



# R&I Green Bond Assessment

## Hokuriku Electric Power Company

December 3, 2021

Hokuriku Electric Power Company general secured Str. Bonds  
No. 347 (Green Bond)

ESG Division  
Senior Analyst: Sayaka Saisho

### GA1 (Formal)

Rating and Investment Information, Inc. (R&I) has assigned an R&I Green Bond Assessment to the financial instrument of Hokuriku Electric Power. This is a preliminary assessment and will be reassessed after the final confirmation of bond issuance details. R&I announced a preliminary assessment for this instrument on October 28, 2021. The preliminary assessment has now been converted to a formal assessment.

#### ■ Overview of R&I Green Bond Assessment

Financial Instrument	Hokuriku Electric Power Company general secured Str. Bonds No. 347 (Green Bond)
Issue Amount (JPY)	10 billion yen
Issue Date	December 9, 2021
Maturity Date	December 25, 2031
Use of Proceeds	Renewable energy
Assessment	GA1 (Formal)

#### 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

Proceeds raised through the green bond will be used for projects that meet the eligibility criteria set out in the company's framework, particularly those for the renovation of hydroelectric power generation and other renewable energy facilities. R&I expects the projects to deliver clear environmental benefits by increasing power generation output at some facilities and extending the useful life of facilities, for instance. The Hokuriku Electric Power Group Roadmap towards Achieving Carbon Neutrality, announced in April 2021, calls for a non-fossil source ratio of 50% or more by 2030 and carbon neutrality by 2050. This green bond,

#### Rating and Investment Information, Inc.

Copyright (C) 2021 Rating and Investment Information, Inc. All rights reserved.

(Contact) Customer Service Department, Sales and Marketing Division: Terrace Square, 3-22, Kandanshiki-cho, Chiyoda-ku, Tokyo 101-0054, Japan TEL 03-6273-7471  
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>.

©Rating and Investment Information, Inc.

the proceeds from which will be used for renewable energy projects, is an instrument to raise funds to achieve the targets. The accounting department will appropriately manage the proceeds raised through the issuance of the green bond quarterly by using an in-house management system so that the total amount of eligible projects will not fall below the issue amount of the green bond. Until the proceeds are fully allocated, the allocation of proceeds and impacts will be reported every year to disclose indices by type of renewable energy. Hokuriku Electric Power has been working to reduce environmental impacts and CO2 emissions, and R&I has judged that its environmental activities are excellent.

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. Outline of the Issuer

- Hokuriku Electric Power was established in 1951 on a foundation of Toyama Electric Light Company (the Hokuriku region's first electric power company established in 1898) and locally-capitalized electric power companies. It supplies electricity mainly to Toyama, Ishikawa and Fukui Prefectures and part of Gifu Prefecture. Its mission is to contribute to the development of the region by ensuring a stable supply of low-cost, high-quality energy. The company capitalizes on the Hokuriku area's plentiful water resources, achieving the highest ratio of hydroelectric power generation (26% of its generation mix) among the former general electric power suppliers.
- Amid accelerating moves toward a decarbonized society as exemplified by the government's 2050 Carbon Neutral Declaration, Hokuriku Electric Power aims to build an optimal power generation mix with a view to decarbonization. The Hokuriku Electric Power Group Roadmap toward Achieving Carbon Neutrality, announced in April 2021, calls for a non-fossil source ratio of 50% or more by 2030 and carbon neutrality by 2050. The company plans to renovate existing hydroelectric power stations and increase biomass co-combustion at coal-fired power stations, its largest power source. It will work to achieve the targets by reducing CO2 emissions while making effective use of what its predecessors have built, through such initiatives.

## II. Assessment by Individual Item

### 1. Use of proceeds

#### (1) Eligible Projects

- Hokuriku Electric Power has established the following eligibility criteria in its Green Bond Framework. The proceeds raised through the green bond will be used for new investment and refinancing for projects satisfying the eligibility criteria. In the case of refinancing, expenditures or investments that took place within 24 months prior to the issuance date of the green bond are eligible.

<Eligibility Criteria>

Eligible Project	Green Bond Principles Project Category	SDGs Target
Expenditures for the construction, installment, operation, maintenance and management of renewable energy power stations and facilities (e.g., hydroelectric, wind, photovoltaic, biomass power) and related facilities	Renewable energy	7. Affordable and clean energy 12. Responsible consumption and production 13. Climate action 15. Life on land

- The eligible projects for this green bond are mainly the renovation of hydroelectric power generation and other renewable energy facilities. R&I has confirmed that the use of the proceeds from the green bond falls within the category of “Renewable energy” in the Green Bond Principles 2021.
- The amount (or percentage) of money used for refinancing will be disclosed in Hokuriku Electric Power’s integrated report or on its website.

## (2) Environmental Benefits

- Under the influence of the Intergovernmental Panel on Climate Change (IPCC) Special Report on the impacts of global warming of 1.5°C, many national and local governments and companies have been espousing carbon neutrality, the universal goal that the Paris Agreement aims for, as their long-term goals since 2019. Such movement is becoming a global trend. In Japan too, in October 2020, the government declared carbon neutrality by 2050. In the 6th Basic Energy Plan, which is currently being formulated, it significantly raised the target ratio of renewable energy in the country’s power mix for FY2030 to 36 to 38% from the current target of 22 to 24%, and clearly stated the policy of making renewable energy a major power source. The use of the proceeds is in line with the government’s policy of developing renewable energy into a major power source.
- The eligible projects for this green bond are expected to increase power generation output at some facilities and extend the useful life of facilities, which are considered as environmental benefits.
- Accordingly, the eligible projects are expected to deliver clear environmental benefits and correspond to the project category of “Renewable energy” in the Green Bond Principles.

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

- The renewable energy power generation business can cause negative impacts on air quality, noise and vibration, water quality, plants and animals, and ecosystems.
- The eligible projects are mainly the renovation of existing hydroelectric power stations, and their impacts on surrounding ecosystems and local residents are limited. With its development and operation knowhow accumulated over 70 years, Hokuriku Electric Power conducts environmentally friendly construction works. For example, it installed a monorail, instead of constructing a road, to transport materials to renovate penstocks that run across national forests, thereby minimizing deforestation.

### Assessment (Use of Proceeds):

The proceeds raised through the green bond will be used for the new development and facility upgrading of renewable energy sources, including hydroelectric power generation. The eligible projects for the green bond are expected to increase power generation output at some facilities and extend the useful life of facilities, which R&I considers as environmental benefits. These projects take into account potential negative environmental and social impacts, and will be properly implemented in accordance with the project implementation procedures established by Hokuriku Electric Power. As described above, the renewable energy projects are expected to have clear environmental benefits, and give due consideration to potential negative environmental and social impacts. Therefore, R&I has judged that these projects are eligible for the use of proceeds.

## 2. Process for Project Evaluation and Selection

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

- In April 2019, Hokuriku Electric Power established the Hokuriku Electric Power Group 2030 Long-term Vision, a roadmap to sustainable growth, and set the following as an ideal state for the group's future:

**Developing alongside the Hokuriku Region, Creating New Value Nationwide and Internationally**

To realize this, the company implements its main strategy of expanding the comprehensive energy business and cultivating new growth businesses, with the Hokuriku region as its foundation. As regards the former, it set numerical targets for 2030, such as increasing the amount of renewable energy power generation by 2.0 billion kWh (renewable energy ratio: 30%) and reducing coal consumption by 10% compared to FY2018.

- In April 2021, the company announced the Hokuriku Electric Power Group Roadmap towards Achieving Carbon Neutrality. In addition to the targets for the long-term vision, it vowed to achieve a non-fossil source ratio of 50% or more by 2030 and carbon neutrality by 2050 through decarbonization of power sources, sophisticated power grids and support for customers and communities in their decarbonization efforts.
- To achieve the target of raising the amount of renewable energy power generation by 2.0 billion kWh, it will increase biomass co-combustion at coal-fired power stations by 1.5 billion kWh and hydroelectric power generation by 0.14 billion kWh, with the remainder covered by expansion of photovoltaic, wind and other forms of power generation.
- Biomass co-combustion at coal-fired power stations is a direct countermeasure for coal-fired power generation, the largest CO<sub>2</sub> emitter in Hokuriku Electric Power's generation mix. Through biomass co-combustion, coal consumption will be cut, thereby reducing CO<sub>2</sub> emissions.
- For hydroelectric power generation, the company will construct Shin-Himekawa No.6 Power Station (28 MW), Konomoto Small Hydroelectric Power Station (660 kW) and Betsumatadani Power Station (400 kW), while aggressively working on large-scale renovation of aging facilities (around 4.6 MW). Besides, many minor renovation works that do not directly lead to higher installed capacity are scheduled. Hokuriku Electric Power considers these minor projects as one of the key strategies for achieving the targets, because meeting the renewable energy targets requires the facilities it currently holds to be always sound and operational for a long time. The biomass and hydroelectric power generation strategies are both feasible, ensuring CO<sub>2</sub> emission reductions while utilizing existing facilities.

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

- Hokuriku Electric Power has determined that the eligible projects for the green bond shall be new investment or refinancing for the construction, installment, operation, maintenance and management of renewable energy power stations and facilities (e.g., hydroelectric, wind, photovoltaic, biomass power) and related facilities that satisfies the following criteria:
  - 1) For the construction and installation of the relevant facilities, necessary procedures shall be taken to comply with applicable laws and regulations, including environmental assessment procedures, the Forest Act and the River Act.
  - 2) For the construction and installation of the relevant facilities, prior explanation shall be made to local residents.
  - 3) In the case of refinancing, the investments made within 24 months prior to the issuance date of the green bond are eligible.

- The company sets out the criteria described above in its Green Bond Framework.

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

- The Finance & Accounting Dept. will select eligible projects in collaboration with the renewable energy department, which has environmental expertise. The General Manager of the Finance & Accounting Dept. will make a final decision on selected eligible projects. In project implementation, related laws and regulations will be thoroughly observed and the code of conduct will be followed to practice honesty in line with social ethics.
- The president will decide to issue the green bond after a comprehensive resolution is made at the board of directors, the highest decision-making body for business execution.

#### Assessment (Process for Project Evaluation and Selection):

Hokuriku Electric Power has set an environmental target of achieving a non-fossil source ratio of 50% or more by 2030. This green bond, the proceeds from which are to be used for renewable energy projects, is an instrument to raise funds to meet the target. R&I has judged that the selection criteria and the process for project evaluation and selection are clear, reasonable and excellent.

## 3. Management of Proceeds

- Hokuriku Electric Power made a prior disclosure of the management method of the proceeds to investors in its Green Bond Framework.
- The Finance & Accounting Dept. will manage the proceeds raised through the issuance of the green bond quarterly by using an in-house management system and dedicated books so that the total amount of eligible projects will not fall below the issue amount of the green bond. R&I confirmed through an interview that the planned amount of money to be allocated for the eligible projects does not exceed the sum of expenditures spent on the projects.
- For management of proceeds, evidence documents will be kept for seven years in accordance with the accounting standards and internal rules.
- Any unallocated funds will be managed in cash or cash equivalents.

#### Assessment (Management of Proceeds):

The management method of the proceeds is appropriately defined, and R&I has judged that the method is excellent.

## 4. Reporting

### (1) Overview of Disclosure

- Reporting will be made as follows:

	Items	Timing	Disclosure
Allocation of proceeds	-Amount of money allocated -Unallocated balance -Of the proceeds allocated in each issuance, amount of money used for refinancing -Progress of projects	-The first reporting will be made within one year of issuance -To be disclosed annually until the proceeds raised have been fully allocated	To be disclosed on the company's website or in its integrated report
Environmental Benefits	-Annual reduction in CO2 emissions -Annual power generation (MWh)	-The first reporting will be made within one year of issuance -To be disclosed annually until the proceeds raised have been fully allocated	To be disclosed on the company's website or in its integrated report

- Disclosures should be made promptly when a significant change is made to the proceeds allocation plan or when a significant change occurs in the allocation status after proceeds are allocated.

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

- The reporting of allocation of proceeds and impacts will be made annually until the proceeds have been fully allocated.
- The reporting of allocation of proceeds will disclose the amount of money allocated, the unallocated balance and the amount of money used for refinancing.
- The impact reporting will disclose indices in a consolidated format to the extent practicable, such as by type of renewable energy. Major reporting items recommended by the International Capital Market Association (ICMA) will be disclosed regarding renewable energy.

### Assessment (Reporting):

Until the proceeds are fully allocated, the allocation of proceeds and impacts will be reported every year to disclose indices by type of renewable energy to the extent practicable. R&I has judged that the reporting is good in terms of frequency, contents, etc.

## 5. Environmental Activities of the Issuer

- Under the Paris Agreement adopted in 2015, all countries agreed on a long-term global goal of “limiting global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels.” After the IPCC issued the Special Report on the impacts of global warming of 1.5°C in 2018, many national and local governments and companies have been espousing carbon neutrality as their long-term goals since 2019. Such movement is becoming a global trend.
- Hokuriku Electric Power has been working to reduce environmental loads and CO2 emissions by, for example, developing networks, enhancing energy consumption efficiency and expanding electrification.
- Furthermore, it seeks to achieve a non-fossil source ratio of 50% or more by 2030 and carbon neutrality by 2050 in accordance with the Hokuriku Electric Power Group Roadmap to Carbon Neutrality.
- The company has been supporting the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. After examining risks and opportunities of climate change while referring to external scenarios, it discloses information in the group’s integrated report in line with the TCFD recommendations.

### Assessment (Environmental Activities of the Issuer):

Hokuriku Electric Power has been making efforts to reduce environmental loads and CO2 emissions. It laid out the Hokuriku Electric Power Group Roadmap to Carbon Neutrality. Furthermore, the company has been supporting the TCFD recommendations. After examining risks and opportunities of climate change while referring to external scenarios, it discloses information in the group’s integrated report in line with the TCFD recommendations. R&I has judged that Hokuriku Electric Power’s environmental activities are excellent.

## III. Overall Assessment

- Prior to the R&I Green Bond Assessment, R&I has confirmed that the Green Bond Framework of this project complies with the “Green Bond Principles 2021” and the “Ministry of the Environment’s Green Bond Guidelines 2020.”
- The green bond that is assessed this time will be issued based on the above-mentioned Green Bond Framework determined by the issuer.
- Proceeds raised through the green bond will be used for projects that meet the eligibility criteria set out in the company’s framework, particularly those for the renovation of hydroelectric power generation and other renewable energy facilities. R&I expects the projects to deliver clear environmental benefits by increasing power generation output at some facilities and extending the useful life of facilities, for instance. The Hokuriku Electric Power Group Roadmap to Carbon Neutrality, announced in April 2021, calls for a non-fossil source ratio of 50% or more by 2030 and carbon neutrality by 2050. This green bond, the proceeds from which will be used for renewable energy projects, is an instrument to raise funds to achieve the targets. The accounting department will appropriately manage the proceeds raised through the issuance of the green bond quarterly by using an in-house management system so that the total amount of eligible projects will not fall below the issue amount of the green bond. Until the proceeds are fully allocated, the allocation of proceeds and impacts will be reported every year to disclose indices by type of renewable energy. Hokuriku Electric Power has been working to reduce environmental impacts and CO2 emissions, and R&I has judged that its environmental activities are excellent.

Based on the above, R&I has judged that green bond proceeds are used to invest in projects with environmental benefits to a significant degree, and assigned GA1 (Formal) to the green bond.



**[Disclaimer]**

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. In R&I Green Bond Assessment, R&I may also provide a second opinion on a green bond framework. 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.

R&I Green Bond Assessment is not, in any sense, statements of current, future, or historical fact and should not be interpreted as such, and R&I Green Bond Assessment is not a recommendation to purchase, sell, or hold any particular securities and does not constitute any form of advice regarding investment decisions or financial matters. R&I Green Bond Assessment does not address the suitability of an investment for any particular investor. R&I issues R&I Green Bond Assessment based on the assumption that each investor will investigate and evaluate the securities which they plan to purchase, sell, or hold for themselves. All investment decisions shall be made at the responsibility of the individual investor.

The information used when R&I issues R&I Green Bond Assessment is information that R&I has determined, at its own discretion, to be reliable. However, R&I does not undertake any independent verification of the accuracy or other aspects of that information. R&I makes no representation or warranty, express or implied, as to the accuracy, timeliness, adequacy, completeness, merchantability, fitness for any particular purpose, or any other matter with respect to any such information.

R&I may suspend or withdraw R&I Green Bond Assessment at its discretion due to insufficient data or information, or other circumstances.

R&I is not responsible or liable in any way to any party, for all or any damage, loss, or expenses arising out of or in relation to errors, omissions, inappropriateness of, or insufficiencies in the information used when issuing R&I Green Bond Assessment, R&I Green Bond Assessment or other opinions, or arising out of or in relation to the use of such information or R&I Green Bond Assessment, or amendment, suspension, or withdrawal of R&I Green Bond Assessment (regardless of the nature of the damage, including direct, indirect, ordinary, special, consequential, compensatory, or incidental damage, lost profits, non-monetary damage, and any other damage, and including expenses for attorneys and other specialists), whether in contract, tort, for unreasonable profit or otherwise, irrespective of negligence or fault of R&I.

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

Japanese is the official language of this material and if there are any inconsistencies or discrepancies between the information written in Japanese and the information written in languages other than Japanese the information written in Japanese will take precedence.

**[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: Hokuriku Electric Power Company

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

Hokuriku Electric Power Company general secured Str. Bonds No. 347 (Green Bond)

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

Completion date of this form: December 3, 2021

Publication date of review publication: December 3, 2021

#### 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 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)

<Scoring/Rating: R&I Green Bond Assessment>

R&I has judged, in accordance with R&I Green Bond Assessment Methodology, that green bond proceeds are used to invest in projects with environmental benefits to a significant degree, and assigned GA1 (formal) to the green bond.

For details, please refer to the 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):

For details, please refer to "II Assessment by Individual Item, 1. Use of Proceeds" in the report above.

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

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Renewable energy   | <input type="checkbox"/> Energy efficiency   |
| <input 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 (please specify):   |

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

## 2. PROCESS FOR PROJECT EVALUATION AND SELECTION

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

For details, please refer to “II Assessment by Individual Item, 2. Process for Project Evaluation and Selection” in the report above.

### 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 checked="" type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other <i>(please specify)</i> :  |   |

## 3. MANAGEMENT OF PROCEEDS

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

For details, please refer to “II Assessment by Individual Item, 3. Management of Proceeds” in the report above.

### 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)*:

For details, please refer to “II Assessment by Individual Item, 4. Reporting” in the report above.

### Use of proceeds reporting:

- |  |  |
|--|--|
| <input type="checkbox"/> Project-by-project            | <input checked="" 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:

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

#### Frequency:

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

### Impact reporting:

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

#### 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 checked="" type="checkbox"/> GHG Emissions / Savings | <input type="checkbox"/> Energy Savings   |
| <input type="checkbox"/> Decrease in water use              | <input checked="" type="checkbox"/> Other ESG indicators <i>(please specify)</i> :<br>please refer to “II Assessment by Individual Item, 4. Reporting” in the report above. |

### 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.)

1. The evaluation methodology and services  
<https://www.r-i.co.jp/en/rating/products/esg/index.html>
2. Evaluation performance
  - (1) Green Finance  
<https://www.r-i.co.jp/en/rating/esg/greenfinance/index.html>
  - (2) Sustainability Finance  
<https://www.r-i.co.jp/en/rating/esg/sustainabilityfinance/index.html>
  - (3) Social Finance  
<https://www.r-i.co.jp/en/rating/esg/socialfinance/index.html>

**SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE**

**Type(s) of Review provided:**

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

**Review provider(s):**

**Date of publication:**

**DNV GL**

## 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.