



# R&I Green Bond Assessment/Second Opinion

August 25, 2020

CAMPO Co., Ltd.

Green Bond: GA1

ESG Dept., Credit Rating  
Planning and Research Office  
Analyst: Sayaka Saisho

Rating and Investment Information, Inc. (R&I) has confirmed the alignment of the financial instrument of CAMPO Co., Ltd. with the "Green Bond Principles 2018" and the Ministry of the Environment's "Green Bond Guidelines 2020," and has assigned an R&I Green Bond Assessment.

## ■ Overview of R&I Green Bond Assessment

Financial Instrument	The 4th Series Unsecured Bonds issued by CAMPO Co., Ltd. (Guaranteed by The Shiga Bank, Ltd., Limited to Qualified Institutional Investors)
Use of proceeds	Energy efficiency Pollution prevention and control
Assessment	GA1

## Assessment by item

Item	Assessment
Use of proceeds	
Process for project evaluation and selection	
Management of proceeds	
Reporting	
Environmental activities of the issuer	

\* Each item is assessed on a 5-point scale, from (highest) to (lowest).

## Overall Assessment

The proceeds will be used for the renewal of RPF production facilities of CAMPO Co., Ltd. (hereinafter CAMPO), with which waste plastics, etc. are recycled as raw materials. By replacing with more energy-efficient facilities, the company aims to increase the amount of RPF delivery and reduce CO2 emissions during the production process. Potential negative impacts during the plant is in operation are identified and addressed appropriately. R&I concludes that this project was selected in accordance with the company's environmental philosophy "Co-exist with the Earth." The proceeds will be managed appropriately, and the appropriation status will be reported. The expected reduction in CO2 emissions from the plant will be disclosed at the time of the issuance of the bond, and after the issuance, the results will be reported once every year. That is commendable.

In light of the above, R&I considers that the green bond proceeds are used to invest in projects with environmental benefits to a significant degree, and therefore assigned GA1.

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(Contact) Customer Service Department, Sales and Marketing Division: Terrace Square, 3-22, Kandanshiki-cho, Chiyoda-ku, Tokyo 101-0054, Japan TEL 03-6273-7471  
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## ■ Overview of the Second Opinion

### (1) Use of Proceeds

All amount of the proceeds raised through the green bonds will be used for the renewal of RPF (high-grade solid fuel derived from waste paper and waste plastics) production facilities, which is highly effective in reducing environmental load. In addition, the new facilities to be introduced are expected to have energy-saving effect (CO2 emission reduction effect). Therefore, the use of proceeds falls within the scope of “pollution prevention and control” and “energy efficiency.” Considerations are given to environmental impacts while the plant is in operation. The project provides a high degree of environmental benefits.

### (2) Process for Project Evaluation and Selection

The eligible project was selected in accordance with the CAMPO Group's environmental philosophy, which aims to be a company coexisting with the earth. The project evaluation and selection process is clear and reasonable.

### (3) Management of Proceeds

A framework is in place which is capable of tracking the flow of proceeds. Vouchers and other documents will be kept in accordance with in-house regulations, and unallocated funds will be managed in cash, cash equivalents, and short-term financial assets, and appropriate management method is established.

### (4) Reporting

CO2 reduction effect which is expected as a result of the renewal of facilities will be disclosed at the time of the issuance of the bond. After the issuance, the proceeds appropriation status, reduction in CO2 emissions, and the amount of RPF delivery will be disclosed once a year. Reporting is appropriate.

The R&I Green Bond Assessment Methodology can be found on the following website.

<https://www.r-i.co.jp/en/rating/products/esg/index.html>

## I. Issuer

### 1. Outline of the Issuer

CAMPO is a company headquartered in Kyoto, and engages in the collection, transportation and intermediate processing of industrial waste. Since its establishment in 1968, the company has worked on waste recycling, mainly in the Kansai region, toward the creation of a recycling-based society. In addition to the consulting business, collection, transportation, and intermediate processing of industrial waste, it has engaged in the production of refuse derived paper and plastics densified fuel (RPF), a solid fuel. The company has adopted a holding company system since 2007. The CAMPO Holdings Co., Ltd. is composed of CAMPO, TEX CAMPO Co., Ltd., and ASSIST CAMPO Co., Ltd., and each of them is making full use of their individuality in specialized fields including industrial waste processing, general waste processing and reclamation of valuable materials. The entire group is actively promoting environmental conservation.

### 2. Environmental Activities of the Issuer

- CAMPO started the production of RPF, a solid fuel that reduces environmental load and realize the proper disposal of waste plastics, in 1995 and introduced it at the 3rd session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP3), which was held in Kyoto in 1997. In 2001, the company acquired ISO 14001 certification, and established "Energy Campo 2," one of the largest RPF production plants in Japan, in 2005. The plant was certified as a JIS plant in 2011. They have been working to produce high-quality RPF.

## II. Second Opinion (Conformity Check)

### 1. Use of Proceeds

#### (1) Eligible Projects

- All of the proceeds will be used for the renewal of "Energy Campo 2" RPF production facilities that are certified as a JIS plant. The new facilities are scheduled to be put into service in September 2020.
- RPF is a high-grade solid fuel mainly made from waste paper and waste plastics, which are industrial waste that are difficult to melt and recycle as formed articles. The most distinctive feature of RPF is that it uses industrial waste with an identified history of generation as a raw material, so contamination rarely occurs<sup>1</sup>. The required quality is defined in JIS established in 2010, and RPF products are classified into three grades, A, B and C, in ascending order of increasing chlorine concentration<sup>2</sup>. Since it contains plastics, it has high calorific value with low price, so companies from various industries, including paper companies, steel companies, dyeing companies, use RPF.<sup>3</sup> RPF is mainly used as a substitute for fossil fuels such as coal and coke, and is more effective in reducing environmental load than coal<sup>4</sup>. Furthermore, the low ashing rate (amount of ash recovered when the same amount of heat is generated by combustion) greatly reduces the amount of ash to be buried for the same amount of heat<sup>5</sup>. As Japan is still highly dependent on fossil fuels and has a small land area, it is an important fuel source that is environmentally friendly and contributes to resolving the issue of final disposal sites.
- CAMPO has engaged in the production of RPF since 1995, before the establishment of the JIS standard. It began operating Japan's largest RPF production facility "Energy Campo 2" in 2005, and certified as a JIS plant in 2011. Since then, it has been producing RPF of grades A and B with lower environmental impacts. In order to renew the aging "Energy Campo 2", the company will establish a Green Bond Framework and allocate proceeds from the green bonds to the project. The introduction of high-efficiency facilities will reduce the amount of electricity required for RPF production, thereby saving energy and reducing CO2 emissions. In addition, by increasing the amount of RPF delivery, this project aims to promote the proper disposal of waste plastics and contribute to the "pollution prevention and control."
- The use of proceeds falls within the scope of "energy efficiency" and "pollution prevention and control" of the Green Bond Principles. The use of proceeds is specified in the Green Bond Framework, and will not be used for refinancing. The outline of how the proceeds will be used is provided in the Green Bond Framework developed by the company.

#### (2) Environmental Benefits

- Energy efficiency

The introduction of the new high-efficiency facilities will reduce the amount of electricity required for RPF production, thereby is expected to save energy and reduce CO2 emissions. CAMPO expects an

<sup>1</sup> It is different from refuse derived fuel (RDF) which is made from combustible refuse including kitchen refuse that is discharged from unspecified number of sources and collected by local governments. See the website of the Japan RPF Association (JRPF) (<http://www.jrpf.gr.jp/en>).

<sup>2</sup> The standard was established in 2010 by the Japanese Standards Association as "Refuse Derived Paper and Plastics Densified Fuel (RPF)."

<sup>3</sup> See the website of JRPF (<http://www.jrpf.gr.jp/rpf-1-2>).

<sup>4</sup> RPF is said to be highly effective in reducing environmental load. For example, it results in about 33% less CO2 emissions than coal at the same calorific value recovery. See the JRPF website (<http://www.jrpf.gr.jp/rpf-7-2>), and the "Evaluation of Environmental Load Reduction Effect of Plastic Containers and Packaging Recycling Methods and Energy Recovery (LCA)" published by the Japan Initiative For Marine Environment (JaIME), which are available on the website of Japan Chemical Industry of Association (<https://www.nikkakyo.org/content/evaluation-environmental-load-reduction-effect-plastic-containers-and-packaging-recycling>).

<sup>5</sup> The ashing rate of RPF is about 1/3 that of coal. See the website of JRPF (<http://www.jrpf.gr.jp/rpf-7-2>).

environmental improvement effect of about 132 t-CO<sub>2</sub> per year.

- Pollution prevention and control

With the increase in the amount of RPF delivery, the proper disposal of waste plastics will be promoted.

### (3) Consideration for Negative Environmental and Social Impacts

- CAMPO has identified three potential environmental risks and has taken appropriate environmental protection measures in compliance with laws and regulations. In addition, it carries out environmental impact assessments in line with environmental laws and local government ordinances. To prevent noise, the processing is performed in a building equipped with soundproof shutters, and to prevent vibration, the ground is solidified before constructing the plant. As a measure to prevent odor from leaking out of the plant, ozone deodorizers and dust collectors are installed.

Potential Environmental Risks	Major Environmental Conservation Measures
Generation of noise	The noise level is measured in accordance with the ordinance to make sure that the level is below the regulation standard.
Generation of vibration	The vibration level is measured in accordance with the ordinance to make sure that the level is below the regulation standard.
Air pollution	To prevent the scattering and outflow of waste and leakage of odors, vehicles that match the type and shape of waste are used.

All amount of the proceeds raised through the green bonds will be used for the renewal of RPF (high-grade solid fuel derived from waste paper and waste plastics) production facilities, which is highly effective in reducing environmental load. In addition, the new facilities to be introduced are expected to have energy-saving effect (CO<sub>2</sub> emission reduction effect). Therefore, the use of proceeds falls within the scope of “pollution prevention and control” and “energy efficiency.” Considerations are given to environmental impacts while the plant is in operation. R&I has determined that the project provides a high degree of environmental benefits.



Source: Campo Group website

## 2. Process for Project Evaluation and Selection

### (1) Incorporation into Comprehensive Objectives, Strategies and so on

- In accordance with its environmental philosophy, which is shown below, CAMPO Group has established an ISO14001-based environmental management system, under which they are promoting environmental activities that are based on the PDCA cycle. In addition to that, the company is actively working on the environmental conservation through the production of RPF, solar power generation, and thorough sorting of valuable materials.
- The environmental philosophy and policy of the group are as follows.

#### Environmental Philosophy

CAMPO Group aims to be an environmentally friendly company that coexists with the earth by taking initiatives and exercising its wisdom.

#### Environmental Policy

CAPMO Group rolls out its environmental solutions business and promotes company-wide environmental management in order to reduce the impact on the natural environment of our products and corporate activities including the collection and transportation, processing, and recycling of waste.

In promoting the environmental management, we will comply with all applicable laws and regulations as well as other requirements recognized by our company, and strive for continuous improvement and pollution prevention.

#### 1. The main items of the improvement are as follows.

1. Quality control of "RPF" products
2. Reduction of fossil fuel (light oil, gasoline, etc.) consumption
3. Reduction of waste and promotion of recycling
4. Promotion of green procurement
5. Protection of green spaces within the company premises

#### 2. We will implement the followings to ensure improvement activities.

1. Establishment and promotion of objectives, targets and programs.
2. Review through periodic inspections, internal audits, and management reviews
3. Communicating this policy and related matters to employees
4. Public disclosure of this policy

Source: Campo Group website

- Each department of CAMPO sets environmental objectives and targets, evaluates the results and sets next targets to follow the PDCA cycle.
- The project for which the proceeds will be used (the renewal of RPF production facilities) is positioned as a project contributing to the achievement of the environmental target of "increasing the amount of RPF delivery."

Department	Environmental objectives	Environmental targets (by March 2021)
Processing Dept.	<b>Quality control of RPF</b>	<b>Amount of RPF delivery: 3,200 t/year</b>
	Increasing recycling ratio	Amount of sorted PET bottles: 610 t/year
Shiga Plant	<b>Increasing conversion ratio to RPF (increasing recycling ratio)</b>	<b>Amount of RPF delivery: 5,700 t/year</b>
	Reducing concentrations in exhaust gas	Strictly adhering to the voluntary control standard for hourly average
Transportation Dept.	Reducing vehicle diesel fuel consumption	Average fuel consumption of commercial vehicles: 4.77 km/L
	Encouraging energy-saving driving	Score of digital tachograph: 98 points
Administrative Dept.	Promotion of green procurement	Office supplies green procurement rate: 61%
Sales Dept.	Reducing gasoline consumption by commercial vehicles	Average fuel consumption by commercial vehicles: 15.0 km/L



## (2) Criteria for Project Evaluation and Selection

- The CAMPO Holdings is responsible for the planning of optimization strategies throughout the group and serve as the supervising body. The authorities and responsibilities necessary for the execution of each business are delegated to each operating company of the group so that each company can operate their business on their own responsibility, make decisions swiftly and strengthen their competitiveness in each business area.
- When selecting technologies and facilities to be newly adopted, the primary evaluation is performed as follows: the President of the operating company, Facility Management Dept. and Processing Dept. of the company, and General Affairs Office and the Financial Accounting Office of the Administrative Dept. of CAMPO Holdings discuss and make comparisons with similar technologies from the environmental, economic, and financial perspectives to identify key factors. Each time, the technologies and facilities selection criteria are reviewed. The final decision will be made by the board of directors of CAMPO Holdings.
- Prior to the introduction of the highly efficient RPF production facilities, the above parties, led by the President of CAMPO, discussed and set two selection criteria: (1) to reduce the power consumption per unit required for production compared with the existing RPF production facilities, and (2) to increase the production capacity per unit of time. After the primary evaluation, the final decision was made by the board of directors of CAMPO Holdings.

Technologies and facilities for which the proceeds will be used	Criteria for selecting technologies and facilities
Introduction of highly efficient RPF production facilities	(1) To reduce the power consumption per unit required for production compared with the existing RPF production facilities. (2) To increase production capacity per unit of time.

## (3) Process for Project Evaluation and Selection

- When selecting the green project for which the proceeds will be used, the Processing Dept. drafted the plan and carried out a comprehensive evaluation, while examining if the project conforms to the environmental policy of the CAMPO Group, to what extent it will contribute to the achievement of the environmental objectives and targets, and how probable it is that the project will produce environmental improvement effects. The finally decided project was approved by the President of CAMPO.

The eligible project was selected in accordance with the CAMPO Group's environmental philosophy, which aims to be a company coexisting with the earth. The project evaluation and selection process is clear and reasonable.

### 3. Management of Proceeds

- Methods for tracking and managing the proceeds and managing unallocated proceeds are described in the Green Bond Framework and will be explained to investors in advance.
- The bonds will be issued and redeemed by CAMPO, and the tracking management of the proceeds will be carried out by the Administrative Dept. of CAMPO Holdings. Subaccount items will be set individually for total amount of proceeds, proceeds allocated for the project and unallocated proceeds so that they are handled separately in accounting. Once all funding has been allocated, it will be made sure that the total amount of proceeds will not fall below the cumulative amount allocated to the project. These checks will be performed annually.
- Unallocated proceeds are managed in cash, cash equivalents, or short-term financial assets.
- Vouchers related to the funding will be appropriately managed in accordance with in-house rules of CAMPO.

A framework is in place which is capable of tracking the flow of proceeds. Vouchers and other documents will be kept in accordance with in-house regulations, and unallocated funds will be managed in cash, cash equivalents, and short-term financial assets, and appropriate management method is established.

### 4. Reporting

#### (1) Overview of Disclosure

- Reporting methods

CAMPO will disclose to the public on its website the latest information on the appropriation status of proceeds procured from the corporate bonds and the effects of environmental improvements, etc. The frequency is provided below. Even after all proceeds from the bonds have been allocated to the project, significant changes in circumstances will be disclosed as appropriate.

- (1) Report at the time of issuance: To be made soon after the issuance of the corporate bonds.
- (2) Annual reports: Once a year until the bonds will be redeemed.

- Items to be disclosed

The reporting will include the followings. Environmental improvement effects will be appropriately calculated in accordance with the calculation method defined in the Framework.

- List of projects for which the proceeds were used
- Overview of projects (including the progress)
- Amount of proceeds allocated to projects
- Amount of unallocated proceeds, plans for the appropriation, and the method of managing unallocated proceeds
- Environmental improvement effects produced through the green projects (Reduction in CO2 emissions)

- Reporting System

The Administrative Dept. of CAMPO Holdings is responsible for the creation of the report at the time of issuance and annual reports. The Administrative Dept. of CAMPO Holdings will also collect information

on the proceeds and confirm the items to be reported. Information on the environmental improvement effects will be collected by the Facility Management Dept. and Processing Dept. of CAMPO, and the Administrative Dept. of CAMPO Holdings will confirm the items to be reported. For the calculation of environmental improvement effects, they are planning to seek advice from an independent third-party organization.

## (2) Indicators to Show Environmental Benefits and Calculation Method, etc.






- Reduction in CO2 emissions and the amount of RPF delivery will be disclosed in the reporting. Reduction effects in CO2 emissions are calculated as follows.



CO2 emissions reduced as a result of the introduction of highly efficient facilities	
Calculation method	Calculated by comparing energy consumption by the facilities introduced through the project with that by the facilities before the project is put into practice (facilities before the renewal).
Calculation formula	<p><b>[Reduction in CO2 emissions (t-CO2/year)] = [CO2 emissions from facilities before renewal (t-CO2/year)] - [CO2 emissions from the new facilities (t-CO2/year)]</b></p> <p><b>[CO2 emissions from facilities before renewal (t-CO2/year)] = (CO2 emissions per unit from facilities before renewal (t-CO2/t) × Annual RPF production after renewal (t))</b></p> <p><b>* CO2 emissions per unit from facilities before renewal (t-CO2/t) = (Annual power consumption before renewal (kWh) × Power emission factor (kg-CO2/kWh) ÷ 1,000) ÷ Annual RPF production before renewal (t)</b></p> <p><b>[CO2 emissions from the new facilities (t-CO2/year)] = Annual power consumption after renewal (kWh) × Power emission factor (kg-CO2/kWh) ÷ 1,000</b></p>

CO2 reduction effect which is expected as a result of the renewal of facilities will be disclosed at the time of the issuance of the bond. After the issuance, the proceeds appropriation status, reduction in CO2 emissions, and the amount of RPF delivery will be disclosed once a year. Reporting is appropriate.



### III. R&I Green Bond Assessment

Assessment by item	Assessment	The main points of the assessment
Use of Proceeds		The target project is expected to have sufficient environmental improvement effects, and consideration is given to potential negative impacts on the environment. R&I has determined that the extent to which the proceeds are used to invest in the projects with environmental benefits is appropriate.
Process for Project Evaluation and Selection		The process for project evaluation and selection is clear, reasonable and excellent.
Management of Proceeds		The management method of proceeds is appropriately set and is excellent.
Reporting		The items to be reported include CO2 reduction effects the plant for which the proceeds will be used is expected to have, proceed appropriation status and actual reduction results (annual), and the reporting is excellent.
Environmental Activities of the Issuer		Environmental policies have been established, and the company has been working on environmental conservation for many years as a waste disposal company. R&I deems that the issuer is promoting environmental activities in an excellent manner.

\* Each item is assessed on a 5-point scale, from  (highest) to  (lowest).

R&I Green Bond Assessment	GA1
Overall Assessment	<p>The proceeds will be used for the renewal of RPF production facilities, with which waste plastics, etc. are recycled as raw materials. By replacing with more energy-efficient facilities, the company aims to increase the amount of RPF delivery and reduce CO2 emissions during the production process. Potential negative impacts during the plant is in operation are identified and addressed appropriately. This project was selected in accordance with the company's environmental philosophy "Co-exist with the Earth." The proceeds will be managed appropriately, and the appropriation status will be reported. The expected reduction in CO2 emissions from the plant will be disclosed at the time of the issuance of the bond, and after the issuance, the results will be reported once every year. That is commendable.</p> <p>In light of the above, R&amp;I considers that the green bond proceeds are used to invest in projects with environmental benefits to a significant degree, and rated this green bond as GA1.</p>

**[Disclaimer]**

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As a general rule, R&I issues R&I Green Bond Assessment for a fee paid by the applicant.

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**[Expertise and Third-Party Characteristics]**

R&I has launched the R&I Green Bond Assessment business in 2016, and since then, R&I has accumulated knowledge through numerous evaluations. Since 2017, R&I has been participating as an observer in the Green Bond Principles and Social Bond Principles, which have their own secretariat at the International Capital Market Association (ICMA). It also has been registered since 2018 as an Issuance Supporter (external review entity) of the Financial Support Programme for Green Bond Issuance, a project by the Ministry of the Environment.

The R&I assessment method and results can be found on the R&I website (<https://www.r-i.co.jp/en/rating/esg/index.html>).

There is no capital or personal relationship between R&I and the fundraiser that could create a conflict of interest.



## Green Bond / Green Bond Programme

### Independent External Review Form

#### Section 1. Basic Information

Issuer name: Campo Co., Ltd.

Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:

Independent External Review provider's name: Rating and Investment Information, Inc. (R&I)

Completion date of this form: August 25, 2020

Publication date of review publication: August 25, 2020

#### 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 GBPs:

- |  |  |
|--|--|
| <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 INDEPENDENT EXTERNAL REVIEW PROVIDER

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Second Party Opinion | <input type="checkbox"/> Certification             |
| <input type="checkbox"/> Verification                    | <input checked="" type="checkbox"/> Scoring/Rating |
| <input type="checkbox"/> Other (please specify):         |  |

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

**Latest update: June 2018**

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

### 【R&I Green Bond Assessment】

R&I has judged, in accordance with R&I Green Bond Assessment Methodology, that the proceeds from the green bond would be invested into projects with significant environmental benefits, and assigned GA1 (formal) to the green bond.

### 【Second Opinion on the alignment with the Green Bond Principles, etc.】

R&I has provided a second opinion that the green bond framework is aligned with the Green Bond Principles 2018 and the Green Bond Guidelines 2020 by the Ministry of the Environment of Japan.

For details, please refer to R&I's report 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):

##### < Evaluation on the Green Bond Framework >

R&I has determined that the use of proceeds is appropriate based on the confirmation that (1) sufficient environmental benefits are expected from the project, and (2) consideration is given to potential negative impact on the environment/society.

All amount of the proceeds raised through the green bonds will be used for the renewal of RPF (high-grade solid fuel derived from waste paper and waste plastics) production facilities, which is highly effective in reducing environmental load. In addition, the new facilities to be introduced are expected to have energy-saving effect (CO2 emission reduction effect). Therefore, the use of proceeds falls within the scope of "pollution prevention and control" and "energy efficiency." Considerations are given to environmental impacts while the plant is in operation. The project provides a high degree of environmental benefits.

Based on the above, R&I has judged the use of proceeds under the framework is in conformity to Green Bond Principles 2018 and Green Bond Guidelines 2020 by the Ministry of the Environment of Japan.

##### < Evaluation on the Green Bond >

The target project is expected to have sufficient environmental improvement effects, and consideration is given to potential negative impacts on the environment. R&I has determined that the extent to which the proceeds are used to invest in the projects with environmental benefits is appropriate.

## Use of proceeds categories as per GBP:

- |  |  |
|--|--|
| <input type="checkbox"/> Renewable energy  | <input checked="" type="checkbox"/> Energy efficiency  |
| <input checked="" 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 (Environmentally Responsible Building)                          |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input type="checkbox"/> Other ( <i>please specify</i> ):  |

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

## 2. PROCESS FOR PROJECT EVALUATION AND SELECTION

3

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R&I Green Bond Assessment is R&I's opinion regarding the extent to which the proceeds from the issuance of green bonds are used to invest in projects with environmental benefits and is not statements of fact. R&I Green Bond Assessment does not certify the environmental benefits and other qualities of the eligible projects. Hence, R&I will not be held responsible for the effectiveness of the projects, including their environmental benefits. R&I Green Bond Assessment is not the Credit Rating Business, but one of the Ancillary Businesses (businesses excluding Credit Rating Service but are ancillary to Credit Rating Activities) as set forth in Article 299, paragraph (1), item (xxviii) of the Cabinet Office Ordinance on Financial Instruments Business, etc. With respect to such business, relevant laws and regulations require measures to be implemented so that activities pertaining to such business would not unreasonably affect the Credit Rating Activities, as well as measures to prevent such business from being misperceived as the Credit Rating Business. Further, R&I does not give advice regarding investment decisions or financial matters, or endorse the merits of any investment. R&I does not undertake any independent verification of the accuracy or other aspects of the related information when issuing R&I Green Bond Assessment and makes no related representations or warranties. R&I is not liable in any way for any damage arising in relation to R&I Green Bond Assessment (including amendment or withdrawal thereof). As a general rule, R&I issues R&I Green Bond Assessment for a fee paid by the applicant. For details, please refer to <https://www.r-i.co.jp/en/docs/policy/site.html>.

**Overall comment on section (if applicable):**

< Evaluation on the Green Bond Framework >

The eligible project was selected in accordance with the CAMPO Group's environmental philosophy, which aims to be a company coexisting with the earth. The project evaluation and selection process is clear and reasonable.

For the reasons stated above, R&I has judged the process for project evaluation and selection under the framework is in conformity to Green Bond Principles 2018 and Green Bond Guidelines 2020 by the Ministry of the Environment of Japan.

< Evaluation on the Green Bond >

The process for project evaluation and selection is clear, reasonable and excellent.

**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 (please specify):  |

**Information on Responsibilities and Accountability**

- |   |   |
|---|---|
| <input type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input checked="" type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (please specify):  |   |



### 3. MANAGEMENT OF PROCEEDS

#### Overall comment on section (if applicable):

##### < Evaluation on the Green Bond Framework >

A framework is in place which is capable of tracking the flow of proceeds. Vouchers and other documents will be kept in accordance with in-house regulations, and unallocated funds will be managed in cash, cash equivalents, and short-term financial assets, and appropriate management method is established.

For the reasons stated above, R&I has judged the policy for management of proceeds under the framework is in conformity to Green Bond Principles 2018 and Green Bond Guidelines 2020 by the Ministry of the Environment of Japan.

##### < Evaluation on the Green Bond >

The management method of proceeds is appropriately set and is excellent.

R&I has determined that the method for managing the green bond proceeds is properly prepared and considered to be excellent.

#### Tracking of proceeds:

- ☒ Green Bond proceeds segregated or tracked by the issuer in an appropriate manner
- ☒ Disclosure of intended types of temporary investment instruments for unallocated proceeds
- ☐ Other (please specify):

#### Additional disclosure:

- |  |  |
|--|--|
| <input type="checkbox"/> Allocations to future investments only                  | <input checked="" type="checkbox"/> Allocations to both existing and future investments              |
| <input checked="" 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 (please specify): The proceeds are fully allocated as refinance funds |

## 4. REPORTING

### Overall comment on section (if applicable):

#### < Evaluation on the Green Bond Framework >

CO2 reduction effect which is expected as a result of the renewal of facilities will be disclosed at the time of the issuance of the bond. After the issuance, the proceeds appropriation status, reduction in CO2 emissions, and the amount of RPF delivery will be disclosed once a year. Reporting is appropriate.

For the reasons stated above, R&I concluded that the reporting in this framework is in line with the Green Bond Principles 2018 and the Ministry of the Environment's Green Bond Guidelines 2020.

#### < Evaluation on the Green Bond >

The items to be reported include CO2 reduction effects the plant for which the proceeds will be used is expected to have, proceed appropriation status and actual reduction results (annual), and the reporting is excellent.

### Use of proceeds reporting:

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Project-by-project | <input type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (please specify):      |

### Information reported:

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Allocated amounts | <input checked="" type="checkbox"/> Green Bond financed share of total investment |
| <input type="checkbox"/> Other (please specify):      |   |

### Frequency:

- |  |                                      |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual       | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): |                                      |

**Impact reporting:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Project-by-project | <input type="checkbox"/> On a project portfolio basis  |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other ( <i>please specify</i> ): Based on the Scope of Data Calculation in ESG Report |

**Frequency:**

- |   |                                      |
|---|--------------------------------------|
| <input checked="" type="checkbox"/> Annual                | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other ( <i>please specify</i> ): |                                      |

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

- |  |   |
|--|---|
| <input type="checkbox"/> GHG Emissions / Savings | <input checked="" type="checkbox"/> Energy Savings  |
| <input type="checkbox"/> Decrease in water use   | <input checked="" type="checkbox"/> Other ESG indicators ( <i>please specify</i> ): Amount of RPF delivery. |

**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 ( <i>please specify</i> ): Issuer's website |
| <input type="checkbox"/> Reporting reviewed ( <i>if yes, please specify which parts of the reporting are subject to external review</i> ): |   |

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.*)

The methodology for R&I Green Bond Assessment

<https://www.r-i.co.jp/en/rating/products/esg/index.html>

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

- |   |   |
|---|---|
| <input type="checkbox"/> Second Party Opinion             | <input type="checkbox"/> Certification  |
| <input type="checkbox"/> Verification                     | <input type="checkbox"/> Scoring/Rating |
| <input type="checkbox"/> Other ( <i>please specify</i> ): |   |

**Review provider(s):****Date of publication:**

## ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

1. **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 Bond 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 Bond 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.
2. **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 Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
3. **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised 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.
4. **Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised 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 GBP, 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.