



SECOND PARTY OPINION (SPO)

Sustainability Quality of FIVE Holdings (BVI) Limited and Green Financing Framework

FIVE Holdings (BVI) Limited
26 June 2023

VERIFICATION PARAMETERS

Type(s) of instruments contemplated	<ul style="list-style-type: none">Green Financing Instruments
Relevant standards	<ul style="list-style-type: none">Green Bond Principles, as administered by the ICMA (as of June 2021 with June 2022 Appendix 1)Green Loan Principles, as administered by the LMA (as of February 2023)
Scope of verification	<ul style="list-style-type: none">FIVE's Green Financing Framework (as of June 23, 2023)FIVE's Selection Criteria (as of June 23, 2023)
Lifecycle	<ul style="list-style-type: none">Pre-issuance verification
Validity	<ul style="list-style-type: none">Valid as long as the cited Framework remains unchanged

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SCOPE OF WORK

FIVE Holdings (BVI) Limited (“the Issuer” or “FIVE”) commissioned ISS Corporate Solutions (ICS) to assist with its Green Finance Instruments by assessing three core elements to determine the sustainability quality of the instruments:


1. FIVE’s Green Financing Framework (as of June 23, 2023) – benchmarked against the International Capital Market Association’s (ICMA) Green Bond Principles (GBP) and the Loan Market Association’s (LMA) Green Loan Principles (GLP).
2. The Selection Criteria – whether the project categories contribute positively to the UN SDGs and how they perform against proprietary issuance-specific key performance indicators (KPIs) (See Annex 1).
3. Linking the transactions to FIVE’s overall ESG profile – drawing on the issuance-specific Use of Proceeds categories.

FIVE’S BUSINESS OVERVIEW

FIVE Holdings (BVI) Limited is a hospitality and development company based in Dubai. Founded in 2011, the company manages and operates its own hotels and resorts across Dubai and Zurich. As of December 2022, the company’s portfolio comprises of four hotels, i.e., FIVE Palm Jumeriah, FIVE Jumeriah Village, FIVE Zurich, and FIVE LUXE in Jumeirah Beach Residence.

FIVE Holdings (BVI) Limited is classified in the leisure industry with secondary activities in the construction industry sector, as per ISS ESG’s sector classification.

ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ¹
Part 1: Alignment with GBP and GLP	The Issuer has defined a formal concept for its Green Financing Instrument regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the Green Bond Principles and Green Loan Principles.	Aligned
Part 2: Sustainability quality of the Selection Criteria	<p>The Green Financing Instrument will (re-) finance eligible asset categories which include: Renewable Energy and Green Buildings</p> <p>The process-related use of proceed categories individually improve (i) the Issuer’s operational impacts and (ii) mitigate potential negative externalities of the Issuer’s sector on one or more of the following SDGs:</p>  <p>The environmental and social risks associated with those use of proceeds categories are well managed.</p>	Positive
Part 3: Linking the transactions to FIVE’s overall ESG profile	The key sustainability objectives and the rationale for issuing the Green Financing Instrument are clearly described by the Issuer. The project categories considered are in line with the sustainability objectives of the Issuer.	Consistent with Issuer’s sustainability strategy

¹ The evaluation is based on FIVE’s Green Financing Framework (as of June 23, 2023), the information shared by the Issuer in the course of the production of this SPO report, and of the ESG Corporate Rating available at this link: <https://www.fiveglobalholdings.com/wp-content/uploads/2023/06/FIVE-ISS-FINAL-ESG-RATING-PAGE-1.pdf> and applicable at the SPO delivery date.

SPO ASSESSMENT

PART I: ALIGNMENT WITH GREEN BOND PRINCIPLES AND GREEN LOAN PRINCIPLES

This section evaluates the alignment of the FIVE's Green Financing framework (as of June 23, 2023) with the ICMA Green Bond Principles and the LMA Green Loan Principles.

GREEN BOND PRINCIPLES AND GREEN LOAN PRINCIPLES	ALIGNMENT	OPINION
1. Use of Proceeds	✓	<p>The Use of Proceeds description provided by FIVE's Green Financing framework is aligned with the Green Bond Principles and Green Loan Principles.</p> <p>The Issuer's green categories align with the project categories as proposed by the Green Bond Principles and Green Loan Principles. Criteria are defined in a clear and transparent manner and environmental benefits are described.</p> <p>The Issuer defines the percentage of assets that are refinanced or financed, and which projects will be refinanced. Moreover, FIVE defines a look-back period of 3 years for refinancing assets in Renewable Energy category, in line with best market practice.</p>
2. Process for Project Evaluation and Selection	✓	<p>The Process for Project Evaluation and Selection description provided by FIVE's Green Financing framework is aligned with the Green Bond Principles and Green Loan Principles.</p> <p>The project selection process is defined and structured in a congruous manner. ESG risks associated with the project categories are identified and managed through an appropriate process.</p> <p>The Issuer clearly defines responsibilities in the process for project evaluation and selection and is transparent about it. Moreover, FIVE involves various stakeholders in this process, in line with best market practice.</p>
3. Management of Proceeds	✓	<p>The Management of Proceeds proposed by FIVE's Green Financing framework is aligned with the Green Bond Principles and Green Loan Principles.</p>

		<p>The net proceeds collected will be equal to the amount allocated to eligible projects, with no exceptions. The net proceeds are tracked in an appropriate manner and are managed on an aggregated basis for multiple Green Bonds (portfolio approach). Moreover, the Issuer discloses the temporary investment instruments for unallocated proceeds.</p> <p>The Issuer has defined an expected allocation period of 24 months, in line with best market practice.</p>
<p>4. Reporting</p>	<p>✓</p>	<p>The allocation and impact reporting proposed by FIVE’s Green Financing framework is aligned with the Green Bond Principles and Green Loan Principles.</p> <p>The Issuer commits to disclose the allocation and impact of proceeds transparently and to report in an appropriate frequency (annually) for the life of the instruments. The reporting will be publicly available on the Issuer’s website. FIVE explains the level of expected reporting and the type of information that will be reported.</p> <p>The Issuer commits to get the allocation report externally reviewed, in line with best market practice.</p>

PART II: SUSTAINABILITY QUALITY OF THE ISSUANCE

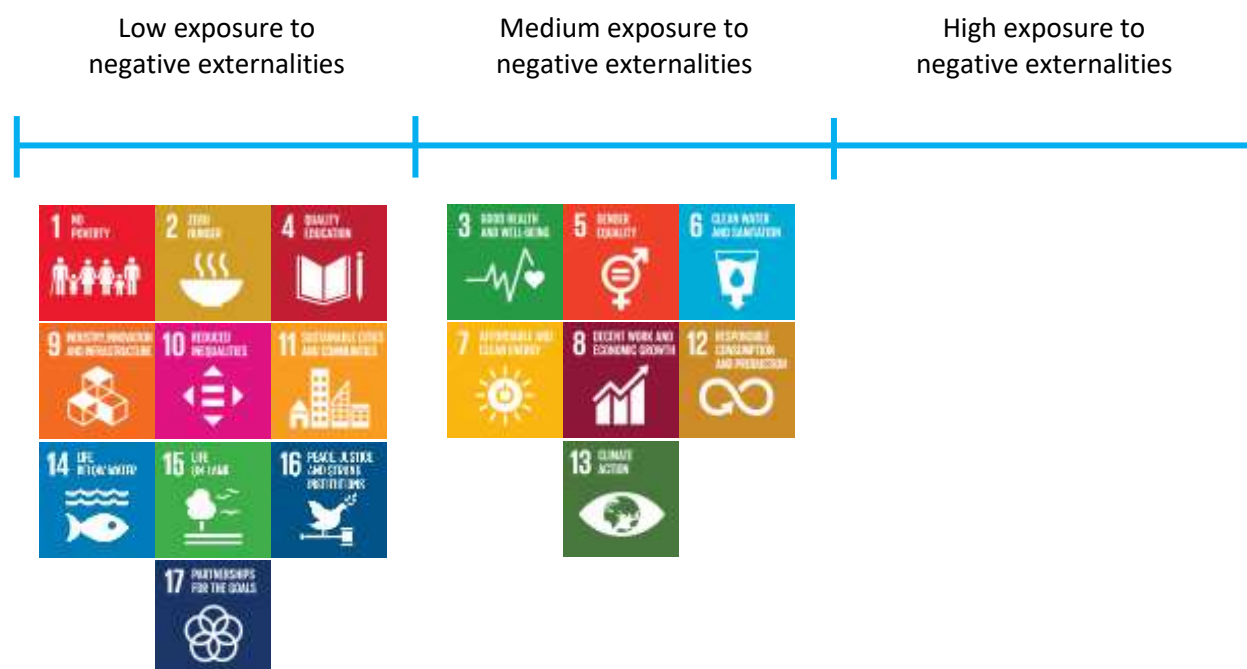
A. CONTRIBUTION OF THE GREEN BOND TO THE UN SDGs²

Companies can contribute to the achievement of the SDGs by providing specific services/products which help address global sustainability challenges, and by being responsible corporate actors, working to minimize negative externalities in their operations along the entire value chain.

Improvements of operational performance (processes)

The below assessment aims at qualifying the direction of change (or “operational impact improvement”) resulting from the operational performance projects (re)financed by the UoP categories, as well as related UN SDGs impacted. The assessment displays how the UoP categories are mitigating the exposure to the negative externalities relevant to the business model and the sector of the Issuer.

According to ISS ESG SDG Impact Rating methodology, potential impacts on the SDGs related to negative operational externalities³ in the leisure industry with secondary activities in the construction industry sector (to which FIVE belongs) are the following:



² The impact of the UoP categories on UN Social Development Goals is assessed with proprietary methodology and may therefore differ from the Issuer's description in the Framework.

³ Please, note that the impact of the Issuer's products and services resulting from operations and processes is displayed in section 3 of the SPO.

The table below aims at displaying the direction of change resulting from the operational performance improvement projects. The outcome displayed does not correspond to an absolute or net assessment of the operational performance.

USE OF PROCEEDS (PROCESSES)	OPERATIONAL IMPACT IMPROVEMENT ⁴	SUSTAINABLE DEVELOPMENT GOALS
<p>Green Buildings</p> <p>Financing related to the acquisition, construction or refurbishment of energy-efficient, low carbon buildings which have achieved or are targeting to achieve:</p> <ul style="list-style-type: none"> ▪ BREEAM certification level “Excellent” or better; or ▪ LEED certification level “Gold” or better 		
<p>Renewable Energy</p> <p>Financing related to the development, installation, and operation of renewable energy, including:</p> <ul style="list-style-type: none"> ▪ Solar photovoltaic and solar thermal energy systems on FIVE owned hotel and resort sites ▪ Power Purchase Agreements (“PPAs”) ▪ Virtual Power Purchase Agreements (“VPPAs”) ▪ Any other investments that provide for the procurement of renewable energy through a long-term contract (at least ten years) aligned with the GHG Protocol 		

⁴ Limited information is available on the scale of the improvement as no threshold is provided. Only the direction of change is displayed.

B. MANAGEMENT OF ENVIRONMENTAL & SOCIAL RISKS ASSOCIATED WITH THE SELECTION CRITERIA

The table below evaluates the Selection Criteria against issuance specific KPIs. Existing assets are located in Dubai, there is no information with regards to the country/ies where future assets will be located.

ASSESSMENT AGAINST KPIs

Labor, health, and safety for buildings

- ✓ FIVE is a signatory to the UNGC (UN Global Compact) and as such it is committed to uphold all the rights specified by the ILO core conventions such as equal opportunities and remuneration, non-discrimination, abolition of forced labor and freedom of association and collective bargaining
- ✓ FIVE has detailed group level health and safety protocols and procedures in place, which describes the processes for identifying health and safety risks and hazards, procedures to prevent accidents, steps to be taken when accidents occur, emergency response as well as training and communication on such protocols. The policy has clearly defined health and safety targets, structure, role and responsibilities and data compilation system.

Conservation and biodiversity management

- ✓ FIVE has put into place a comprehensive group level policy on biodiversity to minimize loss of habitats and species as a result of its operations and site selection. The process considers the potential impacts of the development on the local environment while prioritizing sites with minimal impact on biodiversity and ecosystems. FIVE runs the Environmental Impact Assessment (EIA) for all its properties to assess the potential impacts of the project on the environment, including air and water quality, biodiversity, and waste management.

User safety in buildings

- ✓ FIVE has policies and processes in place to systematically ensure that assets financed under this framework provide for measures for operational safety in buildings. FIVE has put into place documented procedures for Emergency management, Fire safety and prevention policy, routine fire drills etc.

Environmental aspects of construction (or production) and operation

- ✓ FIVE has a comprehensive sustainable procurement policy which ensures a formal basis for supplier and product selection. FIVE also maintains and operates a sustainable purchasing policy which provides the direction for performance management and governance of procurement including specifications regarding recycled content, embodied energy, wood products, re-useability/durability and local sourcing of materials. In its policy, FIVE also details the list of certifications,

ratings and declarations that the products must adhere with during construction and operation.

Site Location

- ✓ FIVE has a site location and sustainable transportation policy wherein all properties must be built or acquired in a location with proximity to public transportation (within 1 km). Projects will also consider walkability to avail basic services for employees and visitors amongst other mechanisms to reduce adverse impacts of transportation

Water use minimization in buildings' operations

- ✓ Since the Green Buildings projects financed under this framework are/will be LEED Gold certified or BREEAM certified, they will meet the water use minimization requirement. In addition to that FIVE has set in place group level policies on water management, wastewater and rainwater management.

Environment aspects of construction (or production) and operation of Solar PV

- ✓ FIVE has a waste management and recycling policy at a group level and specific policies on maintenance, repairs and storage for Solar PV to prolong its useful life. Furthermore, there are comprehensive processes in place to ensure secondary usage of panels toward solar chargers, solar e-signs and other appliances, recycling of raw materials for constructing new panels, regional waste management/recycling to maximise value from panel waste, and re-usage of panel scraps such as glass, silicon, wiring and plexiglass as building material.

Environmental Management Systems for construction

- ✓ FIVE has a detailed sustainable environmental policy accredited by ISO 14001:2015 – Environmental Management Systems which illustrates the list of measures taken during the construction phase such as hazardous/non-hazardous waste disposal mechanisms, air emissions impact, surface water impacts, odour and noise management, soil and sediment control plan etc. to ensure high environmental standards and requirements

Environmental standards in supply chain

- ✓ The detailed High Environmental Standards in Supply Chain Policy issued by FIVE is applicable to all its suppliers, contractors, lower tier suppliers (through the supply chain) and all related business partners and third parties employing personnel. FIVE has periodic due diligence and audits to assess the performance of the supplier on key environmental metrics.

Labour, health and safety standards in the supply chain

- ✓ FIVE has a detailed supplier health and safety standards policy in place which is applicable to its suppliers, lower tier suppliers and contractors. The policy entails code of conduct standards, periodic supplier risk assessment, supplier checklists and

scorecard as well as improvement plans for the vendors on specification around equal opportunities and remuneration, non-discrimination, abolition of forced labor and freedom of association and collective bargaining.

PART III: LINKING THE TRANSACTIONS TO FIVE'S ESG PROFILE

A. CONSISTENCY OF GREEN FINANCING INSTRUMENTS WITH FIVE'S SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the Issuer

FIVE is an international hospitality business engaged in the development and operation of luxury hotels. Currently, FIVE has three operating hotels located in Dubai and Zurich, with another hotel under development in Dubai. All of FIVE's operating hotels are LEED Platinum certified, and the two operating hotels in Dubai have obtained International Renewable Energy Certificates (I-REC)⁵ for achieving 100% renewable electricity in 2022. Moreover, FIVE's operating hotels in Dubai have received a 4 Star Plus rating⁶ as part of the Dubai Land Department's (DLD) Building Classification Survey for the Real Estate Sector, and have received a three-star UL Verified SPIRE Smart Buildings Rating⁷.

1. FIVE has a Sustainability Policy in place to formalize its commitment to environmental and social objectives, community-minded engagement through partnerships and engagements with the community, responsible operations, good governance, and to empower and protect its employees. FIVE's ultimate goal is to align the luxury hospitality experience with sustainability objectives while taking into consideration the expectations of its stakeholders. The company's sustainability strategy is supported by a materiality analysis carried out using established frameworks (i.e. SASB, part of IFRS Foundation). Consequently, FIVE has set four objectives:
 - a. "Future-focused": enhancing the energy, water and resource efficiency of its operations, reducing emissions and managing climate-related risks and opportunities, and evolving systems to support digitalization, artificial intelligence and automation.
 - b. "Innovation": integration of sustainability into corporate governance, and sustainable procurement and supply chain management.
 - c. "Vibrant communities and partnerships": positive community impact and relationships, innovate to address social and environmental challenges, and setting high environmental and social standards in supply chain.
 - d. "Equal opportunity and empowered workforce": inspiring intrapreneurship by encouraging new ideas and initiatives, improving employees' welfare, and ensuring equality, diversity and inclusion.

These objectives are translated into measurable data-driven targets which measure FIVE's performance and help the company set a roadmap to achieve its objectives:

- a. Targets to enhance the operations' energy, water and resource efficiency

⁵ The International-REC scheme is a type of Energy Attribute Certificate that shows the environmental attributes of the generation of a one MWh of energy produced by renewable sources (<https://www.irecstandard.org/what-are-recs/>).

⁶ The DLD launched this system based on five criteria that are engineering and technical criteria, sustainability, documentation, health and safety, and administration and finance. Each building is classified in terms of the stars it achieves from 1 to 4 in addition to the '4 Plus' classification for those buildings with the highest standards of sustainability (<https://dubailand.gov.ae/en/news-media/dld-launches-comprehensive-building-classification-survey-project/#/>).

⁷ SPIRE is the industry's first smart building program that measures building technology and performance in the scope of six key building elements.

- LEED Gold or BREEAM Excellent certifications as minimum: achieve and maintain a minimum LEED Gold or BREEAM Excellent for all new and existing projects
 - Renewable energy consumed per capita: By 2030, increase the renewable energy consumed per capita by 10% from 2022 baseline of 19.8 (kWh/cover)
 - Carbon use intensity: By 2025, reduce carbon use intensity across all our portfolio by 85% from 2020 baseline of 43.4 (MtCO₂e/AED mn)
 - Electricity consumed per capita: By 2025, reduce electricity consumed per capita across all our portfolio by 40% from 2020 baseline of 30.6 (kWh/cover)
 - Waste generated per capita: By 2025, reduce waste generated per capita by 25% from 2020 baseline of 5.15 (kg/cover)
 - Water consumed per capita: By 2025, reduce water consumed per capita by 45% from 2020 baseline of 479 (litres/cover)
 - % Amenities Plastic-Free: Eliminate major single-use plastics by 2025
- b. Targets to reduce GHG emission, and manage climate related risk and opportunities
- Science-Based 1.5 °C Scenario Target: By 2025, set a GHG emission reduction targets approved by SBTi (Science Based Targets initiative)
 - Scope 3 categories: By 2025, include and measure limited Scope 3 categories against GHG Protocol's total 15 categories
 - Quantified climate related financial risks: By 2025, start conducting quantified scenario analysis of limited climate related financial
2. FIVE doesn't have a net-zero strategy but states to have taken initial steps towards this goal and has presented at Reuters NEXT 2022 in New York its project for a new net-zero electricity tower. The company takes definition of a building with net-zero electricity consumption as a building where the total amount of energy used by the building on an annual basis is equal to the amount of renewable energy created on site. The net-zero electricity tower has seven key features: stack effect, solar façade, living walls, repurposed water system, kinetic tiles at the entrance of the building, eco-living, and BIPV. As mentioned above, FIVE has obtained the I-REC certification for providing 100% renewable energy power for its Dubai hotels' electricity in 2022, contributing to reducing its emissions by 10,605 MtCO₂e in the same year.
3. The Sustainability Policy is implemented by the Sustainability Committee (a formal committee of the Board), which ensures the policy's relevance and alignment with local and international laws, guidelines and global good practice with the aim of improving sustainability performance and outcomes in the long-term. The Committee assists the Board in fulfilling its sustainability governance oversight responsibilities and is responsible for ensuring that sustainability risks are taken into consideration and controlled in an adequate way. These risks are collected in a risk register that helps define their prioritization, management and mitigation. The register helps FIVE establish plans to respond to identified risks.
4. FIVE commits to annual Sustainability Reporting in line with SASB Standards and the Integrated Reporting Framework.

Rationale for issuance

FIVE has been working towards enhancing sustainability in its operations and value chain. This Green Financing Framework (the "Framework") is a step toward aligning its financing strategy with its sustainability commitments. FIVE consider the alignment of its funding strategy with its sustainability

ambitions to be core, given its importance within its corporate strategy. The Framework will also offer FIVE the opportunity to communicate with market participants its vision to be one of the leading sustainable hospitality groups.

Opinion: *The key sustainability objectives and the rationale for issuing Green Bonds are clearly described by the Issuer. All the project categories financed are in line with the sustainability objectives of the Issuer.*

B. FIVE'S BUSINESS EXPOSURE TO ESG RISKS

This section aims to provide an overall level of information on the ESG risks to which the Issuer is exposed through its business activities, providing additional context to the issuance assessed in the present report.

ESG risks associated with the Issuer's industry

The Issuer is classified in the Leisure industry with secondary activities in the Construction industry, as per ISS ESG's sector classification. Key challenges faced by companies in terms of sustainability management in this industry are displayed in the table below. Please note that this is not a company specific assessment but areas that are of relevance for companies within that industry.

ESG KEY ISSUES OF THE INDUSTRY:
Climate Protection
Labor standards and working conditions
Environmental impacts of tourism
Accessible and safe leisure operations
Social and ethical impacts of tourism

ESG strengths and points of attention related to the Issuer's disclosures

Leveraging ISS ESG's Research, the following strengths and points of attention⁸ have been identified:

STRENGTHS	POINTS OF ATTENTION
<p>The company is a member of United Nation Global Compact (UNGC), indicating an adherence to freedom of association and collective bargaining rights for its employees.</p> <p>The company has a health and safety management system (HSMS) certified to ISO 45001 standards. Further, the company is committed to limiting the use of non-regular</p>	<p>The company's disclosure about its greenhouse gas (GHG) inventory does not include relevant GHGs in the corporate value chain, i.e., scope 3 emissions.</p>

⁸ The information in this section is based on the information shared by the Issuer in the course of the production of this report and of the ESG Corporate Rating available at this link: <https://www.fiveglobalholdings.com/wp-content/uploads/2023/06/FIVE-ISS-FINAL-ESG-RATING-PAGE-1.pdf>

employment and has disclosed information about different types of employment in the company. Additionally, the company has a supplier standard in place and adheres to the UNGC principles with regard to labor rights and working conditions. The company also has compliance procedures in place for supplier standards covering key aspects such as supplier risk assessment, reporting channels, etc.

The company's energy management system (EnMS) is certified to ISO 50001 standards. Additionally, the company acknowledges climate change and its responsibility to mitigate climate impact. It has also set greenhouse gas (GHG) emission reduction targets. Further, the company is committed to setting a science-based target in line with the emission reduction required to limit the global temperature increase to 1.5°C compared to pre-industrial levels.

The company has a strategy and procedures in place to incorporate energy-efficient lighting, energy-efficient heating, on-site renewable energy production, and the procurement of renewable energy for its building envelope. Further, the company's properties are certified to sustainable and green building standards that include LEED.

The company is committed in promoting accessibility to its hotel infrastructure and services through incorporating user-friendly designs and renovations of its infrastructures and has measures in place such as training, audits, etc. to ensure the same.

Furthermore, the company has adopted a comprehensive approach incorporating aspects such as healthier food, responsible alcohol service, a smoke-free environment, disease control, accident prevention, fire protection, natural disaster preparedness and response, crime prevention, emergency preparedness and response to ensure customer health, safety, and security.

The company is committed to preventing child sex tourism and forced adult sex tourism across

its properties and services and has preventive measures such as employee training, supplier due diligence, customer information, cooperation with non-governmental and international organizations, audits and evaluations are in place to further prevent child sex tourism and forced adult sex tourism across its properties and supply chain.

Further, the company is committed to sensitively operating at cultural heritage sites such as UNESCO Cultural World Heritage Sites and also maintaining an animal welfare standard in leisure operations.

The company has a strategy in place and has implemented measures such as water metering, rainwater and greywater harvesting to minimize water usage in its buildings. Further, measures are in place for responsible treatment, reuse, reduction, and disposal of waste and wastewater.

With regards to biodiversity and protected areas, the company has a policy in place to refrain its operations from affecting protected and bio-sensitive areas as designated under globally recognized institutions and treaties such as World Conservation Union (IUCN). Further, the company conducts biodiversity risk and impact assessments and has established site-specific biodiversity targets and objectives.


Sustainability impact of products and services portfolio

Leveraging ISS ESG’s Sustainability Solutions Assessment methodology, the contribution of the Issuer’s current products and services portfolio to the Sustainable Development Goals defined by the United Nations (UN SDGs) has been assessed as per the table below. This analysis is limited to the evaluation of final product and service characteristics and does not include practices along the Issuer’s production/services process.

Social impact of the product portfolio

FIVE Holdings (BVI) Limited is a hospitality development company. The company’s products and services include the development, construction, and management of hotel properties. The company operates three hotels and resorts offering hospitality services to in-house and walk-in guests. Moreover, the company’s products and services neither have positive nor negative contributions to social sustainability objectives. Thus, the impact of the product portfolio on social sustainable development goals (SDG) is considered neutral.

Environmental impact of the product portfolio

PRODUCT/SERVICES PORTFOLIO	ASSOCIATED PERCENTAGE OF REVENUE ⁹	DIRECTION OF IMPACT	UN SDGS
Buildings certified to a comprehensive sustainable building standard	100%	CONTRIBUTION	

Breaches of international norms and ESG controversies

At Issuer level

At the date of publication and leveraging ISS ESG Research, no controversy in which the Issuer would be involved has been identified.

At industry level

Based on a review of controversies over a 2-year period, the top three issues that have been reported against companies within the Leisure industry are as follows: Anti-competitive behaviour, Strike action and Failure to mitigate climate change impacts.

Please note, that this is not a company-specific assessment but areas that can be of particular relevance for companies within that industry.

⁹ Percentage presented in this table are not cumulative.

DISCLAIMER

1. Validity of the Second Party Opinion (“SPO”): Valid as long as the cited Framework remains unchanged.
2. ISS Corporate Solutions, Inc. (“ICS”), a wholly-owned subsidiary of Institutional Shareholder Services Inc. (“ISS”), sells/distributes Second Party Opinions which are prepared and issued by ISS ESG, the responsible investment arm of ISS, on the basis of ISS ESG’s proprietary methodology. In doing so, ISS adheres to standardized procedures to ensure consistent quality of responsibility research worldwide. Information on ISS’s methodology is available upon request.
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ANNEX 1: Methodology

Green KPIs

The Green Bond KPIs serve as a structure for evaluating the sustainability quality – i.e. the social and environmental added value – of the use of proceeds of FIVE’s Green financing framework

It comprises firstly the definition of the use of proceeds category offering added social and/or environmental value, and secondly the specific sustainability criteria by means of which this added value and therefore the sustainability performance of the assets can be clearly identified and described.

The sustainability criteria are complemented by specific indicators, which enable quantitative measurement of the sustainability performance of the assets and which can also be used for reporting. If a majority of assets fulfill the requirement of an indicator, this indicator is then assessed positively. Those indicators may be tailor-made to capture the context-specific environmental and social risks.

Environmental and social risks assessment methodology

The Environmental and social risks assessment evaluates whether the assets included in the asset pool match the eligible project category and criteria listed in the Green Bond KPIs.

All percentages refer to the amount of assets within one category (e.g. wind power). Additionally, the assessment “no or limited information is available” either indicates that no information was made available or that the information provided did not fulfil the requirements of the Green Bond KPIs.

The evaluation was carried out using information and documents provided on a confidential basis by FIVE (e.g. Due Diligence Reports). Further, national legislation and standards, depending on the asset location, were drawn on to complement the information provided by the Issuer.

Assessment of the contribution and association 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, the extent to which FIVE’s Green Finance Instrument contributes to related SDGs has been identified.

ANNEX 2: ISS ESG Corporate Rating Methodology

ISS ESG Corporate Rating provides relevant and forward-looking environmental, social, and governance (ESG) data and performance assessments.

For more information, please visit:

<https://www.issgovernance.com/file/publications/methodology/Corporate-Rating-Methodology.pdf>

ANNEX 3: Quality management processes

SCOPE

FIVE commissioned ICS to compile a Green Finance Instrument SPO. The Second Party Opinion process includes verifying whether the Green Financing framework aligns with the ICMA Green Bond Principles and to assess the sustainability credentials of its Green Finance Instrument, as well as the Issuer's sustainability strategy.

CRITERIA

Relevant Standards for this Second Party Opinion

- ICMA Green Bond Principles
- ICMA Green Loan Principles
- Key Performance Indicators relevant for Use of Proceeds categories selected by the Issuer

ISSUER'S RESPONSIBILITY

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

- Framework
- Eligibility criteria
- Documentation of ESG risks management at the project level

ISS ESG'S VERIFICATION PROCESS

ISS ESG is one of the world's leading independent environmental, social and governance (ESG) research, analysis and rating houses. The company has been actively involved in the sustainable capital markets for over 25 years. Since 2014, ISS ESG has built up a reputation as a highly-reputed thought leader in the green and social bond market and has become one of the first CBI approved verifiers.

This independent Second Party Opinion of the Green Finance Instrument to be issued by FIVE has been conducted based on a proprietary methodology and in line with the ICMA Green Bond Principles and Green Loan Principles.

The engagement with FIVE took place from February to June 2023.

ISS' 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 this SPO

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.

We assess alignment with external principles (e.g. the ICMA Green / Social Bond Principles), 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 SPO 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/>

For more information on SPO services, please contact: SPOsales@isscorporatesolutions.com

For more information on this specific Green Finance Instrument SPO, please contact: SPOOperations@iss-esg.com

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