

Post-Issuance Verification Report

Company X Use of Proceeds/ Assets/ Non-Financial Legal Entities

Hanoi, [Date]

Analysts:

XXXX; Primary Specialist; xxx@fiingroup.vn

XXXX; Secondary Specialist; xxx@fiingroup.vn

XXXX; Team member; xxx@fiingroup.vn

* Disclaimer XXXX

This document is prepared in both English and Vietnamese. The English translation is for reference only and the Vietnamese version will prevail in the event of any inconsistency between the English version and the Vietnamese version.

1. About the Issuer

Established in XX, after over XX years of development, XX Company has gradually demonstrated its capacity in the XX sector. The company has successfully operated XX power plants, including hydropower, solar, and wind power plants, with a total capacity of XX MWp in the southern region. Focused on sustainable development goals, XX continues to expand its renewable energy portfolio with a strategy that includes further wind and solar power plants, as well as other forms of energy such as waste-to-energy, and biomass power.

XX is currently stimulating its investment in construction of renewable energy plants. [....]. The 2023 Bonds finance construction of the facility (the “Project”).

Project participants include:

- [Main investors]
- [Technical consultant]
- [Bank]
- Additional equity investors.

[Any participants' background of experience in green projects]

2. Scope and Objectives

A verification audit is a pivotal step in the Green Bond Issuer's pursuit of a Climate Bonds Certification Mark for the issuance of a Certified Green Bond. The primary objective of the verification process is to obtain an independent third party assessment subject to the Issuer's compliance with the Standard through a compliance audit of the procedures to effectively manage the proceeds of the Green Bond. The overarching aim is to ensure alignment with the objectives outlined in the Climate Bond Standard.

Company X (“X” or “the issuer”) has engaged FiinRatings to compile a Pre-Issuance Verification Report for its Use of Proceeds Debt Instruments to be certified as Globally recognised, Paris-aligned Certification of Debt Instruments by the Climate Bonds Initiative (“CBI”). The verification process includes reviewing and verifying the conformance of the Company's green bond with the Wind Energy Criteria and Solar Energy Criteria outlined in the Climate Bonds Standard.

The verification scope is delineated as an independent and objective limited assurance audit encompassing both the Bond and the Issuer. The Bond and the Issuer are reviewed against the criteria stated in the Climate Bond Standard and other relevant standards (if applicable).

While the verification process does not provide consulting services, any communicated requests for clarification or suggested corrective actions aim to enhance the Issuer's capacity to align with the Climate Bond Standard.

3. Climate Bonds Standards Criteria

- Pre-issuance requirements under **Climate Bond Standards Version 4.0:**
- **Wind Sector Eligibility Criteria (Version 1.2)**

- Onshore wind energy generation facilities
- Dedicated transmission infrastructure and support facilities (e.g. transformers, backbone, transmission terminus, grid connections, dedicated facilities for support vessels and vehicles, equipment storage, onshore assembly)
- Dedicated operational production, manufacturing or distribution facilities for key components for onshore or offshore wind energy generation, such as wind turbines, platforms etc
- **Solar Sector Eligibility Criteria (Version 2.1)**
 - Onshore solar electricity generation facilities
 - Wholly dedicated transmission infrastructure and other supporting infrastructure for onshore solar electricity generation facilities including inverters, transformers, energy storage systems and control systems.

Relevant Climate Bonds Sector Criteria and Other Standards

- Green Loan Principles (“GLP”) published by the Loan Markets Association, version Feb 2023;
- Green Bond Principles (“GBPs”) published by the International Capital Markets Association, version June 2021 (with June 2023 Appendix I); and
- ASEAN Green Bond Standards (“GBS”) by the ASEAN Capital Market Forum, version 2018.

4. Issuer's Responsibility

The issuer's responsibility was to provide information and documentation on:

- Green bond framework;
- Details of the issued bond;
- Selection process of nominated projects & assets;
- Details of the Eligible Green Projects;
- Process to determine technical aspects of projects and assets;
- The management systems for internal processes and controls for Eligible Green Projects, including: tracking of proceeds, managing unallocated proceeds and Earmarking funds to Eligible Green Projects; and
- Details of commitments for post-issuance reporting, including: allocation reporting, eligibility reporting, and impact reporting and frequency of periodic verification engagements.

5. Verifier's Responsibility

The work undertaken as part of this engagement included conversations with relevant XX employees and review of relevant documentation to confirm the green bond's conformance with the Climate Bonds Pre-Issuance Requirements for Use of Proceeds Debt Instruments, which include:

- Conformance of XX's green bond framework with the Climate Bonds Standard Version 4.0;
- Conformance with the Technical Criteria on Wind Energy Criteria (Version 1.2) and Solar Energy Criteria (Version 2.1);
- Conformance with the process for Evaluation and Selection of projects and assets;

- Conformance with the process for Management of Proceeds; and
- Conformance with Post-Issuance Reporting.

6. Verification Approach

FiinRatings was tasked with performing a Limited Assurance engagement to assess whether the xx Bonds comply with the requirements outlined in the Climate Bonds Standard. Our Limited Assurance procedures were conducted in adherence to the Climate Bonds Standard (Version 4.0) and the International Standard on Assurance Engagements (ISAE) 3000 (Revised), specifically focusing on Assurance Engagements Other than Audits or Reviews of Historical Financial Information. Additional details pertaining to this engagement, as well as the respective responsibilities of the Verifier and Issuer, and considerations related to Independence and Quality Control as mentioned below.

7. Independence And Quality Control

FiinRatings, a credit rating agency, conducted the verification of XX's green bond, issued to fund Nominated Projects. FiinRatings furnished an independent opinion on the green bond's compliance with the Pre-Issuance requirement of the Climate Bonds Standard (Version 4.0), Wind Energy Criteria (Version 1.2) and Solar Energy Criteria (Version 2.1) of the Climate Bonds Standard.

It is important to note that FiinRatings based its assessment on the information and facts provided by XX. FiinRatings disclaims responsibility if any aspect of the Nominated Projects, including estimates, findings, opinions, or conclusions, is found to be incorrect. Consequently, FiinRatings shall not be held liable for inaccuracies or incompleteness in the information or data provided by XX management, which served as the foundation for this assessment.

FiinRatings is dedicated to maintaining the highest quality and rigor throughout its assessment process.

8. Fiinratings's Business Practices (Optional)

FiinRatings has conducted this verification in strict compliance with the FiinRatings Code of Ethics, which lays out detailed requirements for integrity, transparency, and objectivity for the FiinRatings business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the FiinGroup.

9. Restriction on Distribution and Use of Report

This Verification Report for Climate Bonds Certification including all documentation provided alongside is intended for the use of **Company X** and the Climate Bonds Standard Board. The present document may be published by **Company X**, CBI and FiinRatings. CBI and FiinRatings agree to publish the report with the consent of **Company X**.

10. Verification Statement

Based on the limited assurance procedures conducted and evidence obtained, nothing has come to our attention that causes us to believe that, in all material respects the Issuer's Green Private Placement is not in conformance with the Climate Bonds Standard's Pre-Issuance Requirements for the use of proceeds.

FIINRATINGS PROJECT TEAM

Hanoi, mm/dd/yy

[Signature Here]

(Head of Green Bond Service)

DISCLAIMER

Copyright © 2023 This document and all of the information contained in it is the property of FiinRatings. The Information may not be reproduced or re-disseminated in whole or in part without the prior written permission of FiinRatings. While we exercise due care in compiling this document, we assume no liability with respect to the consequences of relying on this information for investment or other purposes. FiinRatings makes no express or implied warranties or representations with respect to the information.

ABOUT FIINRATINGS

FiinRatings Joint Stock Company, a member of FiinGroup and a technical collaboration partner with S&P Global Ratings, is a local licensed Credit Rating Agency in Vietnam. FiinRatings provides credit ratings and related services to issuers, creditors and investors in Vietnam credit market. FiinRatings is also Vietnam first green bonds approved verifier, in accordance with the green bond international standard by the Climate Bonds Initiative. For more information, please visit <https://www.fiinratings.vn>.

Contact us

Tel: (84-24) 3562 6962

Email: support.fiinratings@fiingroup.vn

CONTACT

Nguyen Tung Anh

Head of Sustainable Finance Services

Address: FiinRatings, Level 10, Peakview Tower, 36 Hoang Cau St.,

O Cho Dua Ward, Dong Da Dist., Hanoi

Tel: +84 (0) 704 681 981

ANNEXES

Annex 1: Detailed Findings

Annex 2: Detailed Findings Solar Power

Annex 3: Detailed Findings Wind Power (onshore)

Annex 4: Detailed Findings Wind Power (offshore)

Annex 5: Alignment the issuer's selected sectors with Vietnam Taxonomy

ANNEX 1: DETAILED FINDINGS

4. NOMINATED PROJECTS & ASSETS:

	Requirements	Factual findings	Analysis against requirements
4.1	Decision-making process to determine the continuing eligibility of nominated projects and assets		
4.2	Conformance with the Bond's documented objectives and requirements of Part B of the CBI Standard		
4.3	No double nomination of projects and assets		

5. USE OF PROCEEDS

	Requirements	Factual findings	Analysis against requirements
5.1	Allocation of net proceeds to nominated projects and assets.		
5.2	Allocation of funds within 24 months of issuance of the bond		
5.3	Share of financing and refinancing.		
5.4	Tracking of proceeds		
5.5	Net proceeds of the loan and investment to nominated projects and assets		

6. NON-CONTAMINATION OF PROCEEDS

	Requirements	Factual findings	Analysis against requirements
6.1	Tracking of proceeds		
6.2	Non-contamination of proceeds		
6.3	Cases of force majeure		

7. CONFIDENTIALITY

	Requirements	Factual findings	Analysis against requirements

7.1	Description of the projects		
7.2	Disclosure of information to the market		

8. REPORTING

	Requirements	Factual findings	Analysis against requirements
8.1	Description of the reporting		

9. CLIMATE BOND TAXONOMY

	Requirements	Factual findings	Analysis against requirements
9.1	Matching of Climate Bond category		

10. TECHNICAL CRITERIA

	Requirements	Factual findings	Analysis against requirements
10.1	Sector-specific eligibility criteria		
10.2	Bonds covering several sector-specific criteria		

11. PROJECT HOLDING

	Requirements	Factual findings	Analysis against requirements
11.1	Holding of assets with a fair market value at least of the original amount at time of issuance		

12. PROJECT HOLDING

	Requirements	Factual findings	Analysis against requirements
12.1	Description of the process and timeline of distribution of proceeds		
12.2	Description of process regarding unallocated proceeds after 24 months		

13. EARMARKING

	Requirements	Factual findings	Analysis against requirements
13.1	Description of internal earmarking process		

List of supporting elements provided by the Issuer: (examples)

- Supporting documents provided for Post-issuance verification and confirmed by the Issuer:
 - Answers to the Verifier's Post-Issuance questionnaire
 - Debentures' Term sheet (dated August xx, 2023)
 - FiinRatings' pre-issuance Report of Factual Findings (dated August xx, 2023)
 - Issuers 20xx Sustainability Report

ANNEX 2: DETAILED FINDINGS OF SOLAR POWER

The Green Bond Asset Pool complies with the Solar Power criteria of the Climate Bonds Initiative
The issuer has confirmed that the solar farms do not include any fossil fuel generation and therefore they all are eligible for Climate Bonds Certification.

ANNEX 3: DETAILED FINDINGS ON WIND POWER (ONSHORE)

The Green Bond Asset Pool complies with the Wind Power criteria of the Climate Bonds Initiative
All onshore wind farms are eligible for the Climate Bonds Initiative.

ANNEX 4: DETAILED FINDINGS WIND POWER (OFFSHORE)

Mitigation Component

	Requirement	Factual findings	Assessment
1.1.	The asset is 100% dedicated to renewable energy		
2.1.	Any fossil fuel back up in place is limited to: Powering monitoring, operating and maintenance equipment in the event of no renewable power in the system / Powering resilience or protection measures in the event of no renewable power in the system / Restart capability		

Adaptation and Resilience Component

	Requirement	Factual findings	Assessment
1.1.	Processes are in place to assess key risks to the assets from a changing climate and its impact on marine conditions		
2.1.	Processes are in place to assess improvements and impacts the assets have on the resilience of other stakeholders		
3.1.	An adaptation plan has been designed and is being implemented to address the risks identified in the assessments outlined above		
3.2.	Inspections are carried out regularly and there is a maintenance regime for future inspections.		
4.1.	Issuer is involved in stakeholder engagement and collaboration		
5.1.	The assets or projects do not put at risk or endangered species or habitat or unduly impact ecosystem services. Where there are possible negative impacts to habitats, mitigation measures are implemented to offset the negative impacts		

5.2.	Waste is responsibly dealt with, including appropriate disposal of construction waste and oil-based lubricants, including recycling options where possible		
5.3.	The issuer has recognized and listed the potential risks for accidental site contamination either from leakage of hydraulic fluid or from wreckage/debris on the sea bed.		
5.4.	Decommissioning of the plant is planned in a way that considers environmental impacts		
5.5.	Issuer has plans and processes in place to effectively manage and minimize conflict with other users of marine and coastal place.		

ANNEX 5: ALIGNMENT THE ISSUER'S SELECTED SECTORS WITH VIETNAM TAXONOMY

	Sector	Cbi eligibility criteria	Vietnam taxonomy eligibility criteria
1.	Solar energy		
1.1.	Onshore solar electricity generation facilities <ul style="list-style-type: none"> - Wholly dedicated transmission infrastructure, grid connections and other supporting infrastructure for onshore solar electricity generation facilities including inverters, transformers, energy storage systems and control systems. - Onshore solar thermal facilities such as solar hot water systems. - Onshore solar heat/cool and power cogeneration facilities 	A minimum of 85% of electricity generated from solar energy resources	TBC
1.2.	Dedicated operational production, manufacturing or distribution facilities for key components, such as solar panels, inverters etc.	Automatically eligible	TBC
2.	Wind energy		

2.1.	Issuer is involved in stakeholder engagement and collaboration		
2.2.	...		

ANNEX 1: DETAILED OVERVIEW OF NOMINATED PROJECTS AND ASSETS

Project	Description
xxx	
xxx	
xxx	

ANNEX 2: CONFORMANCE TO THE PRE-ISSUANCE REQUIREMENTS FOR USE OF PROCEEDS:

1. USE OF PROCEEDS

	Requirement	Error or Exceptions Identified	Rationale
1.1	The Net Proceeds of the debt instrument is allocated to the Nominated projects and assets.		
1.2	All Nominated projects and assets must meet the documented objectives of the debt instrument and must be in conformance with the Sector Eligibility Criteria requirements of the Standard.		
1.3	The Issuer has allocated the Net Proceeds to the Nominated projects and assets within 24 months of issuance of the debt instrument. The 24-month deadline can be extended by the Climate Bonds Standard Secretariat for up to 5 years (and exceptionally up to 10 years if duly justified by the nature of the projects to be financed). An extension will be granted at the discretion of the Climate Bonds Standard Secretariat, provided the justification for it can be substantiated by the Issuer and confirmed by the Approved Verifier. At the end of the allocation period specified in the Certification, the Issuer must provide a		

	Post-Issuance Verification Report by an Approved Verifier. The Issuer must provide annual Post-Issuance Verification Reports until the Approved Verifier confirms that 100% of the proceeds have been allocated.		
1.4	Net proceeds may be reallocated to other Nominated projects and assets at any time while the debt instrument remains outstanding, provided the Approved Verifier has verified such assets.		
1.5	Nominated projects and assets must not be nominated to other Certified debt Instruments, unless the Issuer demonstrates that different Certified Climate Bonds are funding distinct portions of the Nominated projects and assets, or the Certified debt Instrument is being refinanced via another Certified debt Instrument.		
1.6	Where a proportion of the Net Proceeds of the debt instrument are used for refinancing, the Issuer must track the respective shares of the Net Proceeds used for financing and refinancing and identify which Nominated projects and assets may be refinanced. This may also include the expected look-back period for refinanced Nominated projects and assets which should reflect the functional lifetime of the projects or assets for delivering the stated climate mitigation/ adaptation/ resilience benefits. The remaining functional lifetime of the projects or assets must be equal to or greater than the term of the instrument being certified. The Net Proceeds may only be used for refinancing operating expenditures that were incurred within three years prior to the issuance of the Certified Debt Instrument.		
1.7	Net Proceeds of the debt instrument is tracked following a formal internal process which is documented in accordance with Clause A.3.3 of the Standard.		

1.8	The Net Proceeds of the debt instrument must be no greater than the Issuer's total Investment Exposure or debt obligation to the Nominated projects and assets or the relevant proportion of the total Market Value of the Nominated projects and assets which are owned or financed by the Issuer. When satisfying this clause, the Issuer may choose either (i) the Investment Exposure or debt obligation to the Nominated projects and assets, or (ii) their Market Value.		
1.9	Additional Nominated projects and assets may be added to, or used to substitute or replenish, the portfolio of Nominated projects and assets as long as the additional Nominated projects and assets are eligible under the Standard and are consistent with the debt instrument's objectives. Where additional Nominated projects and assets are covered by Sector Criteria which were not included in the scope of either the Pre-Issuance Verification or the Post-Issuance Verification Engagements, the Issuer must engage an Approved Verifier to provide a Verification Report covering at least the conformance of the additional Nominated projects and assets with the relevant Sector Criteria.		

2. PROCESS FOR EVALUATION AND SELECTION OF PROJECTS AND ASSETS

	Requirement	Error or Exceptions Identified	Rationale
	Decision-making process to determine eligibility of nominated projects & assets, including:		
2.1	Statement on the climate-related objectives of the Bond.		

2.2	Positioning of climate related objectives of the Bond in the context of the Issuer's overarching environmental objectives, strategy, policy and/or processes.		
2.3	Issuer's rationale for issuing the Bond.		
2.4	Process to determine whether the Nominated projects and assets meet the sector eligibility requirements specified of the Standard.		
2.5	Other information provided by the Issuer as described in Clause A.2.2 of the Standard.		

3. MANAGEMENT OF PROCEEDS

	Requirement	Error or Exceptions Identified	Rationale
	Systems, policies and processes to be used for management of the Net Proceeds are documented by the Issuer and disclosed to the Verifier, and include arrangements for the following activities:		
3.1.	The Net Proceeds of the debt instrument must be credited to a sub-account, moved to a sub-portfolio, or otherwise identified by the Issuer in an appropriate manner and documented.		
3.2.	The debt instrument Issuer maintain an earmarking process or ringfence the proceeds per Clause A.2.3 of the Standard to manage and account for the allocation of Net Proceeds to the Nominated projects and assets.		
3.3.	The balance of the unallocated Net Proceeds must be:		
3.3.1	i. Held in temporary investment instruments that are cash, money-market instruments or other liquid, short-term cash equivalent instruments within a Treasury function; and/or		
3.3.2.	ii. Held in temporary investment instruments that do not relate to		

	greenhouse gas intensive projects or any projects which are inconsistent with the delivery of a low carbon and climate resilient economy; and/or		
3.3.3.	iii. Applied to temporarily reduce the indebtedness of a revolving nature before being redrawn for investments in or disbursements to Nominated projects and assets.		

4. POST-ISSUANCE REPORTING

	Requirement	Error or Exceptions Identified	Rationale
4.1.	The Issuer submit annual Update Reports which is verified by an Approved Verifier within 12 to 24 months from the date of issuance of the debt instrument until its maturity.		
4.2.	The Update Report is provided on a timely basis in case of material developments. Material developments include, but are not limited to, early repayment, change of control or acquisition, change of name, changes to the eligibility of assets and projects and any material amendments to transaction documents, including any winding-up process or enforcement.		
4.3.	Issuers are encouraged to provide their Update Reports through existing bond market reporting channels, such as the US Municipality sector's Electronic Municipal Market Access (EMMA) website.		
4.4.	An Update Report may contain three types of reporting: allocation reporting, eligibility reporting, and impact reporting:		
4.4.1.	Allocation reporting confirms the allocation of bond proceeds to eligible projects and assets and is mandatory for all Certified debt instruments.		
4.4.2.	Eligibility reporting confirms the characteristics or performance of projects and assets to demonstrate their eligibility under the relevant Sector Criteria and is mandatory for all Certified debt instruments.		

4.4.3.	Impact reporting discloses the metrics or indicators which reflect the expected or actual impact of eligible projects and assets and is encouraged for all Certified debt instruments.		
4.5	The three different types of reporting can be included in a single Update Report, which must be provided to the Climate Bonds Standard Secretariat and made publicly available or provided annually to the bondholders/lenders for as long as the debt instrument remains outstanding.		
4.6.	The timing of reporting can be aligned with the Issuer's regular reporting schedule and does not need to follow the anniversary of the Certification or issuance of the Bond.		
4.7.	The Allocation Reporting must include, without limitation:		
4.7.1.	Confirmation that the Bonds issued under the Issuer's Green Finance Framework are aligned with the Climate Bonds Standard		
4.7.2.	Statement on the climate-related objectives of the Bond.		
4.7.3.	The list of Nominated projects and assets to which Net Proceeds have been allocated (or re-allocated).		
4.7.4.	The amounts allocated to the Nominated projects and assets.		
4.7.5.	An estimate of the respective shares of the Net Proceeds used for financing and refinancing and which Nominated projects and assets have been refinanced. This may also include the expected look-back period for refinancing Nominated projects and assets.		
4.7.6.	The geographical distribution of the Nominated projects and assets.		
4.8.	Requirements in the Eligibility Reporting without limitation:		
4.8.1	Confirmation that the Nominated projects and assets continue to meet the relevant eligibility requirements applicable when obtaining the Certification.		
4.8.2.	Information on the environmental characteristics or performance of Nominated projects and assets, which is prescribed by the relevant Sector Criteria.		

4.9.	If a bond exhibits very stable allocation of proceeds and does not need to track any performance indicators to maintain the eligibility of the projects and assets (such as financing for a single large-scale solar facility), the annual Update Report can be concise and restate the information from previous reports.		
4.10.	In case of any limits on the detail that can be made available in the Update Report about specific Nominated projects and assets (as per Clause A.2.4.3), information disclosed must include the investment areas into which the Nominated projects and assets fall and an explanation of why detail on Nominated projects and assets is limited.		
4.11.	The impact reporting shall, without limitation:		
4.11.1.	Provide the expected or actual outcomes or impacts of the Nominated projects and assets concerning the climate-related objectives of the Bond.		
4.11.2.	Use qualitative performance indicators and, where feasible, quantitative performance measures of the outcomes or impacts of the Nominated projects and assets for the climate-related objectives of the Bond.		
4.11.3.	Provide the methods and the key underlying assumptions for the calculation of the performance indicators and metrics.		
4.12.	Verification Reports or other relevant material which supports the Update Report are all publicized.		

ANNEX 3: DETAILED FINDINGS OF SOLAR POWER

The Green Bond Asset Pool complies with the Solar Power criteria of the Climate Bonds Initiative
The issuer has confirmed that the solar farms do not include any fossil fuel generation and therefore they all are eligible for Climate Bonds Certification.

ANNEX 4: DETAILED FINDINGS ON WIND POWER (ONSHORE)

The Green Bond Asset Pool complies with the Wind Power criteria of the Climate Bonds Initiative
All onshore wind farms are eligible for the Climate Bonds Initiative.