



# NEWS RELEASE

December 6, 2019

## 【R&I Green Bond Assessment】

### SHIMIZU CORPORATION Unsec. Str. Bonds No.26 : GA1 Formal (SHIMIZU CORPORATION Green Bond)

Rating and Investment Information, Inc. (R&I) has announced the following R&I Green Bond Assessment (GA1 (Formal)). R&I announced a preliminary assessment for this instrument on October 30, 2019. The preliminary assessment has now been converted to a formal assessment.

#### 【DESCRIPTION OF INSTRUMENT】

INSTRUMENT NAME	SHIMIZU CORPORATION Unsec. Str. Bonds No.26 (SHIMIZU CORPORATION Green Bond)
ISSUER	SHIMIZU CORPORATION
ISSUE AMOUNT (mn)	JPY 10,000
R&I GREEN BOND ASSESSMENT	GA1 (Formal)
ISSUE DATE	December 12, 2019
MATURITY DATE	December 12, 2024

R&I has confirmed that the green bond is in conformity to the green bond framework developed by SHIMIZU CORPORATION from the perspectives of the fixed issue amount, term, etc. and assigned GA1 (Formal) to the green bond.

Details are provided in the attached press release dated October 30, 2019 regarding R&I Green Bond Assessment (GA1 (Preliminary), Second Opinion).

In addition to this assessment, R&I has assigned a credit rating to SHIMIZU CORPORATION Green Bond. For details, please refer to <https://www.r-i.co.jp/en/index.html/>.

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.

October 30, 2019

## 【R&I Green Bond Assessment】

### SHIMIZU CORPORATION Unsec. Str. Bonds No.26 (SHIMIZU CORPORATION Green Bond)

: GA1 (Preliminary)

: Second Opinion

(The second opinion is an opinion regarding the alignment with the Green Bond Principles, etc.)

Rating and Investment Information, Inc. (R&I) has announced the following R&I Green Bond Assessment (GA1 (Preliminary), Second Opinion).

## 【DESCRIPTION OF INSTRUMENT】

INSTRUMENT NAME	SHIMIZU CORPORATION Unsec. Str. Bonds No.26 (SHIMIZU CORPORATION Green Bond)
ISSUER	SHIMIZU CORPORATION
ISSUE AMOUNT (mn)	JPY 10,000 scheduled
R&I GREEN BOND ASSESSMENT	GA1 (Preliminary)
ISSUE DATE	December 2019 scheduled
MATURITY DATE	December 2024 scheduled

## 【Summary】

Shimizu Corporation is a leading general contractor with a top-class business base in the private construction industry. The Company has formulated a long-term vision named SHIMZ VISION 2030 based on the management principle: "With devotion and a spirit of innovation, we work to create value that exceeds expectations and contribute to a sustainable tomorrow".

The Company is committed to the development of green buildings toward the achievement of "a sustainable society where future generations can inherit a well-cared for environment". YOKOHAMA GRANGATE, scheduled to be completed in February 2020, is a highly value-added project that provides, among other things, high environmental performance as an office building, while maintaining the unity with the streetscape of central Minato Mirai 21 where global companies and MICE facilities are based. Prior to financing part of construction funds of this project with green bond proceeds, Shimizu formulated a green bond framework (hereinafter, the framework) that coincides with 4 requirements (use of proceeds, process for project evaluation and selection, management of proceeds, and reporting) specified by the Green Bond Principles.

## 【R&I Green Bond Assessment】

R&I has judged, in accordance with R&I Green Bond Assessment Methodology, that the proceeds from the green bond would be invested into projects with significant environmental benefits, and assigned GA1 (preliminary) to the green bond. This is a preliminary assessment and will be reassessed after the final confirmation of bond issuance details.

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

R&I has also provided a second opinion that the green bond framework is aligned with the Green Bond Principles 2018 and the Green Bond Guidelines 2017 by the Ministry of the Environment of Japan.

Note that R&I has confirmed that the green bond scheduled to be issued is going to be in conformity to the said framework from the perspectives of issue amount and term, details of eligible projects, assets and investment schedule, etc.

【Rationale】

- The proceeds will be used to refinance the construction fund of an office building YOKOHAMA GRANGATE, which is scheduled to be completed in February 2020. With regard to environmental certification, the building will be awarded CASBEE Yokohama S-rank and gold in the LEED official certification. In terms of specifications, it is environmentally friendly designed by introducing energy-saving equipment such as double Low-E glass, radiant air conditioning, desiccant air conditioning, LED lighting, etc., and by using district heating and cooling.
- While working to reduce environmental burden, the Company ensures the safety and capability corresponding BCP in the event of major earthquakes and other disasters. The design conscious about the health of people who regularly visit the building will be awarded the WELL certification as the first tenant office building in Japan. In addition, YOKOHAMA GRANGATE will be equipped with abundant planting and recreation space, providing an open space not only for people working for tenant companies but also for the local community.
- R&I has confirmed that the building is equipped with various functions inside and outside the offices that contribute to the development of sustainable urban area, while having the maximum environmental performance, and judged that the use of proceeds is appropriate as a use of green bond proceeds.
- The eligible project is in conformity with Shimizu's management philosophy and its long-term vision named SHIMZ VISION 2030. The project selection criteria are also consistent with the Ecological Mission 2030 -2050, mid-term targets of CO2 reduction, and the Environmental Activity Plan. The process of project evaluation and selection is consulted between Investment & Development Division in charge of the real estate development business and Finance Department, to be approved by an executive officer in charge of finance. It is an appropriate evaluation and selection process.
- The entire proceeds will be allocated to refinancing upon issuance, and the completion of allocation will be confirmed by Finance Department. Voucher documents are kept for a certain period of time in accordance with internal regulations, under an appropriate management system. Unappropriated proceeds will be managed as cash and cash equivalents, if any. It is an appropriate management procedure.
- Reporting of the green bond will be disclosed once a year on Shimizu Corporation's website or corporate report. Fund allocation status reporting will be conducted upon allocation because the entire proceeds will be allocated immediately. The condition of fund allocation will be disclosed in the initial reporting. Impact reporting of a green building will be disclosed on major reporting matters recommended by International Capital Market Association (ICMA) by each project. It is considered an appropriate reporting.
- Shimizu Corporation has established an environmental policy and system focusing on specific goals, and promotes business and environmental activities accordingly. The Company is clearly committed to its Ecological Mission 2030-2050 where quantitative management using KPIs and Science Based Targets (SBT) are put in place.

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.

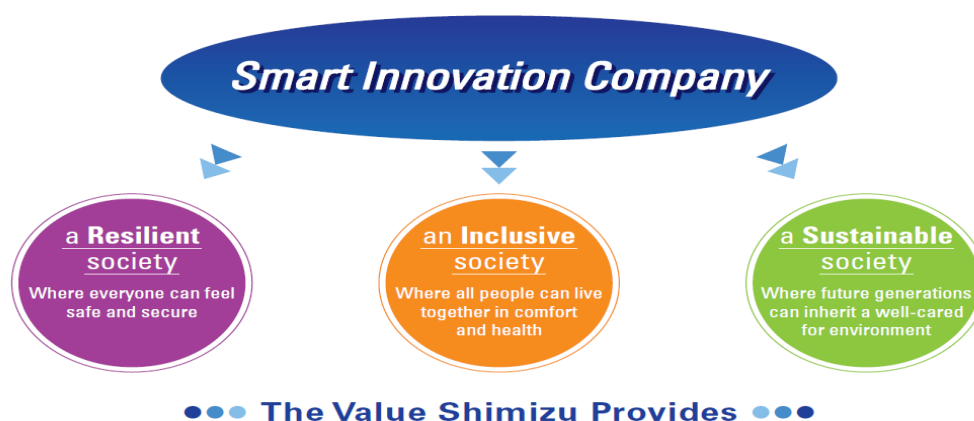
## ■ Outline of the Issuer (SHIMIZU CORPORATION)

Shimizu Corporation started as a carpentry shop in Kanda Kajicho, Edo (present day Tokyo) in 1804. After building the foundation as a modern constructor in the latter half of the 19th century, the Company expanded the scope of business amid the post-war restoration. By the end of the 20th century, the Company established the current business base as a general constructor.

The Shimizu Group, consisting of Shimizu Corporation, 66 subsidiaries and 15 affiliates with 16,184 employees including contract employees on a consolidated basis (as of March 31, 2019), is engaged in construction, development, and their ancillary businesses. With a top-class business base, Shimizu provides superior construction work capability proven by its abundant track record in the private construction industry.

The Shimizu Group has established a long-term vision named the SHIMZ VISION 2030 which describes its strategy toward 2030. SHIMZ VISION 2030 states that the Group will create new value ahead of the times and contribute to a safe, healthy and sustainable future for everyone by ceaseless transforming and challenging itself beyond construction and co-creating with diverse partners. As a smart innovation company, Shimizu Group has defined the value of its social contribution as “Resilient,” “Inclusive,” and “Sustainable,” on which it proposes a specific action plan to take through business, respectively.

## “SHIMZ VISION 2030” Shimizu Group’s Strategy Towards 2030



► We will contribute to the 17 SDGs (Sustainable Development Goals) by providing value through innovation

SUSTAINABLE DEVELOPMENT GOALS

## Realizing a **resilient** society

With the heightened risk of natural disasters such as earthquakes, super-typhoons and torrential rain, there is an ever-increasing need to protect lives and businesses.

- Building strong and resilient infrastructure
- Extending the life of the built-environment
- Disaster prevention & mitigation technology
- Disseminate ecoBCP\*

\* Facilities and urban development concepts that can effect both saving measures for normal operation (eco), and business continuity planning (BCP) for emergencies.

## Realizing an **inclusive** society

With rapid changes such as aging, population decline and urbanization, the future requires a society where anyone can live safely and comfortably.

- Urban development utilizing ICT
- Use of universal design
- Provide built-environments that enhance health and well-being
- Expand the fields of human activity (to the oceans and space)

## Realizing a **sustainable** society

As global warming, deforestation and environmental pollution become more serious, we must increase efforts to leave behind a bountiful earth for the next generation.

- Use of sustainable energy
- Promotion of energy-saving, energy creation and ZEB (zero energy) facilities
- CO<sub>2</sub> emissions reduction in all business activities
- Conservation of the natural environment and biodiversity

### Targeted Goals



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



Shimizu Corporation is committed to the development of green buildings towards the achievement of "a sustainable society where future generations can inherit a well-cared for environment" set forth in SHIMIZU VISION 2030, the long-term vision. YOKOHAMA GRANGATE, scheduled to be completed in February 2020, is a project that seeks higher added value, including environmental performance as an office building, while maintaining unity with the streetscape of central Minato Mirai 21 where global companies and MICE facilities are based. Shimizu Corporation has been designing and constructing several other office buildings in the area, and therefore has taken advantage of the know-how concerning the reduction of environmental load and BCPs.

Prior to financing part of construction funds of this project with green bond proceeds, Shimizu formulated a green bond framework (hereinafter, the framework) that coincides with 4 requirements (use of proceeds, process for project evaluation and selection, management of proceeds, and reporting) specified by the Green Bond Principles.

## ■ Overview of the Green Bond Framework

SHIMIZU CORPORATION has developed a green bond framework, which addresses the four key pillars of the Green Bond Principles (GBP): use of proceeds, project evaluation and selection process, management of proceeds, and reporting, under which it intends to issue a green bond. The summary of this Framework is as follows:

### 1. Use of Proceeds

- Green bond proceeds will be used for new investment or refinancing of projects that meet the following eligibility criteria:

Project Category	Project Name
Green Building	<u>Green Eligibility Criteria</u> (1) Gold or Platinum in the LEED certification (2) A-rank or S-rank of CASBEE for Real Estate Obtain either of the above (1) or (2). (WELL certification is a plus.)

- The entire proceeds from the green bond will be used to refinance the fund to construct YOKOHAMA GRANGATE (Yokohama city, Kanagawa), a green-eligible office building scheduled to be completed in February 2020.

### [Outline of YOKOHAMA GRANGATE]

YOKOHAMA GRANGATE is a large office building constructed in Block 54 of central Minato Mirai 21, with completion scheduled for Feb 2020. The site is located directly above Shintakashima Station on the Yokohama Minato Mirai Railway Line, an entrance of Minato Mirai 21 facing the east exit of Yokohama Station.

The central Minato Mirai 21, where the site is located, is adjacent to both the Yokohama Station East Exit District and a commercial area called the Shinko District, consisting of Business Zone where global companies are based, a large green zone facing the waterfront, and International Zone equipped with MICE facilities. Taking advantage of the nearby Yokohama Station that enjoys a favorable access from the Tokyo metropolitan area and Haneda International Airport, the area was strategically redeveloped on a large scale so that it invites people heading toward the waterfront area and festive events, and also encourages cultural exchanges. As a result, the site has evolved into an energetic, cosmopolitan meeting ground that centralizes three features: business, commerce, and international exchange.

The first two floors are equipped with stores, a childcare center, and large conference facilities not only to enhance the convenience for people working for the tenant companies, but also open to the local community. People enjoy an abundance of outdoor green space on the premises, and a plaza facing the entrance and a sidewalk toward International Zone will be equipped with abundant planting and recreation space. The plaza and conference rooms will be opened to local community in an emergency as a temporary reception space for people who find it difficult to return home, emergency supplies, and disaster information.

## Location and Common spaces

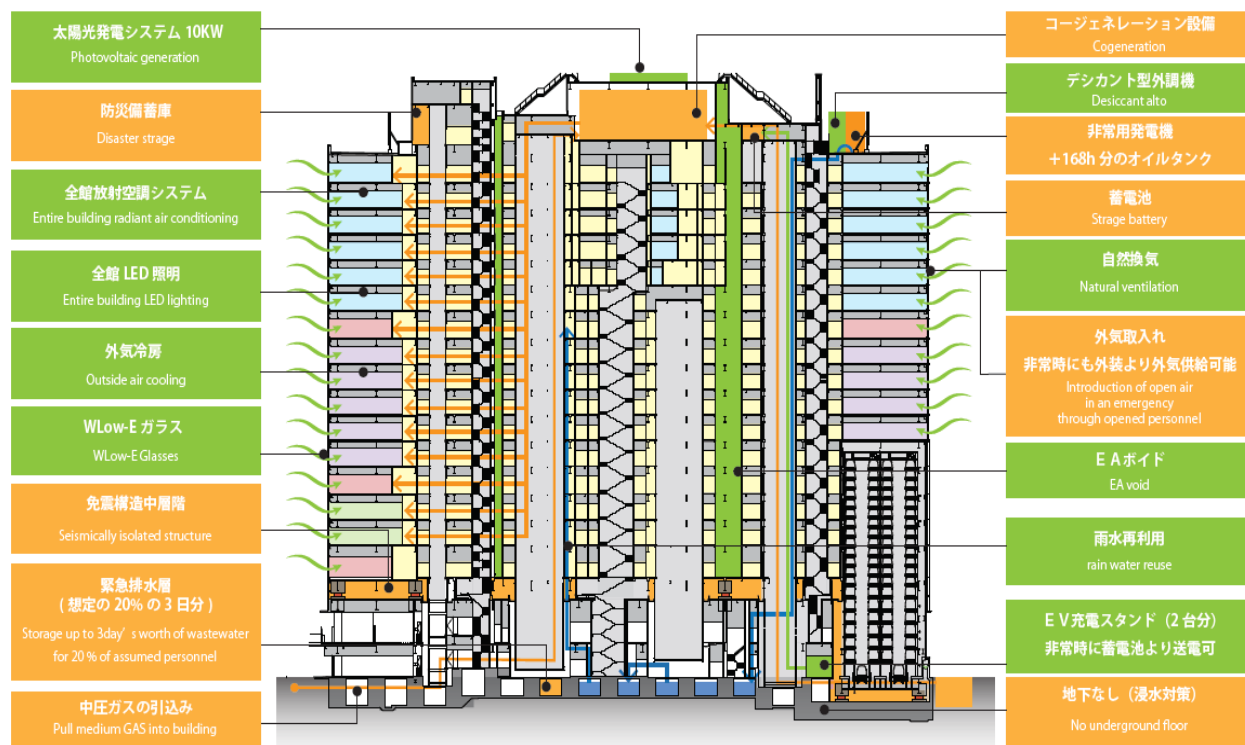


## Overview of YOKOHAMA GRANGATE

Property Name	YOKOHAMA GRANGATE
Address	Minato Mirai 5-chome 1- 16, Nishi-ku, Yokohama-shi, Kanagawa (Block 54 of central Minato Mirai 21)
Development Area	11,491.11m <sup>2</sup>
Design and Supervision	First Class Architect Office of Shimizu Corporation
Construction	Shimizu Corporation
Purpose	Offices, shops, and parking lot
Scale	18 floors above ground, 2 floors on rooftop
Total Floor Area	100,926m <sup>2</sup>
Completion	Scheduled for February 2020
Major Environmental Considerations	Greening: Inside the plaza and mall area Outer skin: Double Low-E glass for the southern eave part and the east, west, and south sides Air conditioning and ventilation: Radiant air conditioning, desiccant air conditioner, total heat exchanger, outside air cooling system Lighting: Whole-building LED lighting (daylight sensor dimmable control, 3-step illuminance setting), task & ambient lighting
Major environmental certifications	CASBEE Yokohama S-rank to be awarded LEED Gold Certification to be awarded WELL certification to be awarded (pre-certification awarded)
Energy saving performance	In the plan registered in accordance with CASBEE Yokohama, the reduction of the design primary energy consumption against standard consumption is 10% (as of June 2017). Considering the environmental performance to be reflected on in this percentage, the final reduction rate is projected to exceed 20%. Primary energy

consumption performance: BEIm = 0.90; Skin performance: BPIIm = 0.97

## YOKOHAMA GRANGATE eco+BCP



The concept of YOKOHAMA GRANGATE is "Creating a next-generation workplace that will support the creative activities of companies". As mentioned above, it is an innovative project that pursue flexibility, environment, well-being, and business continuity planning (BCP)", while realizing unity and harmony with central Minato Mirai 21. Details are described below.

### Flexibility

The large plate (divided into up to 6 sections) with a maximum floor area of about 1,400 tsubo (about 4,630 square meters) realizes a floor design providing good layout flexibility so that tenants are allowed to create a floor layout that encourages communication. In particular, the 3rd, 6th, 12th, and 18th floors are designed as a "flexible floor" having a ceiling height of up to 3.5 m and an expanded heavy-duty zone that withstands a floor load of 1,000 kg/m<sup>2</sup>. Thus, these floors are designed to meet diverse needs beyond the office use, including research and development facilities, showrooms, as well as cafes and restaurants.

### Environment

The building will be awarded CASBEE Yokohama S-rank and gold in the LEED official certification for its efforts to introduce the latest technology to reduce environmental impact. In addition to energy-saving technologies such as radiant air conditioning, LED lighting having sensor function, desiccant air conditioner, total heat exchanger, and cogeneration system (CGS), low-carbonization of energy sources is currently projected by adopting a district heating and cooling technology. The building aims to reduce environmental burden by utilizing waste heat from CGS for district heating and cooling, external controllers, and total heat exchangers, and by reducing peak use of district heating and cooling.



## Wellness (health and comfort)

Air conditioning and heating environment: Human health-conscious construction materials with fewer output of chemical pollutants including formaldehyde and toluene are used for almost all the indoor space. In addition, a radiant air conditioning system works quietly and provides flat temperature while eliminating an unpleasant air current, and a desiccant air conditioner uses fresh natural air of controlled temperature and humidity, providing a healthy and comfortable working space.

Light environment: The building adopts whole-building LED lighting, giving consideration to circadian rhythm with daylight sensor dimmable control. In addition, three illumination levels (300 lx, 400 lx, and 500 lx) and task & ambient lighting provide an optimum illumination setting tailored to individual purposes.

YOKOHAMA GRANGATE was awarded WELL pre-certification, an environmental certification focusing on human health and comfort.

## Business Continuity (BCP)

Dual Fit Damper, a seismic isolation system introduced by YOKOHAMA GRANGATE enhances durability even in the event of a major earthquake (performance verified under a largest-class earthquake which has occurred around the Sagami Trough in the past), and lowering the amplitude in a long-period wave or long-hour earthquake to end the wave quickly, which provides high security and BCP.

In addition, YOKOHAMA GRANGATE has achieved energy independence to provide seven days of electricity supplies generated by an emergency power generation equipment and the CGS to the common area in an emergency. It can also continue providing a certain electricity to the offices (in an emergency, it also allows for taking outside air into the offices through windows and other openings).

## 2. Process for Project Evaluation and Selection

- An eligible project for the green bond will be evaluated and selected through consultation between Investment & Development Division in charge of real estate development business and Finance Department, to be approved by an executive officer in charge of finance.

## 3. Management of Proceeds

- The proceeds from the issuance of green bonds are to be allocated and managed by Finance Department of Shimizu Corporation.
- The use of proceeds and the balance will be managed by Finance Department using electronic files. The entire proceeds will be allocated to refinancing after the issuance and there will be no unallocated proceeds in principle. However, in cases where the proceeds are unallocated for a certain period of time due to reasons such as a delay in the timing of allocation to an eligible project, Shimizu Corporation is to manage the amount equivalent to such funds as cash and cash equivalents.
- If it becomes obvious that unallocated proceeds will arise due to reasons other than a delay in the timing of allocation to an eligible project, such proceeds will be allocated to other projects with high environmental improvement effects that meet green eligibility standards in accordance with 2. Process for Project Evaluation and Selection above.

## 4. Reporting

- For the period from one year after the issuance to maturity, the status of allocation of proceeds and environmental effects will be reported once a year and shall be reviewed by R&I.
- Details of reporting will be disclosed on the Shimizu Corporation website or in an annual corporate report, and the results of review by R&I will be disclosed on the R&I website.
- The condition of the fund allocation will be disclosed in the initial reporting. A major modification of the fund allocation plan or a significant change in the funding status after the allocation of funds shall be disclosed in a timely manner, if any.
- Impact reporting on YOKOHAMA GRANGATE includes:
  - Status of acquired certifications
  - Energy consumption (J)
  - Greenhouse gas emission (t)
  - Water consumption (m<sup>3</sup>)
  - Waste emission (t)
  - Recycling rate (%)

## ■Evaluation Result on the Green Bond Framework (Second Opinion)

In line with R&I Green Bond Assessment Methodology, R&I evaluated if the green bond framework prepared by SHIMIZU CORPORATION is in conformity to Green Bond Principles 2018 and Green Bond Guidelines 2017 by the Ministry of the Environment of Japan.

### 1. Use of Proceeds

For green bond proceeds to be used to invest in projects with environmental benefits, the eligible projects in which the funds are invested must be identified as being environmentally beneficial.

#### Main basis of the evaluation

- Details of the framework
- Documents related to the eligible building

#### Evaluation

- The entire proceeds from the green bond will be used to refinance the construction funds for YOKOHAMA GRANGATE development project which will be completed in February 2020.
- With regard to environmental certification, the building will be awarded CASBEE Yokohama S-rank and gold in the LEED official certification. In terms of specifications, it is environmentally friendly designed by introducing energy-saving equipment such as double Low-E glass, radiant air conditioning, desiccant air conditioning, LED lighting, etc., and by using district heating and cooling.
- While working to reduce environmental burden, the Company ensures the safety and capability corresponding BCP in the event of major earthquakes and other disasters.
- The design conscious about the health of people who regularly visit the building will be awarded the WELL certification as the first tenant office building in Japan.
- The site of YOKOHAMA GRANGATE will be equipped with abundant planting and recreation space, and lower floors of the building will be equipped with daily life-related stores, a childcare center, and large conference facilities, providing an open space not only for people working for tenant companies, but also for the local community.
- Prior to the construction of YOKOHAMA GRANGATE, the Company assessed the project in line with the regulations set by Yokohama city (Kanagawa), including the city's Environmental Impact Assessment Ordinance and Regulations for Reduction, Recycling, and Proper Disposal, etc. of Wastes, and held a briefing session for residents.
- R&I has confirmed that the building is equipped with various functions inside and outside the offices that contribute to the development of sustainable urban area, while having the maximum environmental performance, and judged that the use of proceeds is appropriate as a use of green bond proceeds.

For the reasons stated above, R&I has judged the use of proceeds under the framework is in conformity to Green Bond Principles 2018 and Green Bond Guidelines 2017 by the Ministry of the Environment of Japan.

## 2. Process for Project Evaluation and Selection

For green bond proceeds to be used to invest in projects with environmental benefits, the issuer's rationale and process regarding the selection of eligible projects must be clear and reasonable.

### Main basis of the evaluation

- Details of the framework
- Confirmation of issuer's Management Principles, SHIMZ VISION 2030, Basic Environmental Policy and Ecological Mission 2030-2050 (a mid-term targets for CO2 reduction), as well as the Environmental Activity Plan.

### Evaluation

- The eligible project is in line with Shimizu's management philosophy and SHIMZ VISION 2030, a construction that embodies the value of Shimizu Group's social contribution (resilient society where everyone can feel safe and secure, an inclusive society where all people can live together in comfort and health, and a sustainable society where future generations can inherit a well-cared for environment).
- The selection criteria for eligible projects (green eligibility criteria) is consistent with Shimizu's Ecological Mission 2030-2050 (mid-term targets for CO2 reduction) and the Environmental Action Plan. In addition, the criteria requires an environmental certification by a third party, providing a clear standard with proven objectivity.
- Eligible projects shall be evaluated and selected through consultation between Investment & Development Division in charge of real estate development business and Finance Department, to be approved by an executive officer in charge of finance. It is an appropriate process.
- Investment & Development Division has the insight into environmental and social assessment, ensuring an organizational decision-making and checking, as well as expertise, in the process of evaluation and selection.

For the reasons stated above, R&I has judged the process for project evaluation and selection under the framework is in conformity to Green Bond Principles 2018 and Green Bond Guidelines 2017 by the Ministry of the Environment of Japan.

## 3. Management of Proceeds

For the green bond proceeds to be used to invest in projects with environmental benefits, the proceeds must be allocated to eligible projects, and must not be invested in projects other than eligible projects.

### Main basis of the evaluation

- Details of the framework

### Evaluation

- Finance Department shall be responsible for the allocation and management of proceeds from the green bond.
- The entire proceeds will be allocated to refinancing, and the completion of allocation will be confirmed by Finance Department. Voucher documents are kept for a certain period of time in accordance with

internal regulations, under an appropriate management system.

- There will be no unallocated proceeds to arise in principle. If unallocated proceeds arise due to a delay in the timing of allocation or other reasons, the amount equivalent to such proceeds will be managed as cash and cash equivalents in an appropriate manner.
- In cases where unallocated proceeds arise for reasons other than a delay in allocation, such proceeds will be allocated to other projects with high environmental benefits that are selected in accordance with a predetermined Process of Project Evaluation and Selection. It is a reasonable alternative measure.

For the reasons stated above, R&I has judged the policy for management of proceeds under the framework is in conformity to Green Bond Principles 2018 and Green Bond Guidelines 2017 by the Ministry of the Environment of Japan.

## 4. Reporting

To ensure that green bond proceeds are used to invest in projects with environmental benefits, the issuer is expected to provide details on the eligible projects, the timing of investments, and the environmental benefits yielded by the projects.

### Main basis of the evaluation

- Details of the framework

### Evaluation

- Reporting of the green bond will be disclosed once a year on Shimizu Corporation's website or corporate report.
- Fund allocation status reporting will be conducted in the initial reporting. However, it is clearly written in the framework that a major modification of the fund allocation plan or a significant change in the funding status after the allocation of funds shall be disclosed in a timely manner.
- Impact reporting will include core matters recommended by Suggested Impact reporting Metrics for Green Building Projects published by the ICMA in March 2019. Impact will be disclosed for each project.

For the reasons stated above, R&I concluded that the reporting in this framework is in line with the Green Bond Principles 2018 and the Ministry of the Environment's Green Bond Guidelines 2017.

## <Comprehensive Evaluation>

In line with the assessment methodology of R&I green bond assessment, R&I has judged that the framework is in conformity to Green Bond Principles 2018 and Green Bond Guidelines 2017 by the Ministry of the Environment of Japan.

This second opinion shall be applied to the green bond to be issued at this time. For subsequent issues, R&I will review the status and then releases its second opinion again.



## ■ Evaluation of the Green Bond

In line with the assessment methodology of R&I Green Bond Assessment, R&I confirmed if the amount and term of the green bond to be issued, as well as details of eligible projects and the allocation schedule, etc. thereof, are in conformity to the provisions of the framework. Also, in accordance with the details of the framework and specific measures to be taken for the green bond, R&I evaluated the extent the proceeds from the green bond are used to invest in businesses with environmental benefits.

### 1. Use of Proceeds

- The eligible projects of the green bond and the eligible projects under the framework are the same, thus in line with the green bond framework.
- R&I checked whether or not 1) sufficient environmental benefits are expected from the eligible projects in which funds are invested, and 2) due consideration is paid to potentially negative environmental and social impacts, similar to the evaluation of the framework. R&I evaluated that the use of funds is appropriate as a use of green bond proceeds.
- It was confirmed that the total amount invested into the project significantly exceeds the proceeds that will be funded from the issuance of the green bond.
- With regard to environmental certification, the building will be awarded CASBEE Yokohama S-rank and gold in the LEED official certification.
- R&I confirmed that the building is equipped with various functions inside and outside the offices that contribute to the development of sustainable urban area, while having the maximum environmental performance.

For the reasons stated above, R&I has judged that the eligible project is evaluated to be reasonably beneficial to the environment.

### 2. Process for Project Evaluation and Selection

- R&I confirmed that the projects were selected in accordance with the framework established by the issuer.
- R&I has determined that the process for project evaluation and selection is excellent in its clarity and rationality.

### 3. Management of Proceeds

- The proceeds from the green bond will be managed in accordance with the framework established by the issuer.
- R&I has determined that the method for managing the green bond proceeds is properly prepared and considered to be excellent.

### 4. Reporting

- R&I confirmed that the green bond reporting will be implemented in line with the framework established by the issuer. As the entire proceeds of the green bond will be allocated to eligible projects immediately upon issuance, reporting will be promptly made upon the issuance of the green bond.
- Impact reporting will include core matters recommended by Suggested Impact reporting Metrics for Green Building Projects published by the ICMA in March 2019. Impacts will be disclosed for each project.  
R&I has judged that the reporting policy for the green bond is especially excellent in content and frequency.

## 5. Issuer's environmental contribution activities

The extent the proceeds from a green bond is used to invest in businesses with environmental benefits is considered to be affected by issuer's attitude toward environmental activities and track records of such activities. This is because an issuer with higher interest in and more track records of environmental activities are more likely to allocate proceeds from a green bond to businesses with environmental benefits and get those businesses done.

- Shimizu Corporation has established an environmental policy and system focusing on specific goals, and promotes business and environmental activities accordingly.
- In particular, the Company is clearly committed to its mid- and long-term anti-global warming goals called Ecology Mission where quantitative management using KPIs and Science Based Targets (SBT)<sup>1</sup> are put in place.

For the reasons stated above, R&I deems that the issuer's involvement in environmental contribution activities is especially excellent.



## <Comprehensive Evaluation>






For the reasons stated above, R&I has judged that the green bond will be issued under the framework established by the issuer and is in conformity to Green Bond Principles 2018 and the four requirements of Green Bond Guidelines 2017 by the Ministry of the Environment of Japan.

R&I also evaluated the green bond in line with R&I Green Bond Assessment. In accordance with the comprehensive evaluation based on individual evaluation result by item, R&I has judged that the proceeds from the green bond subject to evaluation is highly likely to be used to invest in businesses with environmental benefits and assigned GA1 (preliminary) to the bond. Individual evaluation result by item is as follows:

<sup>1</sup> Greenhouse gas emission reduction goals that companies set, taking a target year five to ten years ahead. Companies aim to acquire a certification of a third party (SBT operators including the United Nations Global Compact), which is awarded provided that the goals are consistent with the standards required by the Paris Agreement (preventing global temperatures from increasing either far more than 2 °C or 1.5 °C above the temperature benchmark set before the beginning of the Industrial Revolution).

【Assessment of each item】

Each item has been assessed on a scale of one to five, with  being the highest and  being the lowest.

項目	評価	概要
Use of proceeds		The eligible asset is expected to bring sufficient environmental benefits and paid due consideration for potentially negative environmental impacts. R&I deems that the extent to which the asset is used to invest in projects with environmental benefits is excellent. However, actual numerical results of primary energy consumption performance are yet to be confirmed at the moment.
Process for project evaluation and selection		R&I has determined that the process for evaluating and selecting the green bond project is excellent in its clarity and rationality.
Management of proceeds		R&I has determined that the method for managing the green bond proceeds is properly prepared and considered to be excellent.
Reporting		R&I has judged that the reporting policy for the green bond is especially excellent in content and frequency..
Issuer's environmental contribution activities		R&I has judged that issuer has established an environmental policy and system focusing on specific goals, and promotes business and environmental activities accordingly. R&I considers the issuer's stance toward environmental contribution activities to be especially excellent.

The methodology for R&I Green Bond Assessment is disclosed on R&I's website.  
[https://www.r-i.co.jp/en/rating/products/green\\_bond/methodology.html](https://www.r-i.co.jp/en/rating/products/green_bond/methodology.html)

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.

The Assessment Methodologies R&I uses in connection with evaluation are R&I's opinions prepared based on R&I's own analysis and research, and 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 the Assessment Methodologies. Further, disclosure of the Assessment Methodologies by R&I does not constitute any form of advice regarding investment decisions or financial matters or comment on the suitability of any investment for any party. R&I is not liable in any way for any damage arising in respect of a user or other third party in relation to the content or the use of the Assessment Methodologies, regardless of the reason for the claim, and irrespective of negligence or fault of R&I. All rights and interests (including patent rights, copyrights, other intellectual property rights, and know-how) regarding the Assessment Methodologies belong to R&I. Use of the Assessment Methodologies, in whole or in part, for purposes beyond personal use (including reproducing, amending, sending, distributing, transferring, lending, translating, or adapting the information), and storing the Assessment Methodologies for subsequent use, is prohibited without R&I's prior written permission.

[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.]



## Green Bond / Green Bond Programme

### Independent External Review Form

#### Section 1. Basic Information

**Issuer name:** SHIMIZU CORPORATION

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

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

**Completion date of this form:** December 6, 2019

**Publication date of review publication:** December 6, 2019

#### Section 2. Review overview

##### SCOPE OF REVIEW

*The following may be used or adapted, where appropriate, to summarise the scope of the review.*

The review assessed the following elements and confirmed their alignment with the GBPs:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds        | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting                                    |

##### ROLE(S) OF INDEPENDENT EXTERNAL REVIEW PROVIDER

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

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

**Latest update:** June 2018



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

### [R&I Green Bond Assessment]

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

### [Second Opinion on the alignment with Green Bond Principles, etc.]

R&I has also provided a second opinion that the green bond framework is aligned with Green Bond Principles 2018 and Green Bond Guidelines 2017 by the Ministry of the Environment of Japan.

For details, please refer to R&I Green bond assessment report above.

## Section 3. Detailed review

*Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.*

### 1. USE OF PROCEEDS

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

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

The entire proceeds from the green bond will be used to refinance the construction funds for YOKOHAMA GRANGATE development project which will be completed in February 2020.

With regard to environmental certification, the building will be awarded CASBEE Yokohama S-rank and gold in the LEED official certification. In terms of specifications, it is environmentally friendly designed by introducing energy-saving equipment such as double Low-E glass, radiant air conditioning, desiccant air conditioning, LED lighting, etc., and by using district heating and cooling.

While working to reduce environmental burden, the Company ensures the safety and capability corresponding BCP in the event of major earthquakes and other disasters.

The design conscious about the health of people who regularly visit the building will be awarded the WELL certification as the first tenant office building in Japan.

The site of YOKOHAMA GRANGATE will be equipped with abundant planting and recreation space, and lower floors of the building will be equipped with daily life-related stores, a childcare center, and large conference facilities, providing an open space not only for people working for tenant companies, but also for the local community.

Prior to the construction of YOKOHAMA GRANGATE, the Company assessed the project in line with the regulations set by Yokohama city (Kanagawa), including the city's Environmental Impact Assessment Ordinance and Regulations for Reduction, Recycling, and Proper Disposal, etc. of Wastes, and held a briefing session for residents.

R&I has confirmed that the building is equipped with various functions inside and outside the offices that contribute to the development of sustainable urban area, while having the maximum environmental performance, and judged that the use of proceeds is appropriate as a use of green bond proceeds.

For the reasons stated above, R&I has judged the use of proceeds under the framework is in conformity to Green Bond Principles 2018 and Green Bond Guidelines 2017 by the Ministry of the Environment of Japan.

## < Evaluation on the Green Bond >

The eligible projects of the green bond and the eligible projects under the framework are the same, thus in line with the green bond framework.

R&I checked whether or not 1) sufficient environmental benefits are expected from the eligible projects in which funds are invested, and 2) due consideration is paid to potentially negative environmental and social impacts, similar to the evaluation of the framework. R&I evaluated that the use of funds is appropriate as a use of green bond proceeds.

It was confirmed that the total amount invested into the project significantly exceeds the proceeds that will be funded from the issuance of the green bond.

With regard to environmental certification, the building will be awarded CASBEE Yokohama S-rank and gold in the LEED official certification.

R&I confirmed that the building is equipped with various functions inside and outside the offices that contribute to the development of sustainable urban area, while having the maximum environmental performance.

For the reasons stated above, R&I has judged that the eligible project is evaluated to be reasonably beneficial to the environment.

## Use of proceeds categories as per GBP:

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

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

## 2. PROCESS FOR PROJECT EVALUATION AND SELECTION

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

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

The eligible project is in line with Shimizu's management philosophy and SHIMZ VISION 2030, a construction that embodies the value of Shimizu Group's social contribution (resilient society where everyone can feel safe and secure, an inclusive society where all people can live together in comfort and health, and a sustainable society where future generations can inherit a well-cared for environment).

The selection criteria for eligible projects (green eligibility criteria) is consistent with Shimizu's Ecological Mission 2030-2050 (mid-term targets for CO2 reduction) and the Environmental Action Plan. In addition, the criteria requires an environmental certification by a third party, providing a clear standard with proven objectivity.

Eligible projects shall be evaluated and selected through consultation between Investment & Development Division in charge of real estate development business and Finance Department, to be approved by an executive officer in charge of finance. It is an appropriate process.

Investment & Development Division has the insight into environmental and social assessment, ensuring an organizational decision-making and checking, as well as expertise, in the process of evaluation and selection.

For the reasons stated above, R&I has judged the process for project evaluation and selection under the framework is in conformity to Green Bond Principles 2018 and Green Bond Guidelines 2017 by the Ministry of the Environment of Japan.

#### < Evaluation on the Green Bond >

R&I confirmed that the projects were selected in accordance with the framework established by the issuer.

R&I has determined that the process for project evaluation and selection is excellent in its clarity and rationality.

### Evaluation and selection

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives            | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories               |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available       | <input type="checkbox"/> Other (please specify):  |

### Information on Responsibilities and Accountability

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

## 3. MANAGEMENT OF PROCEEDS

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

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

Finance Department shall be responsible for the allocation and management of proceeds from the green bond.

The entire proceeds will be allocated to refinancing, and the completion of allocation will be confirmed by Finance Department. Voucher documents are kept for a certain period of time in accordance with internal regulations, under an appropriate management system.

There will be no unallocated proceeds to arise in principle. If unallocated proceeds arise due to a delay in the timing of allocation or other reasons, the amount equivalent to such proceeds will be managed as cash and cash equivalents in an appropriate manner.

In cases where unallocated proceeds arise for reasons other than a delay in allocation, such proceeds will be allocated to other projects with high environmental benefits that are selected in accordance with a predetermined Process of Project Evaluation and Selection. It is a reasonable alternative measure.

For the reasons stated above, R&I has judged the policy for management of proceeds under the framework is in conformity to Green Bond Principles 2018 and Green Bond Guidelines 2017 by the Ministry of the Environment of Japan.

#### < Evaluation on the Green Bond >

The proceeds from the green bond will be managed in accordance with the framework established by the issuer.

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

### Tracking of proceeds:

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

### Additional disclosure:

- |  |   |
|--|---|
| <input type="checkbox"/> Allocations to future investments only                  | <input type="checkbox"/> Allocations to both existing and future investments                                    |
| <input checked="" type="checkbox"/> Allocation to individual disbursements       | <input type="checkbox"/> Allocation to a portfolio of disbursements   |
| <input type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input checked="" type="checkbox"/> Other (please specify): The proceeds are fully allocated as refinance funds |

## 4. REPORTING

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

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

Reporting of the green bond will be disclosed once a year on Shimizu Corporation's website or corporate report. Fund allocation status reporting will be conducted in the initial reporting. However, it is clearly written in the framework that a major modification of the fund allocation plan or a significant change in the funding status after the allocation of funds shall be disclosed in a timely manner. Impact reporting will include core matters recommended by Suggested Impact reporting Metrics for Green Building Projects published by the ICMA in March 2019. Impact will be disclosed for each project.

For the reasons stated above, R&I concluded that the reporting in this framework is in line with the Green Bond Principles 2018 and the Ministry of the Environment's Green Bond Guidelines 2017.

#### < Evaluation on the Green Bond >

R&I confirmed that the green bond reporting will be implemented in line with the framework established by the issuer. The entire proceeds of the green bond is planned to be used for refinancing.

R&I has judged that the reporting policy for the green bond is especially excellent in content and frequency.

### Use of proceeds reporting:

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

#### Information reported:

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

#### Frequency:

- |   |                                      |
|---|--------------------------------------|
| <input type="checkbox"/> Annual   | <input type="checkbox"/> Semi-annual |
| <input checked="" type="checkbox"/> Other (please specify): Fund allocation status reporting will be conducted only in the initial reporting. |                                      |



## Impact reporting:

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

## Frequency:

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

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

- |   |  |
|---|--|
| <input 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> ): Status of acquired certifications, Energy consumption (J), Greenhouse gas emission (t), Water consumption (m3), Waste emission (t), Recycling rate (%) |

## 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 or corporate report |
| <input type="checkbox"/> Reporting reviewed ( <i>if yes, please specify which parts of the reporting are subject to external review</i> ): |   |

Where appropriate, please specify name and date of publication in the useful links section.

## USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

The methodology for R&I Green Bond Assessment

[https://www.r-i.co.jp/en/rating/products/green\\_bond/assessment.html](https://www.r-i.co.jp/en/rating/products/green_bond/assessment.html)

## SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

### Type(s) of Review provided:

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

## Review provider(s):

## Date of publication:

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

1. **Second Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
2. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
3. **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
4. **Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.