



Second-Party Opinion

# First Capital REIT's Green Financing Framework

## Evaluation Summary

Sustainalytics is of the opinion that First Capital REIT's Green Financing Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2018 and the Green Loan Principles 2021. This assessment is based on the following:



**USE OF PROCEEDS** The eligible categories for the use of proceeds – Green Buildings; Energy, Carbon and Resource Efficiency; Renewable Energy; Pollution Prevention and Control; Clean Transportation; Climate Change Adaptation; and Biodiversity and Conservation – are aligned with those recognized by the Green Bond Principles 2018 and the Green Loan Principles 2021. Sustainalytics considers that investments in the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically Goals 6, 7, 9, 11, 12, 13 and 15.



**PROJECT EVALUATION / SELECTION** First Capital's ESG Taskforce Committee, comprised of senior leadership members from its Sustainability, Development, Operations, Legal and Finance teams, will oversee the implementation of its Framework. The Committee will be responsible for identifying and evaluating projects in line with the eligibility criteria, while First Capital's senior leadership team will be responsible for providing final approval. Sustainalytics considers the project selection process in line with market practice.



**MANAGEMENT OF PROCEEDS** First Capital will deposit the net proceeds from each Green Financing Instrument issuance into its general bank account where they will be earmarked for allocation to Eligible Green Projects. The Framework permits allocation to eligible green projects originated no more than 36 months prior to issuance and intends to fully allocate proceed within 36 months of each issuance. Pending full allocation, net proceeds may be utilized for repayment of First Capital's credit facilities, held in cash or cash equivalents, or for general corporate purposes. This is in line with market practice.



**REPORTING** First Capital commits to providing annual reporting updates on its website. Allocation reporting will include a description of the Eligible Green Projects, as well as the amount of net proceeds allocated to each project, the balance of unallocated net proceeds, and the share of proceeds used for refinancing vs. financing, while impact reporting will include several quantitative metrics, such as the level of green building certifications achieved. Sustainalytics views First Capital's allocation and impact reporting as aligned with market practice.

Evaluation date	May 19, 2021
Issuer Location	Toronto, Ontario

### Report Sections

Introduction.....	2
Sustainalytics' Opinion .....	3
Appendices .....	10

For inquiries, contact the Sustainable Finance Solutions project team:

<b>Ijeoma Madueke (Toronto)</b> Project Manager ijeoma.madueke@sustainalytics.com (+1) 647 317 3631
<b>Tina Ghaemmaghami (Toronto)</b> Project Support
<b>Amala Devi (Toronto)</b> Project Support
<b>Paramjot Kaur (New York)</b> Client Relations susfinance.americas@sustainalytics.com (+1) 646 518 9623

## Introduction

Headquartered in Toronto, Ontario, First Capital REIT ("First Capital", or the "Company") is an owner, operator, and developer of mixed-used real estate property across Canada. As of March 31, 2021, the Company's portfolio consists of 150 neighbourhoods in Canada's most densely populated cities, covering 22.9 million square feet, with a gross asset value of CAD 10 billion.

First Capital has developed First Capital REIT's Green Financing Framework (the "Framework") under which it intends to issue green bonds, green loans, and other green financial instruments (collectively referred to as "Green Financing Instruments") and use the proceeds to finance and/or refinance, in whole or in part, existing and/or future projects ("Eligible Green Projects") that aim to reduce the carbon footprint and energy consumption of the Company's activities. The Framework defines eligibility criteria in seven areas:

1. Green Buildings
2. Energy, Carbon and Resource Efficiency
3. Renewable Energy
4. Pollution Prevention and Control
5. Clean Transportation
6. Climate Change Adaptation
7. Biodiversity and Conservation

First Capital engaged Sustainalytics to review First Capital REIT's Green Financing Framework, provided to Sustainalytics in May 2021, and provide a Second-Party Opinion on the Framework's environmental credentials and its alignment with the Green Bond Principles 2018 (GBP)<sup>1</sup> and the Green Loan Principles 2021 (GLP).<sup>2</sup> This Framework has been published in a separate document.<sup>3</sup>

### Scope of work and limitations of Sustainalytics' Second-Party Opinion

Sustainalytics' Second-Party Opinion reflects Sustainalytics' independent<sup>4</sup> opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework's alignment with the GBP, as administered by ICMA, and the GLP, as administered by LMA, APLMA and LSTA<sup>5</sup>;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer's sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.8, which is informed by market practice and Sustainalytics' expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of First Capital's management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. First Capital representatives have confirmed (1) they understand it is the sole responsibility of First Capital to ensure that the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

<sup>1</sup> The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

<sup>2</sup> The Green Loan Principles are administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications & Trading Association and are available at <https://www.lsta.org/content/green-loan-principles/>.

<sup>3</sup> First Capital REIT's Green Financing Framework is available on First Capital REIT's website at: <https://fcr.ca/company/sustainability/>

<sup>4</sup> When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics' hallmarks is integrity, another is transparency.

<sup>5</sup> In addition to the Loan Markets Association, the GLP are also administered by the Asia Pacific Loan Market Association and the Loan Syndications & Trading Association

This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and First Capital.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond and loan proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realised allocation of the bond and loan proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that First Capital has made available to Sustainalytics for the purpose of this Second-Party Opinion.

## Sustainalytics' Opinion

### Section 1: Sustainalytics' Opinion on First Capital REIT's Green Financing Framework

Sustainalytics is of the opinion that the Framework is credible and impactful and aligns with the four core components of the GBP and GLP. Sustainalytics highlights the following elements of the Framework:

- Use of Proceeds:
  - The eligible categories – Green Buildings, Energy, Carbon and Resource Efficiency, Renewable Energy, Pollution Prevention and Control, Clean Transportation, Climate Change Adaptation, Biodiversity and Conservation – are aligned with those recognized by the GBP and GLP.
  - Within the Green Buildings category, First Capital contemplates investments in commercial and/or residential properties. The Company intends to use reputable third-party green building certifications with the one of the following minimum standards: LEED Silver, BOMA BEST Gold, Toronto Green Standard (TGS) Tier 2, or CaGBC Zero Carbon Building Standard (ZCB). Please refer to Appendix 1 for a summary of these certification programs.
    - For the acquisition of existing and the development of new residential and commercial buildings certified under LEED, Sustainalytics considers it market practice for the buildings to achieve a minimum level of Gold. First Capital has confirmed that such buildings with LEED Silver certifications will be designed to achieve a 20 to 30% energy efficiency improvement or carbon emissions reduction, compared to the building's baseline performance under ASHRAE 90.1 (2010); Sustainalytics views this as aligned with market practice.
    - Sustainalytics notes that under the CaGBC ZCB standard, buildings may be certified in compliance with the Design and/or Performance Standard. Sustainalytics considers the requirements of the Design standard to be in line with market practice. While Sustainalytics notes that buildings certified under the Performance Standard can achieve the certification primarily by using carbon offsets, First Capital has confirmed to Sustainalytics that, if this certification is used, the use of carbon offsets will be limited to reducing embodied carbon (scope 3) emissions and will not be the primary means to reduce scope 1 and scope 2 emissions.
  - Under the Energy, Carbon and Resource Efficiency category, First Capital intends to use proceeds from its Green Financing Instruments for projects that aim to reduce carbon emissions and/or improve energy or water efficiency such as LED (or other energy efficient lighting), smart meters, battery energy storage, water, and energy-saving technologies and/or materials. As part

of this category, the Company may finance non-fossil fuel powered HVAC systems, cool roof, and other sustainability-oriented construction materials, drought-tolerant landscaping which include revising landscaping standards and planting drought-tolerant vegetation as well as sustainable drainage systems. Sustainalytics views these activities to be in line with market practice, and further notes the following:

- For investments in sustainable drainage systems, First Capital will conduct a feasibility assessment to identify and specify how climate risks will be addressed. The Company will also evaluate appropriate drainage system solutions for properties that have been identified as high-risk for flooding. This is in line with market practice.
- The Renewable Energy category includes investments in wind, solar or geothermal. For geothermal projects, the Framework defines a threshold of less than 100g CO<sub>2</sub>/kWh in direct emissions, Sustainalytics views this to be in line with market practice.
- The Pollution Prevention and Control category includes activities such as soil remediation, wastewater management, waste prevention, reduction and diversion, onsite composting, and recycling. Sustainalytics views these activities to be in line with market practice.
  - First Capital has confirmed that soil remediation companies are not related to remediating contamination from activities within its operational control.
  - Wastewater management activities may include grey water captured and used for irrigation.
- Within the Clean Transportation category, First Capital intends to invest in infrastructure projects which aim to improve connectivity, promote non-motorized methods of transport (such as cycling and walking), as well as infrastructure which aims to accommodate electric vehicles and e-bikes.
  - In addition, First Capital is contemplating the financing of connectivity projects targeted at increasing access to public transport. This may include above-ground infrastructure that promotes active mobility and transit access, such as pedestrian bridges. The Company has confirmed that such projects will not promote and/or encourage vehicle usage; this is in line with market practice.
- Climate Change Adaptation investments relate to feasibility studies and activities directed towards defense and adaptation of First Capital's assets to extreme weather conditions or effects of climate change, including, flood defense, energy storage, stormwater waste management, building resilience, low carbon cooling systems, and water efficient systems.
  - The Company has confirmed that these feasibility studies are conducted as part of the development of projects to be funded under the Framework. First Capital has also confirmed that all of the activities in this category will have undergone a vulnerability assessment to demonstrate expected benefits prior to investment.
  - Based on the pre-assessment of the demonstrated impact of these activities prior to investment, and the direct relation of feasibility studies to projects funded under the Framework, Sustainalytics considers this to be in line with market practice.
- First Capital is considering investments in Biodiversity and Conservation projects related to the preservation of biodiversity and native ecosystems. This may include tree planting and ecological restoration activities. Sustainalytics views the projects under this category positively and encourages First Capital to report specifically on the impact of these projects, where feasible.
- Project Evaluation and Selection:
  - First Capital's ESG Taskforce Committee (the "Committee"), comprised of senior leadership members from its Sustainability, Development, Operations, Legal and Finance teams, will oversee the implementation of its Framework. The Committee will be responsible for identifying and evaluating projects in line with the eligibility criteria. One of the members of First Capital's executive leadership team (either the Chief Executive Officer, Chief Operating Officer or Chief Financial Officer) will be responsible for providing final approval for Eligible Green Projects.
  - Based on the establishment of a dedicated committee, and oversight from senior representatives, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
  - First Capital will deposit the net proceeds from each Green Financing Instrument issuance into its general bank account where the proceeds will be earmarked for allocation to Eligible Green

- Projects. The Framework permits allocation to eligible green projects originated no more than 36 months prior to issuance.
- The Company intends to fully allocate proceeds within 36 months of each issuance. Pending full allocation, net proceeds may be utilized for repayment of First Capital's credit facilities, held in cash or cash equivalents, or for general corporate purposes.
  - Based on the defined management approach and disclosure around the temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
  - Reporting:
    - First Capital commits to providing annual reporting updates on its website, which will include a description of the Eligible Green Projects, as well as the amount of net proceeds allocated to each project, the balance of unallocated net proceeds, and the share of proceeds used for refinancing vs. financing. The report will be updated annually until full allocation. The Company also intends to report on the environmental impact of its projects, including the level of green building certifications achieved, as well as quantitative metrics such as annual energy saved, annual carbon emissions reduced/avoided, and annual water savings (m<sup>3</sup>) or percentage reduction in water use, where feasible.
    - The Company will engage an independent third-party to complete an independent annual verification of its allocation reporting, until all of the proceeds have been fully allocated.
    - Sustainalytics considers First Capital's allocation and impact reporting process to be in line with market practice.

### Alignment with Green Bond Principles 2018 and Green Loan Principles 2021

Sustainalytics has determined that First Capital REIT's Green Financing Framework aligns to the four core components of the GBP and GLP. For detailed information please refer to Appendix 2: Green Bond/Green Bond Programme External Review Form.

## Section 2: Sustainability Strategy of First Capital

### Contribution of framework to First Capital REIT's sustainability strategy

Sustainalytics is of the opinion that First Capital demonstrates a commitment to sustainability with a focus on five key environmental areas: (i) climate resilience; (ii) performance excellence at existing properties in terms of carbon neutrality, waste reduction and water conservation; (iii) sustainable transportation; (iv) biodiversity; and (v) sustainable design and development.<sup>6</sup> In 2020, First Capital released its five-year ESG Roadmap 2020-2024 which outlines the Company's sustainability vision and targets as well as action plans, and governance process for resourcing, oversight, and implementation.<sup>7</sup>

Sustainalytics highlights the following aspects of the Company's strategy and targets, noting its direct alignment with the activities in the Framework:

- Energy Efficiency: Under its roadmap, the Company has set a goal to achieve carbon neutrality by 2050 and is developing interim emission and energy reduction targets for 2025 and 2030.<sup>8</sup> In its 2020 Sustainability Policy, the Company set a series of targets towards this effort, including a 9% reduction in carbon intensity and 3% reduction in energy consumption compared to its 2018 baseline to be achieved by 2021.<sup>9</sup> First Capital also plans to expand its portfolio of green buildings and achieve BOMA BEST certification for all its existing properties by 2021 and certify all new construction as per LEED standards. To manage energy consumption in its properties, First Capital has put in place initiatives to replace lighting with LEDs, conduct periodic energy audits and use a central data management system for tracking, performance benchmarking and reporting.<sup>10</sup>
- Resource Management: The Company aims to improve waste reduction and waste diversion across all its properties via a three-year reduction target starting in 2021.<sup>11</sup> As of the end of 2019, 74% of its portfolio reported on waste diversion and among them, the average waste diversion rate was 45%.<sup>12</sup> As part of upgrading existing buildings to use less water, First Capital plans to develop a water

<sup>6</sup> First Capital, "Sustainability Policy 2020" (p8-13), at: [https://fcr.ca/wp-content/uploads/2020/12/FCR-Sustainability-Policy\\_2020.12.17.pdf](https://fcr.ca/wp-content/uploads/2020/12/FCR-Sustainability-Policy_2020.12.17.pdf)

<sup>7</sup> First Capital, "ESG Roadmap 2020-2024" (p7), at: [https://fcr.ca/wp-content/uploads/2020/12/FCR\\_ESG-Roadmap\\_FINAL.2020.12.pdf](https://fcr.ca/wp-content/uploads/2020/12/FCR_ESG-Roadmap_FINAL.2020.12.pdf)

<sup>8</sup> *Ibid.*

<sup>9</sup> First Capital, "Sustainability Policy 2020" (p6-7), at: [https://fcr.ca/wp-content/uploads/2020/12/FCR-Sustainability-Policy\\_2020.12.17.pdf](https://fcr.ca/wp-content/uploads/2020/12/FCR-Sustainability-Policy_2020.12.17.pdf)

<sup>10</sup> *Ibid.*

<sup>11</sup> First Capital, "ESG Roadmap 2020-2024" (p9), at: [https://fcr.ca/wp-content/uploads/2020/12/FCR\\_ESG-Roadmap\\_FINAL.2020.12.pdf](https://fcr.ca/wp-content/uploads/2020/12/FCR_ESG-Roadmap_FINAL.2020.12.pdf)

<sup>12</sup> First Capital, "Corporate Responsibility and Sustainability Report 2019" (p15), at: <https://fcr.ca/wp-content/uploads/2020/07/FCR-1860-2019-CSR-Report-FINAL.pdf>

efficiency plan and submeter common area water use in 100% of its portfolio by 2024. The Company manages water consumption through optimized landscape design, weather-based irrigation controls, and data management and tracking.

- **Climate Impact and Resilience:** In line with its focus on the climate resilience of its communities, First Capital intends to complete assessments of physical climate risks and resilience across its whole portfolio by 2021, as well as articulating plans for all its high-risk properties.<sup>13</sup> The Company also plans to integrate climate risk assessments and mitigation measures in all future property acquisitions.<sup>14</sup> To improve low carbon transportation options in its properties, First Capital has set a target to install electric vehicle charging stations at all properties where applicable (excluding properties slated for disposition or redevelopment) by 2024.<sup>15</sup> The Company also plans to improve cycling amenities, ensure safe and convenient pedestrian access, pilot e-bike charging stations and focus investments in transit-oriented neighborhoods. First Capital's efforts to improve biodiversity includes focusing on native plants and pollinator species for landscaping, expanding its rooftop beehive program and exploring opportunities to develop biodiversity corridors and urban farming.<sup>16</sup>
- **ESG Governance:** First Capital's sustainability strategy is governed by the Company's Board of Trustees, the Executive Leadership team, an ESG Taskforce and other dedicated sustainability employees.<sup>17</sup> The Company created a Sustainable Development Working Group in 2019, made up of representatives from its Development, Construction and Sustainability teams and is responsible for developing an enhanced sustainability strategy as well as best practices for future developments.<sup>18</sup> First Capital's corporate responsibility and sustainability reporting has been aligned with the Global Reporting Initiative framework since 2011 and it has relied on third-party assurance on selected sustainability indicators since 2010. Furthermore, the Company provides reporting against the Global Real Estate Sustainability Benchmark (GRESB) and the CDP Climate Change Disclosure.<sup>19</sup>

Based on the above, Sustainalytics is of the opinion that First Capital REIT's Green Financing Framework is directly aligned with the Company's overall sustainability strategy and initiatives and will further the Company's action on its key environmental priorities.

#### **Well-positioned to address common environmental and social risks associated with the projects**

While Sustainalytics recognizes that the net proceeds from the Green Financing Instruments issued under the Framework will be directed towards eligible projects that are expected to have positive environmental impact, it is acknowledged that such eligible projects could also lead to negative environmental and social outcomes. Some key risks associated with the eligible projects, could include occupational health and safety, community relations/stakeholder participation, and management of effluents and waste generated in construction and operations of commercial properties.

Sustainalytics is of the opinion that First Capital is able to manage and/or mitigate potential risks through the context in which the Company operates and implementation of the following:

- First Capital requires all vendors to undergo a health and safety pre-qualification and to comply with the Supplier Code of Conduct and Ethics.<sup>20</sup> To ensure the safety of workers during construction, all contractors are required to provide evidence of health and safety compliance that is third-party accredited.<sup>21</sup> In addition, the Company complies with applicable workplace health and safety legislations and has a Health and Safety Policy in place that applies to its employees, contractors, customers, and visitors. The Health and Safety Policy clearly defines internal responsibilities amongst various levels to promote workplace health and safety, with adequate communication, training, supervision, and inspections.<sup>22</sup>
- First Capital operates two-way channels to effectively communicate with each of its key stakeholders, including investors, tenants, industry, community, and employees. For example, it engages with its tenants through tenant meetings, one-on-one interviews, newsletters, annual events,

<sup>13</sup> *Ibid.*

<sup>14</sup> *Ibid.*

<sup>15</sup> *Ibid.*

<sup>16</sup> *Ibid.*

<sup>17</sup> First Capital, "Sustainability Policy 2020" (p5), at: [https://fcr.ca/wp-content/uploads/2020/12/FCR-Sustainability-Policy\\_2020.12.17.pdf](https://fcr.ca/wp-content/uploads/2020/12/FCR-Sustainability-Policy_2020.12.17.pdf)

<sup>18</sup> First Capital, "Corporate Responsibility and Sustainability Report 2019" (p16), at: <https://fcr.ca/wp-content/uploads/2020/07/FCR-1860-2019-CSR-Report-FINAL.pdf>

<sup>19</sup> First Capital, "Sustainability Policy 2020" (p5), at: [https://fcr.ca/wp-content/uploads/2020/12/FCR-Sustainability-Policy\\_2020.12.17.pdf](https://fcr.ca/wp-content/uploads/2020/12/FCR-Sustainability-Policy_2020.12.17.pdf)

<sup>20</sup> First Capital, "Sustainability Policy 2020" (p10), at: [https://fcr.ca/wp-content/uploads/2020/12/FCR-Sustainability-Policy\\_2020.12.17.pdf](https://fcr.ca/wp-content/uploads/2020/12/FCR-Sustainability-Policy_2020.12.17.pdf)

<sup>21</sup> *Ibid.*

<sup>22</sup> This document was shared with Sustainalytics and reviewed confidentially.



and its website.<sup>23</sup> It plans to implement a tenant feedback survey program every three years starting from 2021 to benchmark tenant satisfaction and identify opportunities for improvement.<sup>24</sup> In April 2021, First Capital also released its Retail Tenant Guide to Sustainable Operations to work collaboratively with its tenants to improve sustainability outcomes.<sup>25</sup> The Company also undertakes a materiality update process periodically to ensure that its sustainability strategy addresses issues most material to its stakeholders.<sup>26</sup>

- First Capital conducts environmental assessments as part of its due-diligence process for all new projects to determine environmental contamination and to develop remediation plans.<sup>27</sup> The Company also complies with all federal, provincial, and local laws regarding waste management to tackle waste and effluents generated during construction, including applicable regulations regarding hazardous materials and its management.<sup>28</sup> Sustainalytics also notes that the projects financed under the Framework will take place in Canada which is recognized as a Designated Country under the Equator Principles, indicating that the country has robust environmental and social governance, legislation systems and institutional capacity to sufficiently mitigate identified material risks.<sup>29</sup>

Based on these policies, standards, and assessments, Sustainalytics is of the opinion that First Capital has implemented adequate measures and is well-positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

### Section 3: Impact of Use of Proceeds

All seven use of proceeds categories are aligned with those recognized by the GBP and GLP. Sustainalytics has focused below where the impact is specifically relevant in the local context.

#### Importance of Green Buildings in achieving Canada's GHG emission targets

The buildings sector is an important contributor to greenhouse gas emissions in Canada. In 2018, it accounted for 13% of the total greenhouse gas emissions in the country.<sup>30</sup> In 2017, residential and commercial buildings accounted for close to 20% of Canada's energy consumption.<sup>31</sup> Majority of this consumption comes from lighting as well as space and water heating, which cumulatively accounted for 84% of residential and 76% of commercial energy consumption respectively.<sup>32</sup> In 2016, as part of the Federal Government's plan to address climate change and grow the economy, Canada committed to reduce its emissions by 30% below 2005 levels by 2030 under the Pan-Canadian Framework on Clean Growth and Climate Change.<sup>33</sup> The Pan-Canadian Framework's approach towards reducing building sector emissions includes improving energy efficiency in new buildings, retrofitting and fuel-switching in existing buildings and improving appliance and equipment energy efficiency.<sup>34</sup> The Canada Green Building Council finds that improvement to building energy efficiency alone has the potential to reduce the nation's overall GHG emissions by 44% from the 2005 baseline, and additionally save CAD 6.2 billion in energy-related costs and contribute CAD 32.5 billion to the GDP.<sup>35</sup>

The green building sector has seen significant growth in the past few years, more than doubling from CAD 23.4 billion to CAD 47.9 billion in gross domestic product from 2014 to 2018.<sup>36</sup> Third-party certifications play a key role in the expansion of this market. Between 2005 and 2018, LEED-certified buildings in Canada helped save 16.7 million megawatt-hours of energy, 30 billion liters of water and 3.24 million CO<sub>2</sub> equivalent tonnes

<sup>23</sup> First Capital, "Sustainability Policy 2020" (p3), at: [https://fcr.ca/wp-content/uploads/2020/12/FCR-Sustainability-Policy\\_2020.12.17.pdf](https://fcr.ca/wp-content/uploads/2020/12/FCR-Sustainability-Policy_2020.12.17.pdf)

<sup>24</sup> First Capital, "ESG Roadmap 2020-2024" (p15), at: [https://fcr.ca/wp-content/uploads/2020/12/FCR\\_ESG-Roadmap\\_FINAL.2020.12.pdf](https://fcr.ca/wp-content/uploads/2020/12/FCR_ESG-Roadmap_FINAL.2020.12.pdf)

<sup>25</sup> First Capital, "FCR's Retail Tenant Guide to Sustainable Operations", April 2021, at: <https://fcr.ca/wp-content/uploads/2021/04/Tenant-Sustainable-Operations-Guide-FINAL-EN-2021.04.09.pdf>

<sup>26</sup> First Capital, "Sustainability Policy 2020" (p3), at: [https://fcr.ca/wp-content/uploads/2020/12/FCR-Sustainability-Policy\\_2020.12.17.pdf](https://fcr.ca/wp-content/uploads/2020/12/FCR-Sustainability-Policy_2020.12.17.pdf)

<sup>27</sup> First Capital, "Corporate Responsibility and Sustainability Report 2019" (p30), at: <https://fcr.ca/wp-content/uploads/2020/07/FCR-1860-2019-CSR-Report-FINAL.pdf>

<sup>28</sup> First Capital, "Sustainability Policy 2020" (p8), at: [https://fcr.ca/wp-content/uploads/2020/12/FCR-Sustainability-Policy\\_2020.12.17.pdf](https://fcr.ca/wp-content/uploads/2020/12/FCR-Sustainability-Policy_2020.12.17.pdf)

<sup>29</sup> Equator Principles, "Designated Countries", (2020), at: <https://equator-principles.com/designated-countries/>

<sup>30</sup> Environment and Climate Change Canada, "Greenhouse Gas Emissions: Canadian Environmental Sustainability Indicators", (2020), at: <https://www.canada.ca/content/dam/ecccc/documents/pdf/cesindicators/ghg-emissions/2020/greenhouse-gas-emissions-en.pdf>

<sup>31</sup> Natural Resources Canada, "Energy Fact Book 2020-2021", at: [https://www.nrcan.gc.ca/sites/nrcan/files/energy/energy\\_fact/energy-factbook-2020-2021-English.pdf](https://www.nrcan.gc.ca/sites/nrcan/files/energy/energy_fact/energy-factbook-2020-2021-English.pdf)

<sup>32</sup> *Ibid.*

<sup>33</sup> <sup>33</sup> Government of Canada, "Pan-Canadian Framework on Clean Growth and Climate Change", at: [http://publications.gc.ca/collections/collection\\_2017/ecccc/En4-294-2016-eng.pdf](http://publications.gc.ca/collections/collection_2017/ecccc/En4-294-2016-eng.pdf)

<sup>34</sup> *Ibid.*

<sup>35</sup> Canada Green Building Council, "Building Solutions to Climate Change: How Green Buildings Can Help Meet Canada's 2030 Emission Targets", at: [https://www.cagbc.org/CAGBC/Advocacy/Building\\_Solutions\\_to\\_Climate\\_Change.aspx](https://www.cagbc.org/CAGBC/Advocacy/Building_Solutions_to_Climate_Change.aspx)

<sup>36</sup> Canada Green Building Council, "Canada's Green Building Engine: Market Impact and Opportunities in a Critical Decade", (2020), at: [https://www.cagbc.org/cagbcdocs/advocacy/CaGBC\\_CanadasGreenBuildingEngine\\_Executive\\_Summary\\_EN.pdf](https://www.cagbc.org/cagbcdocs/advocacy/CaGBC_CanadasGreenBuildingEngine_Executive_Summary_EN.pdf)

in greenhouse gas emissions.<sup>37</sup> As of January 2019, there were over 4,000 LEED certified projects in Canada accounting for more than 500 million square feet in area.<sup>38</sup> As of 2019, First Capital reported 3.7 million square feet of LEED certified properties and 76% of its portfolio with BOMA BEST certification.<sup>39</sup>

Based on the above, Sustainalytics is of the opinion that eligible projects under the Framework have the potential to provide substantial environmental benefits for Canada's built environment, contributing to the country's national GHG reduction targets.

#### Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 by the United Nations General Assembly and form an agenda for achieving sustainable development by the year 2030. The bond(s) and loan(s) issued under First Capital REIT's Green Financing Framework advances the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Green Buildings	9. Industry, Innovation, and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
Energy, Carbon and Resource Efficiency	6. Clean Water and Sanitation	6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.
	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency.
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.
Pollution Prevention and Control	12. Responsible Consumption	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
Clean Transportation	11. Sustainable Cities and Communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons
Climate Change Adaptation	13. Climate Action	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries
Biodiversity and Conservation	15. Life on Land	15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect

<sup>37</sup> *Ibid.*

<sup>38</sup> Canada Green Building Council, "LEED Impact Report Canada 2018", at: <https://www.cagbc.org/leedimpactreport2018>

<sup>39</sup> First Capital, "Corporate Responsibility and Sustainability Report 2019" (p2), at: <https://fcr.ca/wp-content/uploads/2020/07/FCR-1860-2019-CSR-Report-FINAL.pdf>



		and prevent the extinction of threatened species
--	--	--

## Conclusion

First Capital has developed First Capital REIT's Green Financing Framework under which it may issue Green Financing Instruments to finance Eligible Green Projects that aim to reduce the carbon footprint and energy consumption of the Company's activities. Sustainalytics considers that the projects funded by the green bond proceeds are expected to provide positive environmental impact.

First Capital REIT's Green Financing Framework outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that First Capital REIT's Green Financing Framework is aligned with the overall sustainability strategy of the company and that the green use of proceeds categories will contribute to the advancement of the UN Sustainable Development Goals 6, 7, 9, 11, 12, 13 and 15. Additionally, Sustainalytics is of the opinion that First Capital has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the use of proceeds.

Based on the above, Sustainalytics is confident that First Capital REIT is well-positioned to issue green bonds and that First Capital REIT's Green Financing Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2018 and Green Loan Principles 2021.

## Appendices




### Appendix 1: Green Building Certification Schemes

	LEED <sup>40</sup>	Toronto Green Standard <sup>41</sup>	BOMA BEST <sup>42</sup>	CaGBC
<b>Background</b>	Leadership in Energy and Environmental Design (LEED) is a U.S.-based, globally-used certification system for the rating of green buildings across various building types. LEED was developed by the non-profit U.S. Green Building Council (USGBC) and includes programs covering the design, construction, maintenance and operation of buildings.	The Toronto Green Standard (TGS) represents a set of performance standards that facilitate more sustainable development in Toronto and implementing the environmental policies in the City of Toronto's Official Plan. The TGS was initially introduced as a voluntary standard for new building development in 2006. Subsequent versions, beginning in 2010, adopted a multi-tiered system – Tier 1 being mandatory and Tier 2-4 being another voluntary. Achievement of Tier 2 and higher makes projects eligible for financial incentives, including a partial refund of development charges.	BOMA BEST, administered by the Building Owners and Managers Association (BOMA) of Canada, is a certification program for existing buildings. The assessment considers performance and operation of buildings in a wide range of performance and operations categories.	The CaGBC Zero Carbon Building (ZCB) Standard was launched by the Canadian Green Building Council (CaGBC) in 2017 as a framework for the design of low-carbon, highly efficient buildings with the best potential to achieve zero-carbon operations in Canada. It has two types of standards: ZCB-Design Standard for new buildings and major renovations and ZCB-Performance Standard for existing buildings.
<b>Certification levels</b>	Certified Silver Gold Platinum	Tier 1 (Mandatory) Tier 2 (Voluntary) Tier 3 (Voluntary) Tier 4 (Voluntary)	Certified Bronze Silver Gold Platinum	ZCB-Design Standard ZCB-Performance Standard
<b>Areas of Assessment: Environmental Performance of the Building</b>	<ul style="list-style-type: none"> <li>• Energy and atmosphere</li> <li>• Sustainable Sites</li> <li>• Location and Transportation</li> <li>• Materials and resources</li> <li>• Water efficiency</li> <li>• Indoor environmental quality</li> <li>• Innovation in Design</li> <li>• Regional Priority</li> </ul>	The TGS addresses Toronto's urban environmental pressure, promoting sustainable site and building development.	<ul style="list-style-type: none"> <li>• Energy</li> <li>• Water</li> <li>• Air</li> <li>• Comfort</li> <li>• Health and Wellbeing</li> <li>• Custodial</li> <li>• Purchasing</li> <li>• Waste</li> <li>• Site</li> <li>• Stakeholder Engagement</li> </ul>	Both standards apply to the entire building site and include direct Scope 1 emissions from combustion of fossil fuels and fugitive emissions from leakage of refrigerants from HVAC systems, indirect Scope 2 emissions from purchased electricity, heating or cooling, and embodied carbon or Scope 3 emissions associated with new structural and envelope building materials.

<sup>40</sup> USGBC, "LEED rating system" at: [www.usgbc.org/LEED](http://www.usgbc.org/LEED)

<sup>41</sup> City of Toronto, "Toronto Green Standard Version 3" at: <https://www.toronto.ca/city-government/planning-development/official-plan-guidelines/toronto-green-standard/toronto-green-standard-version-3/>

<sup>42</sup> Building Owners and Managers Association of British Columbia, "Building Environmental Standards" at: <https://www.boma.bc.ca/green-buildings/boma-best/>

<b>Requirements</b>	<p>Prerequisites (independent of level of certification) + Credits with associated points. These points are then added together to obtain the LEED certification level. There are several different rating systems within LEED. Each rating system is designed to apply to a specific sector (e.g. New Construction, Major Renovation, Core and Shell Development, Schools-/Retail-/Healthcare New Construction and Major Renovations, Existing Buildings: Operation and Maintenance).</p>	<p>For buildings greater than 2,000 m<sup>2</sup> GFA, Tier 1 requires the submission of a Design Development Stage Energy Report prior to Site Plan Approval that demonstrates a minimum level of compliance with the TGS energy efficiency requirements. A building receives Tier 1 certification if it meets the requirements set for each category. An As-Construction Stage Energy Report is required for Tier 2 or higher-level performances.</p> <p>For Tier 2, 3, and 4 there are optional performance measurements that need to be met. Tier 2, 3, and 4 projects that have been verified may be eligible for a refund of development charges.</p> <p>There are currently three standards of the TGS ("Low-Rise Residential", "Mid to High-Rise Residential and Non-Residential" and "City Agency, Corporation &amp; Division – Owned Facilities") each relating to different development types.</p>	<p>To be eligible for BOMA BEST a series of questions must be answered about the building. Each question describes an environmental measure that impacts building management or performance, some being more important than others. Points are attributed to each question, except for BEST Practices which are minimum requirements. The number of points available per question is calculated as a factor of the impact and importance of the measure/initiative. The outcome is a points system that awards more points for taking action where it matters, actions that lead to better understanding of building systems and improved operational performance.</p>	<p>CaGBC certifies projects based on reporting from the applicants. Required documentation includes completed Design and Performance Workbooks, energy models and additional documents as required by CaGBC to demonstrate compliance.</p> <p>The Design certification is awarded based on the project's final design, and projects are eligible to submit for certification once issued for construction documents are ready. For projects that have achieved the Design certification, the Performance certification is awarded based on one year of operating data. Projects that have not achieved the Design certification must be operational for at least three years to be eligible for the Performance certification. Projects are awarded certification once all requisite documentation is received and a review by CaGBC confirms that the requirements of the Design and/or Performance Standard(s) have been met.</p>
<b>Performance display</b>		None		<p>No certification mark exists for Design certification. The certification mark for the Performance certification is as follows.</p> 
<b>Accreditation</b>	LEED AP BD+C LEED AP O+M	City Planning Division of Toronto Third party reviewer for Tier 2,3,4 applications.	N/A	N/A
<b>Qualitative considerations</b>	Widely recognised internationally, and strong assurance of overall quality.	The TGS certification system is part of the City of Toronto's TransformTO action plan, which aims at reducing the GHG emissions by 80% by 2050 (compared to the 1990 levels).	Most commonly used certification for existing buildings in Canada, and considered less administratively burdensome for existing buildings.	The v1 of both Design and Performance Standards were released in 2017 closed registration in May 31, 2020. Projects registered before this date with the intention to be certified can provide submissions

---

		Applications submitted on or after May 1, 2018 are required to meet v3 of the TGS.		till May 31 2022. The current version is ZCB Design Standard v2 and ZCB Performance Standard v2, both released in 2020.
--	--	--	--	---

## Appendix 2: Green Bond / Green Bond Programme - External Review Form

### Section 1. Basic Information

Issuer name:	First Capital REIT
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	First Capital REIT's Green Financing Framework
Review provider's name:	Sustainalytics
Completion date of this form:	May 19, 2021
Publication date of review publication:	

### 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 GBP:

- |  |  |
|--|--|
| <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 REVIEW PROVIDER

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 <sup>nd</sup> opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification   | <input type="checkbox"/> Rating        |
| <input type="checkbox"/> Other <i>(please specify)</i> :                        |  |

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

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

Please refer to Evaluation Summary 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)*:

The eligible categories for the use of proceeds – Green Buildings; Energy, Carbon and Resource Efficiency; Renewable Energy; Pollution Prevention and Control; Clean Transportation; Climate Change Adaptation, and Biodiversity and Conservation – are aligned with those recognized by the Green Bond Principles 2018 and the Green Loan Principles 2021. Sustainalytics considers that investments in the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically Goals 6, 7, 9, 11, 12, 13 and 15.

#### Use of proceeds categories as per GBP:

- |   |  |
|---|--|
| <input checked="" 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 checked="" type="checkbox"/> Clean transportation   |
| <input type="checkbox"/> Sustainable water and wastewater management  | <input checked="" type="checkbox"/> Climate change adaptation  |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes                            | <input checked="" type="checkbox"/> Green buildings  |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP | <input checked="" type="checkbox"/> Other ( <i>please specify</i> ): Biodiversity and Conservation       |

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

## 2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

First Capital's ESG Taskforce Committee, comprised of senior leadership members from its Sustainability, Development, Operations, Legal and Finance teams, will oversee the implementation of its Framework. The Committee will be responsible for identifying and evaluating projects in line with the eligibility criteria, while First Capital's senior leadership team will be responsible for providing final approval. Sustainalytics considers the project selection process in line with market practice.

#### 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 ( <i>please specify</i> ):   |



**Information on Responsibilities and Accountability**

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

**3. MANAGEMENT OF PROCEEDS**Overall comment on section *(if applicable)*:

First Capital will deposit the net proceeds from each Green Financing Instrument issuance into its general bank account where they will be earmarked for allocation to Eligible Green Projects. The Framework permits allocation to eligible green projects originated no more than 36 months prior to issuance and intends to fully allocate proceeds within 36 months of each issuance. Pending full allocation, net proceeds may be utilized for repayment of First Capital's credit facilities, held in cash or cash equivalents, or for general corporate purposes. This is in line with market practice.

**Tracking of proceeds:**

- |   |
|---|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in an appropriate manner          |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other <i>(please specify)</i> :  |

**Additional disclosure:**

- |  |   |
|--|---|
| <input type="checkbox"/> Allocations to future investments only                  | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input 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 <i>(please specify)</i> :                                |

**4. REPORTING**Overall comment on section *(if applicable)*:

First Capital commits to providing annual reporting updates on its website. Allocation reporting will include a description of the Eligible Green Projects, as well as the amount of net proceeds allocated to each project, the balance of unallocated net proceeds, and the share of proceeds used for refinancing vs. financing, while impact reporting will include several quantitative metrics, such as the level of green building certifications achieved. Sustainalytics views First Capital's allocation and impact reporting as aligned with market practice.

**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 <i>(please specify)</i> : |

**Information reported:**

- ☒ Allocated amounts
 ☐ Green Bond financed share of total investment

☐ Other (please specify):

**Frequency:**

- ☒ Annual
 ☐ Semi-annual

☐ Other (please specify):

**Impact reporting:**

- ☒ Project-by-project
 ☐ On a project portfolio basis  
☐ Linkage to individual bond(s)
 ☐ Other (please specify):

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

- ☒ GHG Emissions / Savings
 ☒ Energy Savings  
☒ Decrease in water use
 ☒ Other ESG indicators (please specify): Several qualitative metrics (see Framework), as well as the level of green building certification achieved.

**Frequency**

- ☐ Annual
 ☐ Semi-annual  
☐ Other (please specify):

**Means of Disclosure**

- ☐ Information published in financial report
 ☐ Information published in sustainability report  
☐ Information published in ad hoc documents
 ☒ Other (please specify): Company's website.  
☐ Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

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.)

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

- ☐ Consultancy (incl. 2<sup>nd</sup> opinion)
 ☐ Certification

☐ Verification / Audit

☐ Rating

☐ Other (*please specify*):

**Review provider(s):**
**Date of publication:**
**ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP**

- i. **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.
- ii. **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.
- iii. **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.
- iv. **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.

## Disclaimer

**Copyright ©2021 Sustainalytics. All rights reserved.**

The information, methodologies and opinions contained or reflected herein are proprietary of Sustainalytics and/or its third party suppliers (Third Party Data), and may be made available to third parties only in the form and format disclosed by Sustainalytics, or provided that appropriate citation and acknowledgement is ensured. They are provided for informational purposes only and (1) do not constitute an endorsement of any product or project; (2) do not constitute investment advice, financial advice or a prospectus; (3) cannot be interpreted as an offer or indication to buy or sell securities, to select a project or make any kind of business transactions; (4) do not represent an assessment of the issuer's economic performance, financial obligations nor of its creditworthiness; and/or (5) have not and cannot be incorporated into any offering disclosure.

These are based on information made available by the issuer and therefore are not warranted as to their merchantability, completeness, accuracy, up-to-dateness or fitness for a particular purpose. The information and data are provided "as is" and reflect Sustainalytics' opinion at the date of their elaboration and publication. Sustainalytics accepts no liability for damage arising from the use of the information, data or opinions contained herein, in any manner whatsoever, except where explicitly required by law. Any reference to third party names or Third Party Data is for appropriate acknowledgement of their ownership and does not constitute a sponsorship or endorsement by such owner. A list of our third-party data providers and their respective terms of use is available on our website. For more information, visit <http://www.sustainalytics.com/legal-disclaimers>.

The issuer is fully responsible for certifying and ensuring the compliance with its commitments, for their implementation and monitoring.

In case of discrepancies between the English language and translated versions, the English language version shall prevail.

## About Sustainalytics, a Morningstar Company

Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. The firm works with hundreds of the world's leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. The world's foremost issuers, from multinational corporations to financial institutions to governments, also rely on Sustainalytics for credible second-party opinions on green, social and sustainable bond frameworks. In 2020, Climate Bonds Initiative named Sustainalytics the "Largest Approved Verifier for Certified Climate Bonds" for the third consecutive year. The firm was also recognized by Environmental Finance as the "Largest External Reviewer" in 2020 for the second consecutive year. For more information, visit [www.sustainalytics.com](http://www.sustainalytics.com).

### 5th Green Bond Pioneer Awards

Climate Bonds Initiative

Largest Verifier for Certified  
Climate Bonds of 2019

awarded to Sustainalytics



More information [conference.climatebonds.net/awards](http://conference.climatebonds.net/awards)



**GlobalCapital**  
SRI Awards

**Named**

**2015:** Best SRI or Green Bond Research or Rating Firm  
**2017, 2018, 2019:** Most Impressive Second Opinion Provider

