

POST-ISSUANCE CLIMATE BOND CERTIFICATION

Verification Report for Post-Issuance Certification
for the Green Bond Issued by Eco Energy World



SCOPE

Eco Energy World commissioned ISS ESG to compile a Verifier's Report for Post-Issuance Certification of its Green Bond by the Climate Bonds Initiative (CBI). The Climate Bonds Certification process includes verifying whether the provisions of the Climate Bonds Standards issued by the CBI are met and obtaining evidence to support the verification.

CRITERIA

Relevant CBI Standards for this Climate Bonds Certification:

- Climate Bonds Standard (Version 2.1)
- Solar – Sector Criteria (Version 2.1)

ISSUER'S RESPONSIBILITY

Eco Energy World's responsibility was to provide information and documentation on:

- Selection of nominated projects & assets
- Technical aspects of projects & assets
- Internal processes & controls
- Proposed reporting

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.

ISS ESG has been conducted this independent Post-Issuance Verification Process of the green bond issued by Eco Energy World based on the Climate Bond Standards 2.1. and in line with the limited assurance procedure defined by the International Standard on Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000).

ISS ESG's approach to assess whether the issuer's Green Bond meets the criteria of the Climate Bond Standards 2.1. is as follows:

- The issuer provided an overview over the assets to be included in the Green Bond asset pool and the relevant processes and documentation regarding the proceeds (e.g. use of proceeds, management of proceeds) to ISS ESG.
- The issuer filled in a questionnaire that covers all criteria of the Climate Bonds Standard 2.1.
- The issuer provided background documents that elaborate further on the information mentioned in the questionnaire.
- Using the questionnaire and background documents, ISS ESG carried out an assessment of the CBI criteria. In case any answers were unclear, ISS ESG contacted the issuer for more details and clarification.

The engagement with Eco Energy World took place from December 2019 to January 2020.

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 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.

RESTRICTION ON DISTRIBUTION AND USE OF REPORT

This Verification Report for Climate Bonds Certification including all documentation provided alongside is intended for the use of Eco Energy World and the Climate Bonds Standard Board. The present document may be published by Eco Energy World, CBI and ISS ESG. CBI and ISS ESG agree to publish the report with the consent of Eco Energy World.

OPINION

Based on the limited assurance procedures conducted and evidence obtained, nothing has come to our attention that causes us to believe that, in all material respects the Issuer's 2019 Green Bond is not in conformance with the Climate Bonds Standard's Post-Issuance Requirements.



ROBERT HÄBLER
ISS ESG
Munich, 9 January 2020

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About ISS ESG

Since March 2018, ISS-oekom has been a member of the ISS family, sitting within the ISS ESG business unit, which also includes ISS-ethix and ISS-Climate. ISS ESG provides high quality solutions for sustainable and responsible investment and corporate governance. The External Review team, covering Second Party Opinions (SPOs) and Climate Bond Certifications is made up of colleagues across ISS ESG, from ISS-oekom and ISS-Climate.

Originally founded in 1993 and formerly known as oekom research, ISS ESG is one of the world’s leading ESG research and rating agencies for sustainable investments with an unsurpassed rating methodology and quality recognition. ISS ESG analyzes businesses and countries with respect to their environmental social and governance performance. As an experienced partner of institutional investors and financial service providers, we analyse the level of responsibility exercised by equity and bond issuers towards society and the environment. Under the new ownership, ISS ESG completes the ESG research and RI services offerings of ISS, making it a worldwide pure-player in the area of RI Research & Solutions. ISS ESG is headed by Robert Haßler, former CEO and co-founder of oekom research. More information: www.oekom-research.com and www.issgovernance.com.

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ANNEXES

Annex 1: Detailed Findings

Annex 2: Detailed Findings Solar Power

ANNEX 1: DETAILED FINDINGS

4. NOMINATED PROJECTS & ASSETS

	REQUIREMENT	FACTUAL FINDINGS	ANALYSIS AGAINST REQUIREMENTS
4.1	Decision-making process to determine the continuing eligibility of nominated projects and assets	Eco Energy World has defined an environmental objective and has implemented processes to determine the eligibility of nominated assets.	✓
4.2	Conformance with the Bond's documented objectives and requirements of Part B of the CBI Standard	The proceeds are distributed to Eligible assets related to onshore solar power and conform with the relevant eligibility requirements under part B of the Climate Bonds Standards.	✓
4.3	No double nomination of projects and assets	Eco Energy World does not possess or has received funding from any other nominated Climate Bonds.	✓

5. USE OF PROCEEDS

	REQUIREMENT	FACTUAL FINDINGS	ANALYSIS AGAINST REQUIREMENTS
5.1	Allocation of net proceeds to nominated projects and assets	The full amount of the net proceeds will be allocated to Nominated Projects and Assets, complying with the Climate Bond Standards requirements. Processes are in place to ensure the right allocation of those proceeds.	✓
5.2	Allocation of funds within 24 months of issuance of the bond	Eco Energy World committed to allocate the full proceeds within 24 months of the issuance of the bond.	✓
5.3	Share of financing and refinancing	Less than 4% of the full amount of net proceeds were used for refinancing. The remaining amount of net proceeds are used for financing.	✓

5.4	Tracking of proceeds	The internal process for tracking net proceeds is covered by the loan agreement of the bond. Eco Energy World can only draw funds from the bond if it clearly states that the funding will be allocated to Nominated Projects and Assets.	✓
5.5	Net proceeds of the loan and investment to nominated projects and assets	The total investment in Nominated Assets and Projects is lower than the full amount of net proceeds of the bond.	✓

6. NON-CONTAMINATION OF PROCEEDS

	REQUIREMENT	FACTUAL FINDINGS	ANALYSIS AGAINST REQUIREMENTS
6.1	Tracking of proceeds	Eco Energy World internal accounting system allows to track the amount of funds held in the issuer's bank account and the amounts allocated to Nominated Assets and Projects.	✓
6.2	Non-contamination of proceeds	Unallocated proceeds will only be held in cash in the issuer's bank account.	✓
6.3	Cases of force majeure	Not applicable.	✓

7. CONFIDENTIALITY

	REQUIREMENTS	FACTUAL FINDINGS	ANALYSIS AGAINST REQUIREMENTS
7.1	Description of the projects	The full amount of the net proceeds is distributed to Nominated Assets and Projects related to the aforementioned categories (see Page 1) and conform with the relevant eligibility requirements under part B of the Climate Bonds Standards.	✓
7.2	Disclosure of information to the market	Information relating to the bond is published privately to all bond investors as part of the annual financial reporting requirements for the Issued Bond.	✓

8. REPORTING

REQUIREMENTS	FACTUAL FINDINGS	ANALYSIS AGAINST REQUIREMENTS
8.1 Description of reporting	<p>The bond covenants require that Eco Energy World produces annual financial statements to the lender to be provided to the bond holders, and not disclosed publicly. EEW include the performance and allocation of the bond as notes to the financial report provided annually. EEW will provide to the CBI as a newsletter this part of the financial statements highlighting compliance with the Climate Bond Standards. EEW will measure quantitative performances as the following non-exhaustive list: the Made of capacity that has been developed per FY; the amount of energy capacity installed per FY; and the MWh of green electricity and carbon offset through the FY.</p>	<p style="text-align: center;">✓</p>

9. CLIMATE BOND TAXONOMY

REQUIREMENTS	FACTUAL FINDINGS	ANALYSIS AGAINST REQUIREMENTS
9.1 Matching of Climate Bond category	<p>The full amount of the net proceeds is distributed to Nominated Assets and Projects related to the aforementioned categories (see Page 1) and conform with the relevant eligibility requirements under part B of the Climate Bonds Standards.</p>	<p style="text-align: center;">✓</p>

10. TECHNICAL CRITERIA

	REQUIREMENTS	FACTUAL FINDINGS	ANALYSIS AGAINST REQUIREMENTS
10.1	Sector-specific eligibility criteria	The full amount of the net proceeds is distributed to Nominated Assets and Projects related to the aforementioned categories (see Page 1) and conform with the relevant eligibility requirements under part B of the Climate Bonds Standards.	✓
10.2	Bonds covering several sector-specific criteria	Not applicable.	–

11. PROJECT HOLDING

	REQUIREMENTS	FACTUAL FINDINGS	ANALYSIS AGAINST REQUIREMENTS
11.1	Holding of assets with a fair market value at least of the original amount at time of issuance	The Loan to Value of the bond assets is lower than the original principal amount of the bond at the time of issuance. An independent valuation confirms that the secured asset conforms to this valuation.	✓

12. SETTLEMENT PERIOD

	REQUIREMENTS	FACTUAL FINDINGS	ANALYSIS AGAINST REQUIREMENTS
12.1	Description of the process and timeline of distribution of proceeds	The annual financial report to the bond holders will demonstrate that the Net Proceeds have been allocated to the Nominated Project & Assets. The Net Proceeds will be distributed to be spent on the development costs of the Nominated Projects and Assets over the next 12-24 months.	✓
12.2	Description of process regarding unallocated proceeds after 24 months	The Nominated Projects and Assets will continue to relate to the aforementioned categories (see Page 1) and conform with the relevant eligibility requirements under part B of the Climate Bonds Standards.	✓

13. EARMARKING

	REQUIREMENTS	FACTUAL FINDINGS	ANALYSIS AGAINST REQUIREMENTS
13.1	Description of internal earmarking process	Eco Energy World has put internal systems in place to track the outstanding proceeds of Green Financing instruments internally. The Eco Energy World annual financial report will include a per Nominated Projects and Asset spend for the FY and will also show the paydown and settlement of the refinanced investment.	✓

ANNEX 2: DETAILED FINDINGS SOLAR POWER



The Green Bond Asset Pool complies with the Solar Power criteria of the Climate Bonds Initiative.

Nominated Assets and Projects conforms with the aforementioned categories (see Page 1) and with the relevant eligibility requirements under part B of the Climate Bonds Standards.