

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Borrower and Sustainability-Linked Subscription Facility

SUSTAINABILITY CREDIBILITY OF KPIS AND SPTS


KEY PERFORMANCE INDICATORS (KPIs) & SUSTAINABILITY PERFORMANCE TARGETS (SPTS)







	Relevant	Core	Material		Past Performance	Peers	International Targets
KPI 1*	✓	✓	MM	SPT 1	AL	LI	LI
KPI 2*	✓	✓	✓	SPT 2	LI	A	LI
KPI 3*	✓	✓	✓	SPT 3	LI	A	LI
KPI 4*	✓	✓	✓	SPT 4	NB	A	A

Legend
 A = Ambitious
 AL = Ambitious, with limitations
 LI = Limited information available to assess level of ambition
 MM = Moderately Material
 NB = Not Benchmarkable
 *For further information on KPIs and SPTS, please refer to page 2.

CREDIBLE

SUSTAINABILITY-LINKED LOAN PRINCIPLES ALIGNMENT


PRINCIPLES ALIGNMENT

1. Relationship to Borrower’s Overall Sustainability Strategy 
2. Selection of KPIs 
3. Calibration of SPTS 
4. Loan Characteristics 
5. Reporting 
6. Verification 

ALIGNED

SUSTAINABILITY PERFORMANCE ASSESSMENT


ISSUER SUSTAINABILITY PERFORMANCE

Baring Private Equity Asia (BPEA) is among the largest private alternative investment firms in Asia with investment strategies focusing on private equity, real estate, and credit.

ISS ESG finds that the KPIs selected by the borrower constitute material sustainability topics to its operations. Further, this transaction is in line with the borrower’s sustainability strategy. The rationale for issuing Sustainability-Linked Securities is clearly described by the issuer.

CONSISTENT WITH BORROWER’S SUSTAINABILITY STRATEGY

ISS ESG’s SPOs provide bond and loan issuers with a credible and independent assessment of the sustainability quality of their transactions.

Those that meet ISS ESG’s rigorous global standards give sustainability-oriented investors security that the projects they fund have a material ESG impact.

ISS ESG’s evaluation is valid as long as the documentation to BPEA’s Sustainability-Linked Subscription Facility and benchmarks for the Sustainability Performance target(s) remain unchanged.

ANNEX

Key Performance Indicators (KPIs) and associated Sustainability Performance Targets (SPTs)

<p>KPI1: Increase ESG Risk and Opportunity Assessment during Due Diligence</p>	<ul style="list-style-type: none"> • For at least 75% of the total number of investment opportunities that advanced to FDIR (First Draft Investment Recommendation) stage, there is an enhanced, standalone ESG Risk and Opportunity Assessment, with sector-specific focus topics that guide more targeted ESG due diligence and inform ESG value creation plan during ownership.
<p>KPI2: GHG Emissions Reporting and Reduction at Portfolio Company Level</p>	<ul style="list-style-type: none"> • At least 75% of Portfolio Companies achieve their respective GHG emissions target. <ul style="list-style-type: none"> • a) Reporting on Scope 1, 2 and 3 GHG emissions, noting Scope 3 will only be included when > 40% of total emissions • b) If a Portfolio Company is already reporting emissions, setting a GHG emissions reduction target • c) If a Portfolio Company is already reporting emissions and has set a target, meeting the reduction target
<p>KPI3: Gender Diversity in Portfolio Company's Senior Management</p>	<ul style="list-style-type: none"> • At least 75% of Portfolio Companies achieve their respective gender diversity target: <ul style="list-style-type: none"> • a) If a Portfolio Company's gender diversity is below 25%, target is set at 25% • b) If a Portfolio Company's gender diversity is below 40%, target is set at 40% • c) If a Portfolio Company's gender diversity is 40% or above, staying at or above 40% is considered meeting the target
<p>KPI4: GHG Emissions Reduction Pathway validated by SBTi</p>	<ul style="list-style-type: none"> • Set and meet a Science-Based Target for the entire BPEA platform, covering both its own operations and its Portfolio Companies. <ul style="list-style-type: none"> • a) Submit the SBTi Commitment Letter • b) GHG Emissions Reduction Targets to be validated by SBTi • c) Meet the Target SBTi Portfolio Coverage