMMENDATIONS		
ICMA HFIR	GREEN BOND REPORTING	ASSESSMENT
Define and disclose process for Project Evaluation and Selection	<p>Proceeds has been exclusively allocated to Green Projects. The issuer transparently discloses unallocated proceeds.</p> <p>The issuer confirmed to follow the selection and evaluation process of Eligible Green Projects as described in the underlying Framework. Projects financed and/or refinanced through the Green Bond under the Green Financing Framework were evaluated and selected based on compliance with the Eligibility Criteria as laid out in the Framework.</p>	✓
Disclose total amount of proceeds allocated to eligible criteria.	Gross proceeds from the Green Bond amounted to MEUR 145.0 million converting to MEUR 141.3 of net proceeds. Per 31 December 2021, MEUR 60.2 were allocated to the Green Project 1. MEUR 81.1 remain to be allocated.	✓
Formal internal process for the allocation of proceeds and to report on the allocation of proceeds.	The issuer confirms the allocation of proceeds process as outlined in the underlying Framework.	✓
Report at project or portfolio level	The Green Bond Reporting includes the total amount of proceeds allocated per eligible project.	✓
Describe the approach to impact reporting	The issuer identifies the specific eligible projects in the category Renewable Energy and clearly defines, for each project, the total allocated proceeds.	✓
Report the estimated lifetime results and/or project economic life (in years)	The issuer (re)finances through the Green Bond proceeds the setup and ramp-up of German solar plants and a US solar plant (Project 2). The issuer does not report on a fixed lifetime or economic life.	N/A
Ex-post verification of specific projects	The issuer does not include specific ex-post verification of its projects.	N/A
Report on at least a limited number of sector-specific core indicators	The issuer reports on sector-specific core indicators as outlined in the underlying Framework and in line with the proposed indicators by ICMA.	✓

<p>If there is no single commonly used standard, issuers may follow and disclose their own calculation methodologies</p>	<p>The issuer disclosed transparently its calculation methodology for the metrics reported.⁶</p> <ul style="list-style-type: none"> ▪ The renewable energy capacity produced in megawatt-peak (“MWp”) refers to the cumulative energy capacity of all modules sold in the respective period. ▪ The greenhouse gas (“GHG”) emissions avoided over the expected lifetime of modules sold in CO₂-equivalent (CO₂e) tons refers to the calculated GHG emissions avoided based on the number of modules sold in the respective period over the expected lifetime of the module estimated at the warranty period of 25-30 years. ▪ The reported energy yield over the expected lifetime of the modules sold in gigawatt hours (GWh) based on the same number of modules sold and assumptions concerning the expected lifetime of the modules. 	
<p>Disclosure on the conversion approach (if applicable)</p>	<p>The issuer reports on similar units for both projects under the category Renewable Energy.</p>	<p>N/A</p>
<p>Projects with partial eligibility</p>	<p>The project’s Operational Expenditures are fully eligible.</p>	<p>N/A</p>
<p>When the expected impacts of different project components may not be reported separately, issuers may use (and disclose) the attribution approach</p>	<p>The issuer reports on the total impact generated by the green projects 1 and 2 for the period 1 January 2021 to 31 December 2021. The project cost allocation to the Green Bond amounts to 100% of the operational set-up and ramp-up costs for the projects, excluding Capital Expenditures.</p>	<p>N/A</p>

ISS ESG OPINION

ISS ESG finds that Meyer Burger follows Harmonized Framework for Impact Reporting core principles and key recommendations, where applicable. The issuer provides transparent reporting meeting the criteria on frequency and reporting indicators. Proceeds have been exclusively allocated to green projects, in line with the eligibility criteria. The issuer discloses transparently allocated proceeds and proceeds to be allocated as of 31 December 2021. The issuer reports on the total impact generated by the green projects 1 and 2 for the period 1 January 2021 to 31 December 2021.

⁶ The issuer works closely with the Fraunhofer Institute for Solar Energy Systems (ISE), Europe's leading solar research institute.

PART III: DISCLOSURE OF PROCEEDS ALLOCATION AND SOUNDNESS OF THE REPORTING INDICATORS

Use of Proceeds Allocation

Use of Proceeds allocation reporting is key to put the impacts into perspective with the number of investments allocated to the respective green projects.

The Use of Proceeds allocation reporting occurred within one year from the issuance. This is the first year of allocation reporting. The Use of Proceeds allocation reporting occurred within the regular annual cycle from the issuance.

The issuer discloses transparently the amount of proceeds remaining for allocation.

Proceeds allocated to Eligible Projects

The proceeds' allocation is broken down at the project category level, by type of project. The issuer has provided details about the type of projects included in the portfolio.

ISS ESG finds that the allocation report section of the Meyer Burger's Green Bond Reporting aligns with best market practices by providing information at cut-off date 31 December 2021 on:

- The number of projects (re-)financed
- The total amount of gross and net proceeds in EUR
- The breakdown of net proceeds allocated to the different green projects in EUR
- Total amount of net proceeds remaining for allocation in EUR
- The total project cost allocation to the Green Bond for the operational set-up and ramp-up for both projects
- A detailed description of the eligible green projects and geographical coverage


Impact Reporting Indicators

The table below presents an independent assessment conducted by ISS ESG. The issuer reports and discloses on the output, outcome, and/or impact of projects using relevant reporting indicators.

ELEMENT	ASSESSMENT
Relevance	<p>The impact reporting indicators chosen by the issuer for this bond are the following:</p> <ul style="list-style-type: none"> a) Renewable energy capacity sold in MWp b) GHG emissions avoided over expected lifetime of modules sold in CO₂e tons c) Energy yield over expected lifetime of modules sold in GWh <p>The indicators are quantitative and material to the Use of Proceeds categories financed through this bond and in line with the Suggested Impact Reporting metrics for Renewable Energy Projects by the ICMA Harmonized Framework for Impact Reporting. This aligns with best market practices.</p>
Data sourcing and methodologies of quantitative assessment	<p>For its reporting indicators, the issuer uses exclusively internal data. The KPIs were calculated based on the actual number of modules produced by Meyer Burger over the period from 1 January 2021 to 31 December 2021.</p> <p>The renewable energy capacity sold in Megawatt-peak (“MWp”) refers to the cumulative energy capacity of all modules sold in the respective period. The greenhouse gas (“GHG”) emissions avoided over the expected lifetime of modules sold in CO₂-equivalent tons refers to the calculated GHG emissions avoided based on the number of modules sold in the respective period over the expected lifetime of the module estimated at the warranty period of 25-30 years. The reported energy yield over the expected lifetime of the modules sold in gigawatt-hours (GWh) is based on the same number of modules sold and assumptions concerning the expected lifetime of the modules.</p>
Baseline selection	<p>The reporting indicators have not been benchmarked against a specific baseline.</p>
Scale and granularity	<p>The impact data is presented at the Use of Proceed category level including both renewable energy projects.</p>

High-level mapping of the impact indicators with the UN Sustainable Development Goals

Based on the project categories financed and refinanced by the bonds as disclosed in the issuer’s Green Bond Allocation and Impact Reporting, the impact indicator(s) adopted by Meyer Burger for its Green Bond can be mapped to the following SDGs, according to the ICMA “A High-Level Mapping to the Sustainable Development Goals”⁷.

IMPACT INDICATORS	SUSTAINABLE DEVELOPMENT GOALS
<ul style="list-style-type: none"> ▪ Renewable energy capacity sold in MWp ▪ GHG emissions avoided over expected lifetime of modules sold in CO_{2e} tons ▪ Energy yield over expected lifetime of modules sold in GWh 	

ISS ESG OPINION

ISS ESG finds that the allocation of the issuers Bond’s proceeds has been disclosed, with a detailed breakdown across different eligible projects as proposed in the Framework. Meyer Burger’s Green Financing Framework has adopted an appropriate methodology to report the impact generated by providing comprehensive disclosure on data sourcing, calculation methodologies and granularity reflecting best market practices. Besides, ISS ESG finds that the reporting indicators used align with best market practices using ICMA’s recommended metrics, as outlined in the Harmonized Framework for Impact Reporting.

⁷ [ICMA’s Mapping-SDGs-to-Green-Social-and-Sustainability-Bonds](#)

DISCLAIMER

1. Validity of the External Review: As long as no material changes are undertaken by the issuer to its Green Bond Reporting as of July 7, 2022.
2. ISS ESG uses a proprietary methodology to assess the post-issuance reports. In doing so, we adhere to standardized procedures to ensure consistent quality of responsibility research worldwide. In addition, we conduct External Reviews solely based on data provided by the issuer.
3. We would, however, point out that we do not warrant that the information presented in this External Review is complete, accurate, or up to date. Any liability on the part of ISS ESG in connection with the use of this External Review, the information provided in them, and the use thereof shall be excluded. In particular, we point out that the verification of the compliance with the selection criteria is based solely on random samples and documents submitted by the issuer.
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ANNEX 1: Methodology

ISS ESG Review of the post-issuance Reports

The external review of post-issuance reports provides the issuer with an independent opinion on the soundness of its post-issuance report and of its alignment with recognized market guidelines and it provides investors with independent information regarding the reliability of the report produced. On the basis of the information provided by the issuer, ISS ESG assesses the alignment of the report with recognized market guidelines, the metrics chosen by the issuer and the soundness of process and methodology of reporting. The analysis of the metrics adopted is based on specific sets of indicators developed by ISS ESG referring to common market guidelines.

High-level mapping to the SDG

The 17 Sustainable Development Goals (SDGs) were endorsed in September 2015 by the United Nations and provide a benchmark for key opportunities and challenges toward a more sustainable future. Using a proprietary method based on ICMA's Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals, ISS ESG identifies the extent to which the issuers' reporting and project categories contribute to related SDGs.

ANNEX 2: Quality management processes

SCOPE

Meyer Burger commissioned ISS ESG to compile an External Review on its Bond Report. The External Review process includes verifying whether the Bond Report aligns with the issuer's Green, Social and Sustainability Bond Framework and the respective market standards, i.e. the Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines and assessing the robustness and completeness of the reporting methodologies.

CRITERIA

Relevant Standards for this External Review:

- ICMA Green Bond Principles
- ICMA Harmonized Framework for Impact Reporting

ISSUER'S RESPONSIBILITY

Issuer's responsibility was to provide information and documentation on:

- Annual Report
- Framework
- Eligibility criteria
- Methodologies, and assumptions for data gathering and calculation computation

ISS ESG'S VERIFICATION PROCESS

ISS ESG has conducted this independent External Review by following the ICMA Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews, and its methodology, considering, when relevant, the ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

The engagement with issuer took place from June to July 2022.

ISS ESG'S BUSINESS PRACTICES

ISS has conducted this verification in strict compliance with the ISS Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behavior and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

About ISS ESG External Review

ISS ESG is one of the world's leading rating agencies in the field of sustainable investment. The agency analyses companies and countries regarding their environmental and social performance.

As part of our Sustainable (Green & Social) Bond Services, we provide support for companies and institutions issuing sustainable bonds, advise them on the selection of categories of projects to be financed and help them to define ambitious criteria.

We assess alignment with external principles (e.g. the ICMA Green / Green Bond Principles, Social Bond Principles and Sustainable Bond Guidelines), analyse the sustainability quality of the assets and review the sustainability performance of the issuer themselves. Following these three steps, we draw up an independent External Review so that investors are as well informed as possible about the quality of the bond/loan from a sustainability perspective.

Learn more: <https://www.isscorporatesolutions.com/solutions/esg-solutions/green-bond-services/>

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