

Second-Party Opinion

banco BV Green, Social & Sustainability Funding Framework



Evaluation Summary

Sustainalytics is of the opinion that the banco BV Green, Social & Sustainability Funding Framework is credible and impactful and aligns with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, and Social Bond Principles 2021. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds – Renewable Energy, Energy Efficiency, Green Buildings, Clean Transportation, Sustainable Water and Wastewater Management, Sustainable Agriculture, Forests and Land Conservation, Pollution Prevention and Control Health, Healthcare and Wellbeing, COVID Healthcare, Education and Vocational Training, and SME Financing – are aligned with those recognized by both the Green Bond Principles and Social Bond Principles. Sustainalytics considers that investments in the eligible categories will lead to positive environmental or social impacts and advance the UN Sustainable Development Goals, specifically Goals 3, 4, 6, 7, 8, 9, 12 and 15.



PROJECT EVALUATION / SELECTION banco BV's ESG Finance Working Group will be responsible for evaluating prospective transactions. The ESG and Climate Risk Team will implement the environmental and social risk systems. Sustainalytics considers the risk management system to be adequate and project selection process to be in line with market practice.



MANAGEMENT OF PROCEEDS banco BV's Sustainability Team will monitor and track the allocation of proceeds using an ESG Finance Inventory. Pending full allocation, unallocated proceeds will be invested in cash, cash equivalents or other liquid marketable instruments. The Bank intends to fully allocate proceeds within three years of each issuance. This is in line with market practice.



REPORTING banco BV intends to report on the allocation and impact of bond proceeds on an annual basis. Allocation reporting will include the total amount of proceeds allocated on a category level, while impact reporting will include key impact metrics. Sustainalytics views the allocation and impact reporting as aligned with market practice.

Evaluation date	December 10, 2021 ¹
Issuer Location	São Paulo, Brazil

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Alignment of Deposits with Market Expectations

The banco BV Green, Social and Sustainability Funding Framework includes deposits as eligible financial products. Sustainalytics is of the opinion that the principles of impact and transparency that underlie the sustainable investment industry, as well as many of its

¹ This document is an update of a Second-Party Opinion, originally published in June 2021. In December 2021, banco BV engaged Sustainalytics to review its revised Green, Social & Sustainability Funding Framework. No changes were made to the eligible use of proceeds categories. The scope of Sustainalytics' update consists of assessing the inclusion of deposits and consequently alignment with principles of impact and transparency as well as the Framework's continued alignment with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, and Social Bond Principles 2021.

norms and standards, are applicable to deposits, and that banco BV's internal processes and the use of funds aligns with those principles.

Introduction

banco BV (“banco BV”, or the “Bank”) is a financial institution that operates a diversified product portfolio, offering services in the areas of corporate and investment banking, asset management, private banking, and retail services to over 3 million clients. Headquartered in São Paulo, Brazil, the Bank was established as a result of the merger of Votorantim S.A. and banco do Brazil in 1988.

banco BV has developed the banco BV Green, Social & Sustainability Funding Framework (the “Framework”) under which it intends to issue green, social and/or sustainability financial instruments including bonds, deposits² and use the proceeds to finance and/or refinance, in whole or in part, existing and/or future investments or loans in projects and businesses (“Transactions”) that are expected to contribute to Brazil’s transition to a low-carbon economy.

The Framework defines eligibility criteria in seven green areas:

1. Renewable Energy
2. Energy Efficiency
3. Green Buildings
4. Clean Transportation
5. Sustainable Water and Wastewater Management
6. Sustainable Agriculture, Forests and Land Conservation
7. Pollution Prevention and Control

The Framework defines eligibility criteria in four social areas:

8. Health, Healthcare and Wellbeing
9. COVID Healthcare
10. Education and Vocational Training
11. SME Financing

banco BV engaged Sustainalytics to review the banco BV Green, Social & Sustainability Funding Framework, dated December 2021, and provide a Second-Party Opinion on the Framework’s environmental and social credentials and its alignment with the Sustainability Bond Guidelines 2021 (SBG), Green Bond Principles 2021 (GBP), and Social Bond Principles 2021 (SBP).³ The review of alignment with the SBG, GBP and SBP covers only the Framework as it applies to bonds. With the regards to the deposits being issued under the Framework, Sustainalytics’ review will be on the alignment to the principles of impact and transparency that underlie the sustainable investment industry, as well as many of its norms and standards. This Framework has been published in a separate document.⁴

Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent⁵ opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible project categories are credible and impactful.

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

- The Framework’s alignment with the SBG 2021, GBP 2021, and SBP 2021, as administered by ICMA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.11, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

² Deposits may include certificate of deposit, current deposit account, fixed deposit, recurring deposit and time deposit.

³ The Sustainability Bond Guidelines are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/sustainability-bond-guidelines-sbg/>

⁴ The banco BV Green, Social & Sustainability Funding Framework is available on banco BV’s website at: <https://ri.bv.com.br/>

⁵ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

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

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

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

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner. The Second-Party Opinion is valid for issuances aligned with the respective Framework for which the Second-Party Opinion was written for a period of twenty-four (24) months from the evaluation date stated herein.

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

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

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the banco BV Green, Social & Sustainability Funding Framework

Sustainalytics is of the opinion that the banco BV Green, Social & Sustainability Funding Framework is credible, impactful and aligns with the four core components of the GBP and SBP. Sustainalytics highlights the following elements of banco BV's Sustainability Bond Framework:

- Use of Proceeds:
 - The eligible categories – Renewable Energy, Energy Efficiency, Green Buildings, Clean Transportation, Sustainable Water and Wastewater Management, Sustainable Agriculture, Forests and Land Conservation, Pollution Prevention and Control, Health, Healthcare and Wellbeing, COVID Healthcare, Education and Vocational Training, and SME Financing – are aligned with those recognized by the GBP and SBP.
 - Sustainalytics recognizes that the GBP and SBP require project-based lending and financing, and that there is, in general, less transparency with non-project-based lending. While banco BV's Framework includes project-based lending, it also provides for general corporate financing. By placing a minimum quantitative threshold of 90% of revenue that such company must derive from eligible criteria under the Framework, Sustainalytics believes that banco BV has ensured that proceeds from the green, social and/or sustainability bonds issued will be directed to environmental and/or social activities that generate positive impact.
 - Within the Renewable Energy category, banco BV intends to finance the generation of renewable energy projects, manufacture of components as well as energy storage related to wind, solar, hydropower and biomass. In addition, the Bank may finance the construction, maintenance and expansion of transmission and distribution infrastructure.

- For hydro energy, banco BV has disclosed its intention to select only activities that meet the following additional criteria: (i) projects that are less than 25 MW and/or (ii) large scale run-of-river projects with pondage.
 - Biomass energy generation projects being contemplated will rely on one of the following: (i) agriculture residues or forestry products, (ii) sugarcane bagasse co-generation, and (iii) biogas from landfills with high gas capture efficiency (>75%).
 - The Framework specifies that biomass energy production from forestry products is only considered eligible if certified by credible third-party certification schemes such as Forestry Stewardship Council (FSC), Brazilian Forest Certification Program (CERFLOR) or Programme for the Endorsement of Forest Certification (PEFC). Refer to Appendix 1 for an overview of these schemes. Sustainalytics views positively the reliance on these third-party certification schemes
 - The Framework allows for financing of biogas projects at operational landfill sites, limited to those where gas capture is expected to have high efficiency of more than or equal to 75%. While Sustainalytics views market practice in the green bond market to restrict eligibility to decommissioned landfills, the inclusion of operating landfill facilities with high gas capture in the context of Brazil can be considered as acceptable (see section 2). In addition, Sustainalytics encourages banco BV to limit the amount of proceeds directed towards such projects, to avoid extending the life of operational landfills. Reduction of waste through prevention followed by reuse and recycling are considered to be better measures of waste management as compared to gas capture from landfills. Refer to Section 3 for more information.
 - Sustainalytics notes that investments in transmission and distribution networks will connect renewable energy projects to the electric grid. This is in line with market practice.
- Within Energy Efficiency, banco BV intends to finance projects, assets and technologies that reduce the energy consumption of underlying assets as well as the upgrade and retrofit of infrastructure to make them more sustainable. In addition, these activities may include wind turbines, solar panels, energy storage, energy efficient lighting, improvement in energy services, as well as the refurbishment of residential and commercial buildings.
 - Sustainalytics views positively that projects aimed at improving the energy efficiency and Banco BV's exclusion under this category of activities related to fossil fuel production and/or distribution.
 - Furthermore, the Framework includes a minimum 30% energy efficiency improvement threshold, Sustainalytics views this to be in line with market practice.
 - The Green Building category includes the construction of new buildings in the commercial real estate sector that meet a minimum level of LEED Gold or Platinum. Sustainalytics considers this certification scheme and the selected levels to be credible and in line with market practice. Refer to Appendix 2 for more information on this certification.
 - Within the Clean Transportation category, the Framework includes rail transportation for public use, retrofit or replacement for vehicle or rail fleet with technologies using electricity or hydrogen, supporting infrastructure (e.g. charging stations and bicycle lanes), investments in the manufacturing of clean fuel source vehicles (including electric vehicles, flexible fuel or biodiesel vehicles), the conversion of fossil fuel source to clean fuel source for public transportation, and the financing of vehicles for individuals and/or companies who are looking to purchase clean fuel source and/or hybrid vehicles.
 - The Framework specifies that all hybrid railway transportation vehicles must meet the following thresholds: $50\text{gCO}_2/\text{p-km}$ for passenger and $25\text{gCO}_2/\text{t-km}$ for freight. Other hybrid and clean source fuel vehicles, including cars, buses, and trucks must meet the following thresholds, respectively: 75gCO_2, $50\text{gCO}_2/\text{p-km}$ and $25\text{gCO}_2/\text{t-km}$. Sustainalytics views these thresholds to be in line with market practice.
 - banco BV has confirmed the freight vehicles (including rail and land) will not be dedicated to the transport of fossil fuels or fossil fuels blended with alternative fuels; Sustainalytics views this to be in line with market practice.

- Additionally, in this category, the Framework excludes rail lines where fossil fuel accounts for more than 50% as well as any activities involving conventional fossil-fuel combustion. Sustainalytics views the addition of this exclusionary criterion positively.
- Under the Sustainable Water and Wastewater Management category, banco BV intends to finance or refinance activities that increase access to safe and affordable drinking water, sanitation facilities, and improved water quality, as well as activities that increase water-use efficiency through water recycling, treatment, and reuse. This may include the construction and maintenance of equipment for water supply infrastructure, flood defense, storm water management and water saving technologies. Sustainalytics considers these to be aligned with market practice, and notes that activities related to fossil fuel operations and the treatment of wastewater produced from fossil fuel operations have been excluded.
- The Sustainable Agriculture, Forests and Land Conservation category includes activities that promote natural resource conservation. Sustainalytics views the activities in this category to be aligned with market practice, while noting the following:
 - banco BV intends to support composting companies that are dedicated to treating waste generated by agricultural activities such as sugar cane and pulp and paper production. The Bank has confirmed that intensive livestock production and slaughterhouse activities will not be considered.
 - The Framework specifies that environmentally sustainable forestry activities and the restoration, regeneration and/or management of forests will only be eligible if certified under internationally recognized schemes such as FSC, PEFC, or other equivalent sustainable forestry certifications.
 - This category also includes Low Carbon Agriculture that will contribute to Brazil's Low-Carbon Agriculture Plan ("ABC Plan"), providing ecological, social, and economic benefits, such as revival of productivity of land, reduction of greenhouse gas (GHG) emissions and/or sequestration of carbon, and provision of ecosystem services. Refer to Section 3 for further information on Brazil's ABC Plan.
 - Furthermore, the Bank will consider as eligible environmentally sustainable agriculture that has been certified by credible third-party certification schemes including Roundtable on Responsible Soy (RTRS), Roundtable on Sustainable Biomaterials (RSB), Bonsucro, International Sustainability & Carbon Certification (ISCC) and Rainforest Alliance. Refer to Appendix 3 for an overview of these schemes.
- The Pollution Prevention and Control category includes waste prevention, reduction, recycling, and sorting projects. Sustainalytics views these activities to be in line with market practice, noting that all activities related to fossil fuels operations are explicitly excluded.
- Through the Health, Healthcare and Wellbeing category, banco BV intends to finance public healthcare projects,⁶ with a focus on activities that drive sustainable health solutions and interventions. This may include investments in the acquisition, construction, equipment, or operation of projects that aim to improve access to public healthcare services.
- Under the COVID Healthcare category, banco BV contemplates financing public healthcare services related to the treatment of COVID-19, such as manufacturing, logistics and distribution of medical products and supplies essential for medical response. Sustainalytics views this to be in line with market practice.
- The financing of Education and Vocational Training activities relate to investments in private education institutions focuses on expanding access to primary, secondary, adult, and vocational learning to help achieve minority inclusion in education.
 - The target population includes low-income individuals and/or individuals residing in peripheral regions where socioeconomic indexes are lower than Brazil's average, as well as people with disabilities. Based on the defined target population, Sustainalytics views these investments as in line with market practice.

⁶ Banco BV has confirmed that it will only finance public healthcare facilities that fall under Brazil's Unified Health System (Sistema Único de Saúde).

- The SME Financing category includes investments in organizations that face barriers in access to financial products and services. In order to determine eligibility, banco BV relies on the International Finance Corporation (IFC) definition.⁷
- The Bank has specified Framework-level exclusionary criteria which include the following areas: aviation and shipping; carbon related; defense and security; fossil fuel exploration and distribution; mining; nuclear power generation, oil and gas, and tobacco. Sustainalytics is of the opinion that these exclusions strengthen the Framework.
- Project Evaluation and Selection:
 - The Framework specifies that banco BV's respective business units will be responsible for identifying prospective Transactions. The Bank's ESG Finance Working Group (the "Working Group") will be responsible for evaluating prospective transactions once identified against the eligibility criteria outlined in the Framework. The Working Group is comprised of members of the Products, Finance and Legal teams and will be chaired by the Bank's ESG and Climate Risk Management Team. banco BV's ESG and Climate Risk Management team will be responsible for final selection of all Transactions.
 - The Bank has risk management policies and procedures for assessing social and/or environmental risks associated with relevant projects which are implemented by its ESG and Climate Risk Team. Sustainalytics considers this risk management process to be adequate. For additional details on banco BV's policies and procedures, refer to Section 2.
 - Based on the dedicated committee with multi-stakeholder representation, clear delegation of responsibility and presence of risk management systems, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - banco BV's Sustainability Team will be responsible for monitoring the allocation of proceeds to corporations, assets, or projects that meet the eligibility criteria via an ESG Finance Inventory (the "Inventory").
 - Pending full allocation, the unallocated bond proceeds will be invested in cash, cash equivalents or other liquid marketable instruments, in line with banco BV's liquidity policies. The Bank has confirmed that excess proceeds will not be utilized towards carbon-intensive assets or projects that are inconsistent with the transition to low-carbon, climate risk resilient economy. In the event that any of the Transactions cease to comply with the eligibility criteria, the Bank intends to substitute it for a fully compliant transaction.
 - banco BV intends to fully allocate proceeds within three years of each green, social or sustainability bond issuance. In addition, the Framework defines a three-year lookback period which Sustainalytics considers to be in line with market practice.
 - Based on the presence of an internal tracking system and disclosure around the management of unallocated proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - The Bank is committed to reporting on the allocation of bond proceeds on an annual basis. Allocation reporting will include the total amount of proceeds allocated to relevant eligible transactions, taking into account appropriate confidentiality considerations, and the amounts allocated to eligible transactions by category.
 - banco BV intends to impact reporting on several quantitative and qualitative environmental and social metrics which are outlined in the Framework.
 - Based on banco BV's commitment to allocation and impact reporting on an annual basis, Sustainalytics considers this process to be in line with market practice.

Alignment of Deposits with Market Expectations

Sustainalytics is of the opinion that the Framework is credible and that banco BV's deposits will fund overall impactful social and environmental projects. Sustainalytics further notes the alignment of the Framework with the concepts underpinning the sustainable finance market, namely those of impact and transparency.

⁷ In order to be eligible, SMEs must meet two of the three following criteria: 1) the number of employees <300; 2) turnover USD 100,000 – USD 15,000,000; 3) total assets of USD 100,000 – USD 15,000,000. If sufficient data is not available, then the SME average loan size should be between USD 10,000 or more, but less than USD 1,000,000 at: https://www.ifc.org/wps/wcm/connect/b8f8dde7-893b-4809-873c-0c825f0284ef/InterpretationNote_SME_2012.pdf?MOD=AJPERES&CVID=mUtZ1jJ

- Impact
 - The Framework will advance the sustainability objectives of the Bank by investing in projects with positive environmental and social impact. Please refer to the Use of Proceeds criteria above for further information.
- Transparency

Transparency is recognized as a key principle with regards to sustainable finance, as it provides assurance that investments are delivering positive impact. Sustainalytics highlights the following elements of the Framework that facilitate transparency to clients:

 - Disclosures regarding management of proceeds:
 - banco BV will track the Transactions on a portfolio basis using an internal tracking system. The Bank’s Sustainability Team will routinely monitor the allocation of proceeds through the Inventory.
 - banco BV intends to allocate the proceeds within 36 months of each issuance.
 - The Bank will monitor the amounts of eligible loans to ensure that the aggregate green, social and sustainability deposits (the “Green Deposit Capacity”) does not exceed the value and maturity of the eligible portfolio at any time. The Green Deposit Capacity compared to the eligible portfolio will be monitored daily and reported annually as part of banco BV’s reporting on the Framework.
 - Disclosures around reporting commitments: banco BV intends to publish allocation and impact reporting annually until the maturity of the respective issuance on its website.
 - The Bank has communicated to Sustainalytics that the allocation reporting will include information on the net proceeds raised and allocated to relevant eligible transactions, taking into account appropriate confidentiality considerations, and the amounts allocated to eligible transactions by category.
 - banco BV also intends on reporting on quantitative and qualitative metrics related to the environmental and social impacts of the eligible projects.

Alignment with Sustainability Bond Guidelines 2021

Sustainalytics has determined that the banco BV Green, Social & Sustainability Funding Framework aligns with the four core components of the GBP and SBP. For detailed information please refer to Appendix 4: Sustainability Bond/ Sustainability Bond Programme External Review Form.

Section 2: Sustainability Performance of banco BV

Contribution of Framework to banco BV’s sustainability strategy

In line with its mission to “promote social development through sustainable action with our ecosystem”,⁸ banco BV has demonstrated a commitment to integrating sustainability considerations through its operations by focusing on the four following pillars as part of its 2021 strategy:⁹ (i) Neutralizing its environmental impact; (ii) Accelerating social inclusion (internally and externally); (iii) Multiplying and humanizing financial knowledge; and (iv) Mobilizing resources to support sustainable business. These four pillars are aligned with the financing eligible under the Framework, underscoring the Bank’s vision to preserve resources, include people, simply finances and improve business.

Within its 2019 Annual Report,¹⁰ the Bank discusses its commitment to support projects in the areas of culture, sport, education, and health, as well as its commitment to incorporating environmental and social considerations into its investment strategy, specifically citing activities such as the sustainable use of water, actions to combat climate change, and proactively promoting diversity. In line with this, the Bank made a public commitment to offsetting 100% of the carbon emissions from the vehicles it finances, starting as of 2021. It is expected that this initiative will offset approximately 4 million tons of CO₂ per year. In addition, banco BV offsets all of the emissions of its own operations. Regarding its social commitments, the Bank has integrated diversity and inclusion considerations into its hiring process and runs an internship program for

⁸ banco BV, Green, Social & Sustainability Funding Framework 2021.

⁹ banco BV ESG commitments were established in 2021. The Bank has shared confidential targets and data with Sustainalytics; this information will be disclosed publicly in its 2021 Annual Report.

¹⁰ banco BV, “2019 Annual Report”, at: <https://api.mziq.com/mzfilemanager/v2/d/bf56a81b-6210-410e-800e-4f7d40298aab/dbb10c02-bfe2-e06b-fcd0-2f0eb327a156?origin=1>

women and an apprenticeship program exclusively for Black people. The Bank also promotes financial knowledge through online learning, training in financial health and making digital technologies available and accessible for its clients. From a governance perspective, the Bank has integrated ESG into its strategic planning processes and has instated a Sustainability Committee to oversee that process. From 2021 onwards, executive management goals and business incentives will be linked to ESG performance.

Some of the highlights of banco BV's sustainability performance to date are provided below:

- In 2019, the Bank offset 8.547 tons of CO₂ from its own operations and planted over 200 trees.
- Banco BV recorded a 333% growth in the retail financing portfolio to solar panels through from 2019 to 2020.
- In 2019, Banco BV became the first Brazilian private bank to issue a certified green bond in a foreign green bond market, securing BRL 50 million for projects in the area of renewable energy, amongst other initiatives.
- The Bank allocated BRL 30 million in 2020 to aid those affected by the COVID-19 pandemic, benefiting more than 500 thousand people through 44 projects.
- Through its social initiatives, the Bank sponsored vaccine factories and was ranked as the 24th most supportive company in Brazil during the pandemic according to a Forbes study.

Sustainalytics is of the opinion that the banco BV Green, Social & Sustainability Funding Framework is aligned with the Bank's overall approach to sustainability. While noting that the Bank is in process of further expanding its sustainability strategy, Sustainalytics encourages the Bank to set time-bound, quantitative environmental targets to ensure transparency and continued progress.

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

While the net proceeds will be directed towards eligible projects that are expected to deliver overall positive environmental and social outcomes, Sustainalytics recognizes that large investments, in particular those related to agriculture, forestry and large-scale infrastructure, may be associated with a potential risk of negative environmental and/or social impacts. While banco BV plays a limited role in the development of the specific projects which it finances, by offering lending and financial services, it is exposed to risks associated with controversial companies and/or projects that it may finance.

Some of these risks include biodiversity loss from agriculture projects, air and water pollution from facilities without appropriate controls in place, degradation of natural environments, adverse impacts to local communities, ensuring funds are directed to the intended beneficiaries, and those related to occupational health and safety. Sustainalytics considers that the following policies and procedures which the Bank has put in place will help mitigate these risks:¹¹

- banco BV implements its Corporate Sustainability, Environmental and Social Responsibility Policy (the "Policy")¹² at an enterprise-wide level, which is in place to address environmental and social risks across the Bank's various business chains in accordance with the Central Bank of Brazil's Resolution CMN 4327/2014. As part of this commitment, the Bank also maintains an Environmental and Social Risk Standard developed in conformity with Brazilian Federation of Banks (FEBRABAN)¹³ standard SARB 14/2014 which guides banco BV's environmental and social risk analysis in its activities and operations. The Bank's Control and Risk Committee is responsible for overseeing these processes.
- The Bank has appointed its ESG and Climate Risk Team to oversee the identification, evaluation, and mitigation of its environmental and social risks by monitoring clients and projects, as well as new products and suppliers to ensure compliance with relevant legislation, working conditions, use of natural resources and waste management.
- In line with its Policy, banco BV became a signatory to the Equator Principles (the "Principles") in 2016, which led to the creation of a standard due diligence process to support its credit decisions. As part of this commitment, the Bank only provides project finance or project-related corporate loans to projects if the client is also able to comply with the Principles. Since adopting the Principles, the Bank has conducted meetings and trainings related to project finance in order to ensure successful implementation and has since developed a step-by-step analysis that is carried out by a team under the Bank's Risk Department to determine project eligibility. This comprises of a due diligence process to verify compliance with the Principles – categorizing projects as either having high, potential, or

¹¹ banco BV, 'Risk and Capital Management Report', at: <https://api.mziq.com/mzfilemanager/v2/d/bf56a81b-6210-410e-800e-4f7d40298aab/815bdc01-fc35-937d-0d99-962336baeb7a?origin=1>

¹² This policy was shared with Sustainalytics and reviewed on a confidential basis.

¹³ FEBRABAN is a non-profit organization that seeks to strengthen Brazil's financial system to contribute to the country's development.

minimal adverse environmental and social risks and/or impacts. Some key elements assessed during this process include working conditions as well as impacts to the community and the environment.

- In addition to the above, banco BV has incorporated a broad exclusionary criterion within its Framework as well as several category-level exclusions. By excluding high-risk activities both at the Framework-level and category-level, the Bank illustrates its efforts to proactively mitigate environmental and social risks. The exclusionary criterion includes projects in the following areas: aviation and shipping, carbon related, defense and security, fossil fuel exploration and distribution, mining, nuclear generation and nuclear related technologies, oil & gas, and tobacco.

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

Section 3: Impact of Use of Proceeds

All ten use of proceeds categories are aligned with those recognized by the GBP or SBP. Sustainalytics has focused on six below where the impact is specifically relevant in the local context.

Importance of Renewable Energy in Brazil

Increasing the share of renewable energy in the global energy mix will be critical in limiting the rise in global temperature to 1.5 degrees Celsius (°C), as targeted by the Paris Agreement.¹⁴ In 2019, the renewable energy sector experienced record-high growth, outpacing the net growth of fossil fuel and nuclear power combined.¹⁵ In this regard, installed renewable energy capacity grew by over 200 GW in 2019 alone, increasing its capacity to contribute to global electricity generation to 27.3%.¹⁶ Despite this increased capacity, the share of renewable energy in the global energy mix only experienced moderate growth.¹⁷

Brazil is one of the largest greenhouse gas (GHG) emitters globally, having the sixth largest carbon footprint in the world.¹⁸ As part of the Paris Agreement, Brazil has pledged to reduce its GHG emissions by 37% and 43% by 2025 and 2030 respectively, compared to the country's 2005 levels.¹⁹ ²⁰ In order to meet the ambitions of the Paris Agreement, emissions in Brazil need to be reduced by 81% by 2030 compared to 2005 levels and net-zero emissions need to be achieved by 2050, demonstrating the urgency for accelerated action and investments in renewable energy in Brazil.²¹ According to a report published in 2019, approximately 37.4% of Brazil's GHG emissions are derived from the energy sector.²² In this context, increasing the share of renewables will aid Brazil in its transition towards a low-carbon economy.

Sustainalytics is of the opinion that the projects financed under the Renewable Energy category are impactful and are expected to help increase the share of renewables in Brazil's energy mix, contributing to the country's progress towards achieving its climate ambitions.

Importance of Investing in Brazil's Water System

Despite being one of the largest economies globally, access to safe drinking water remains a challenge for Brazil, contributing to deep inequalities among its regions. According to UNICEF, there are 15 million people who lack access to safely managed water,²³ 25 million with only basic level of water supply service, and 2.3

¹⁴ UNFCCC, Sustainable Energy Critical for Paris Goals – UNGA President "", at: <https://unfccc.int/news/sustainable-energy-critical-for-paris-goals-unga-president>

¹⁵ REN21, "Key Findings of the Renewables 2020 Global Status Report", at: https://www.ren21.net/wp-content/uploads/2019/05/gsr_2020_key_findings_en.pdf

¹⁶ *ibid*

¹⁷ *ibid*

¹⁸ Carbon Brief, "Country Profile" Brazil", at: <https://www.carbonbrief.org/the-carbon-brief-profile-brazil>

¹⁹ Carbon Brief, "Analysis: Brazil's climate pledge represents slight increase on current emissions", at: <https://www.carbonbrief.org/analysis-brazils-climate-pledge-represents-slight-increase-on-current-emissions>

²⁰ Climate Home News, "Brazil sets 'indicative' goal of carbon neutrality by 2060", at: <https://www.climatechangenews.com/2020/12/09/brazil-sets-indicative-goal-carbon-neutrality-2060/>

²¹ Observatorio do Clima, at: <https://www.oc.eco.br/en/>

²² Climate Links, "Greenhouse Gas Emissions Factsheet: Brazil", at: <https://www.climatelinks.org/resources/greenhouse-gas-emissions-factsheet-brazil#:~:text=In%20Brazil%2C%2037.4%20percent%20of,percent%20relatively%20to%20GHG%20emissions.>

²³ The World Health Organization defines 'safely managed water' as : an improved water source located on premises, available when needed, and free from microbiological and priority chemical contamination, at: https://www.who.int/water_sanitation_health/monitoring/coverage/indicator-6-1-1-safely-managed-drinking-water.pdf

million with access to only unimproved²⁴ sources of water.²⁵ Furthermore, even those who have access to safe drinking water struggle with water supply downtime, disruption in service, and other deficiencies in water systems.²⁶ Brazil's water supply crisis is exacerbated by an inadequate waste management system as only 50% of the population has access to sewage collection and treatment services and only 40% of sewage undergoes treatment.²⁷ In order to address the country's water crisis, the Brazilian Government introduced a National Sanitation Bill, which targets the expansion of water distribution services to 99% of Brazil's population and sewage collection treatment services to 90% by 2033.²⁸ This requires an investment of approximately USD 131 billion, therefore funding from the private sector will contribute substantially to the success of the bill.²⁹

Given the above, Sustainalytics is of the opinion that projects financed by banco BV in the sustainable water category are expected to contribute positively to Brazil's water system and are aligned with the country's goals set out in the National Sanitation Bill.

The Importance of Investing in Waste Management in Brazil

Brazil is the fifth-largest generator of waste in the world, producing approximately 78.4 million metric tons of urban solid waste in 2017.³⁰ Even though the country has made major improvements in the area of waste management over the last few years, approximately 41% of all waste collected is still disposed of improperly or unsafely, while 59% of the collected amount is placed in sanitary landfills.³¹ Although incinerators are more effective, the final destination of waste is usually dumps or landfills, due to the lower costs associated with these disposal methods.³² In 2018, Brazil's Supreme Federal Court ruled that the construction of landfills in areas of permanent conservation is prohibited.³³ As a direct consequence of this ruling,³⁴ Brazilian state governments will have to seek out safer places to dispose of their waste. As much of the waste management services are left to the private sector, there is a wide range of opportunities for investments into the sustainable development of the waste sector.³⁵ Given this context, Sustainalytics views banco BV's investments in operational landfills with high gas capture efficiency to be a positive step forward in helping Brazil improve its overall waste management capability.

Importance of Financing Low-Carbon Agriculture Under Brazil's ABC Plan

In 2019, the agriculture sector accounted for approximately 45% of Brazil's GDP.³⁶ As the sector is a key driver of Brazil's economic growth, so is its portion of the nation's environmental footprint. The agriculture sector is the principal source of GHG emissions in Brazil representing about 34% of the nation's total emissions.³⁷ The United Nations Framework Convention on Climate Change as well as the Food and Agriculture Organization of the United Nations, project that agricultural production in Brazil will continue increasing in the upcoming years.³⁸ The reality of this trajectory prompted the Brazilian Government to enact the ABC Plan in 2010, which led to the implementation of the Program for Reducing Greenhouse Gas Emissions in Agriculture ("the ABC Program").³⁹ The ABC Program, a low-interest credit scheme, was created to incentivize and fund the

²⁴ "Unimproved drinking water source is one that by the nature of its construction does not adequately protect the source from outside contamination, in particular with faecal matter" at: <https://sswm.info/content/unimproved-drinking-water-sources>

²⁵ UNICEF report, "The key role of Water, Sanitation and Hygiene Promotion in the response to Covid-19 in Brazil", at: <https://www.unicef.org/brazil/media/9746/file/policy-brief-wash-in-response-to-covid-19.pdf>

²⁶ Water.org, "Brazil's Water and Sanitation Crisis", at: <https://water.org/our-impact/where-we-work/brazil/>

²⁷ Inter-American Development Bank, "Urban Wastewater Treatment in Brazil", at: <https://publications.iadb.org/en/urban-wastewater-treatment-brazil>

²⁸ Forbes, "Brazil's New Sanitation Bill To Draw Domestic And Foreign Private Investment", at: <https://www.forbes.com/sites/mergermarket/2020/07/14/brazils-new-sanitation-bill-to-draw-domestic-and-foreign-private-investment/?sh=76475ac84ef0>

²⁹ *Ibid*

³⁰ ScienceDirect, "Evolution on the solid urban waste management in Brazil: A portrait of the Northeast Region", at: <https://www.sciencedirect.com/science/article/pii/S2352484719312429>

³¹ *Ibid*

³² *Ibid*

³³ Brazil Reports, Brazil's Supreme court orders sustainable waste management by law: <https://brazilreports.com/brazils-supreme-court-orders-sustainable-waste-management-by-law/>

³⁴ *Ibid*

³⁵ Sage Journals, "Municipal solid waste in Brazil: a review", at: <https://journals.sagepub.com/doi/full/10.1177/0734242X17735375>

³⁶ Statista, "Share of value added by the agricultural sector to the gross domestic product (GDP) in Brazil from 2010 to 2019": [https://www.statista.com/statistics/1075019/brazil-agriculture-share-gdp/#:~:text=In%202019%2C%20the%20agricultural%20sector,gross%20domestic%20product%20\(GDP\).&text=Throughout%20the%20decade%2C%20he%20agricultural,2016%2C%20at%20almost%204.9%20percent](https://www.statista.com/statistics/1075019/brazil-agriculture-share-gdp/#:~:text=In%202019%2C%20the%20agricultural%20sector,gross%20domestic%20product%20(GDP).&text=Throughout%20the%20decade%2C%20he%20agricultural,2016%2C%20at%20almost%204.9%20percent)

³⁷ The Carbon Brief, "The Carbon Brief Profile: Brazil", at: <https://www.carbonbrief.org/the-carbon-brief-profile-brazil>

³⁸ Science Direct, "Overcoming barriers to low carbon agriculture and forest restoration in Brazil" (2016), at: <https://www.sciencedirect.com/science/article/pii/S2452292916301321>

³⁹ *Ibid*.

implementation of low carbon agricultural practices that contribute to the mitigation of climate change either through a reduction of GHG emissions and/or through the sequestration of carbon.

In Brazil, low-carbon agricultural practices have been identified to include a series of agriculture and forestry-related activities, such as the development of integrated crop-livestock forestry systems, commercial plantation forests, and the management and restoration of natural forests and degraded forest areas. Other activities identified under the ABC Plan include no-till farming, restoration of degraded pasture, biological nitrogen fixation and manure management. Sustainalytics is of the opinion that by financing Low Carbon Agriculture projects banco BV will help accelerate action in support of the country's intention of reducing GHG emissions and enhancing carbon sequestration under the ABC Plan.

The Impact of Increasing Access to Healthcare in Brazil

According to the World Health Organization, at least half of the world's population lacks access to essential healthcare services⁴⁰ and about 930 million people spend over 10% of their household income on healthcare.⁴¹ As a result of out-of-pocket spending on healthcare services, over 100 million people are pushed into extreme poverty per year living on less than USD 1.90.⁴² In Latin America, despite growing coverage and an increase in access to health services in recent years, 30% of the population do not have access to basic health services either as a result of financial, or geographical reasons.⁴³ Brazil's healthcare system is comprised of a network of private and public services that aim to complement each other.⁴⁴ Although the country has been offering free healthcare for all of its citizens since 1988, the state of healthcare system and its challenges erode the anticipated benefits.⁴⁵ Some key challenges for Brazil's healthcare system are the lack of qualified health professionals and adequate healthcare infrastructure in Brazil's rural areas and poorer regions, ultimately reducing the vulnerable population's access to essential health services and further creating a high degree of economic inequality.⁴⁶ In this context, Sustainalytics views the Bank's investments in Dr. Consulta to be particularly impactful.

Overall, Sustainalytics expects banco BV's investments in activities aimed at increasing access to quality healthcare for Brazil's wider population to have a positive impact on the number of people who have access to healthcare services, aiding Brazil in addressing its healthcare challenges.

The Impact of Increasing Access to Quality Education in Brazil

In the past few decades, there has been an increase in access to education in Brazil, with improved school infrastructure in many of the country's poorer regions.⁴⁷ As a result, enrolment rates have been rising steadily for early childhood, primary, as well as secondary education.⁴⁸ In 2018, the share of young adults who completed secondary education was 46%, which was 20 percentage points above the OECD average for older workers from the previous generations.⁴⁹ Brazil's education system makes school compulsory until the age of 14, however, the World Bank estimates that 42.2% of 10-year-old children in Brazil do not understand age-appropriate text.⁵⁰ Not only do younger children lack behind their age group, but 15-year-old students score lower in PISA⁵¹ test scores than the OECD or Latin American average.⁵² This indicates that despite the rise in access to education, the quality of education in Brazil has not improved at the same rate.⁵³ Even though Brazil spends 6.2% of its GDP on education, which is higher than the OECD average, overall test scores have not improved since 2009, highlighting the importance of continued investments in quality education.⁴⁷

⁴⁰ The World Health Organization (WHO), "Universal Health Coverage", at: [https://www.who.int/news-room/fact-sheets/detail/universal-health-coverage-\(uhc\)](https://www.who.int/news-room/fact-sheets/detail/universal-health-coverage-(uhc))

⁴¹ *Ibid*

⁴² WHO, "Health Financing", at: https://www.who.int/health_financing/topics/financial-protection/key-policy-messages/en/

⁴³ Philips, "Access to healthcare is a challenge beyond the Brazil Games", at: <https://www.philips.com/a-w/about/news/archive/blogs/innovation-matters/access-to-healthcare-is-a-challenge-beyond-the-brazil-games.html>

⁴⁴ Cavalcante de Oliveira et al., "Challenges for ensuring availability and accessibility to health care services under Brazil's Unified Health System", at: https://www.scielo.br/pdf/csc/v22n4/en_1413-8123-csc-22-04-1165.pdf

⁴⁵ University of Denver, "Sustainable Development Goals Report: Brazil 2030", at: <https://pardee.du.edu/sites/default/files/BRAZILReportPardeeCenter%20%281%29.pdf>

⁴⁶ *Ibid*

⁴⁷ The Organisation for Economic Co-operation and Development (OECD), "Economic Surveys: Brazil 2020", at: <https://www.oecd-ilibrary.org/sites/250240ad-en/index.html?itemId=/content/publication/250240ad-en>

⁴⁸ *Ibid*

⁴⁹ *Ibid*

⁵⁰ The World Bank, (2020), "Covid-19 imposes unprecedented challenges to education in Brazil", at: <https://www.worldbank.org/en/news/opinion/2020/07/10/covid-19-coronavirus-pandemic-imposes-unprecedented-challenges-education-brazil>

⁵¹ PISA is the OECD's Programme for International Student Assessment. PISA measures 15-year-olds' ability to use their reading, mathematics and science knowledge and skills to meet real-life challenges. For more information, please see: <https://www.oecd.org/pisa/>

⁵² *Ibid*

⁵³ *Ibid*

Based on the aforementioned, Sustainalytics expects banco BV's investment in education programmes to be socially impactful.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 by the United Nations General Assembly and form an agenda for achieving sustainable development by the year 2030. The bonds issued under the banco BV Green, Social & Sustainability Funding Framework advances the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Renewable Energy	7. Affordable and clean energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
Energy Efficiency	7. Affordable and clean energy 9. Industries, Innovation and Infrastructure	7.3 By 2030, double the global rate of improvement in energy efficiency 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
Green Buildings	7. Affordable and clean energy	7.B By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries, small island developing States, and land-locked developing countries, in accordance with their respective programmes of support
Clean Transportation	11. Sustainable Cities and Communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons
Sustainable Water and Wastewater Management	6. Clean Water and Sanitation	6.1. By 2030, achieve universal and equitable access to safe and affordable drinking water for all. 6.3. By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.
Sustainable Agriculture, Forests and Land Conversion	15. Life on Land	15.a Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems 15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally

Pollution Prevention and Control	12. Responsible Consumption and Production	12.2 By 2030, achieve the sustainable management and efficient use of natural resources.
Health, Healthcare and Wellbeing COVID Healthcare	3. Good Health & Wellbeing	3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all
Education and Vocational Training	4. Quality Education	4.4 By 2030, substantially increase the number of youth and adults who have relevant skills including technical and vocational skills, for employment, decent jobs and entrepreneurship
SME Financing	8. Decent work and economic growth 9. Industries, Innovation, and Infrastructure	8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services 9.3 Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets

Conclusion

banco BV has developed the banco BV Green, Social & Sustainability Funding Framework under which it may issue sustainable financial instruments including bonds, and deposits and use the proceeds to finance to finance and/or refinance, in whole or in part, Transactions that are expected to contribute to Brazil's transition to a low-carbon economy. Sustainalytics considers that the projects funded by the sustainability bond proceeds are expected to provide positive environmental and social impact.

The Framework outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that banco BV Green, Social & Sustainability Funding Framework is aligned with the overall sustainability strategy of the company and that the use of proceeds categories will contribute to the advancement of the UN Sustainable Development Goals 3, 4, 6, 7, 8, 9, 12 and 15. Additionally, Sustainalytics is of the opinion that Banco BV has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the use of proceeds.

Based on the above, Sustainalytics is confident that banco BV is well-positioned to issue sustainability bonds and that the banco BV Green, Social & Sustainability Funding Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles (2021), and Social Bond Principles (2021), and that the deposits align with the principles of impact in transparency that underlie the sustainable investment industry.

Appendices

Appendix 1: Overview of Referenced Forestry Certifications

	FSC ⁵⁴	PEFC ^{55,56}
Background	Founded in 1993 after the 1992 Earth Summit in Rio failed to produce any international agreements to fight against deforestation, FSC aims to promote sustainable forest management practice.	PEFC was founded in 1999 in response to the specific requirements of small- and family forest owners as an international umbrella organization providing independent assessment, endorsement and recognition of national forest certification systems.
Basic Principles	<ul style="list-style-type: none"> • Compliance with laws and FSC principles • Tenure and use rights and responsibilities • Indigenous peoples' rights • Community relations and workers' rights • Benefits from the forests • Environmental impact • Management plans • Monitoring and assessment • Special sites – high conservation value forests (HCVF) • Plantations 	<ul style="list-style-type: none"> • Maintenance and appropriate enhancement of forest resources and their contribution to the global carbon cycle • Maintenance and enhancement of forest ecosystem health and vitality • Maintenance and encouragement of productive functions of forests (wood and no-wood) • Maintenance, conservation and appropriate enhancement of biological diversity in forest ecosystems • Maintenance and appropriate enhancement of protective functions in forest management (notably soil and water) • Maintenance of socioeconomic functions and conditions • Compliance with legal requirements
Governance	<p>The General Assembly, consisting of all FSC members, constitutes the highest decision-making body.</p> <p>At the General Assembly, motions are proposed by one member, seconded by two more, and deliberated and voted on by all members. Members are entitled to vote to amend the bylaws, initiate new policies, and clarify, amend or overturn a policy decision by the board.</p> <p>Members apply to join one of three chambers – environmental, social, or economic – that are further divided into northern and southern sub-chambers.</p> <p>Each chamber holds 33.3% of the weight in votes, and within each chamber the votes are weighted so that the North and South hold an equal portion of authority, to ensure influence is shared equitably between interest groups and countries with different levels of economic development.</p> <p>The votes of all individual members in each sub-chamber represent 10% of the total vote of the sub-chamber, while the votes of</p>	<p>PEFC's governance structure is formed by the General Assembly (GA) which is the highest authority and decision-making body. It is made up of all PEFC members, including national and international stakeholders.</p> <p>Members vote on key decisions including endorsements, international standards, new members, statutes and budgets. All national members have between one and seven votes, depending on membership fees, while international stakeholder members have one vote each.</p> <p>The Board of Directors supports the work of the GA and together the GA and the Board make the formal approval of final draft standards. Standards are developed by working groups.</p> <p>In general, PEFC's governance structure is more representative of industry and government stakeholders than of social or environmental groups, which gives industry and governments more influence in the decision-making process. However, the organization does include stakeholders from all sectors.</p>

⁵⁴ Forest Stewardship Council, FSC: <https://ca.fsc.org/en-ca>

⁵⁵ The Brazilian Forest Certification Program (CERFLOR) was formally endorsed by PEFC in 2005 and has since formed alignment. As such, Sustainalytics' analysis of PEFC's framework, guidelines and credibility can be applied to CERFLOR. See more, at: <https://www.pefc.org/discover-pefc/our-pefc-members/national-members/brazilian-forest-certification-programme-cerflor>

⁵⁶ Programme for the Endorsement of Forest Certification, PEFC: <https://www.pefc.org/>

	<p>organizational members make up the other 90%.</p> <p>The members vote for the board of directors, which is accountable to the members. There is an international board elected by all members and a US board, elected by the US-based members.</p>	
Scope	<p>FSC is a global, multi-stakeholder owned system. All FSC standards and policies are set by a consultative process. There is an FSC Global standard and for certain countries FSC National standards. Economic, social, and environmental interests have equal weight in the standard setting process. FSC follows the ISEAL Code of Good Practice for Setting Social and Environmental Standards.</p>	<p>Multi-stakeholder participation is required in the governance of national schemes as well as in the standard-setting process. Standards and normative documents are reviewed periodically at intervals that do not exceed five years. The PEFC Standard Setting standard is based on ISO/IEC Code for good practice for standardization (Guide 59)⁵⁷ and the ISEAL Code of Good Practice for Setting Social and Environmental Standards.</p>
Chain-of-Custody	<ul style="list-style-type: none"> • The Chain-of-Custody (CoC) standard is evaluated by a third-party body that is accredited by FSC and compliant with international standards. • CoC standard includes procedures for tracking wood origin. • CoC standard includes specifications for the physical separation of certified and non-certified wood, and for the percentage of mixed content (certified and non-certified) of products. • CoC certificates state the geographical location of the producer and the standards against which the process was evaluated. Certificates also state the starting and finishing point of the CoC. 	<ul style="list-style-type: none"> • Quality or environmental management systems (ISO 9001:2008 or ISO 14001:2004 respectively) may be used to implement the minimum requirements for chain-of-custody management systems required by PEFC. • Only accredited certification bodies can undertake certification. • CoC requirements include specifications for physical separation of wood and percentage-based methods for products with mixed content. • The CoC standard includes specifications for tracking and collecting and maintaining documentation about the origin of the materials. • The CoC standard includes specifications for the physical separation of certified and non-certified wood. • The CoC standard includes specifications about procedures for dealing with complains related to participant’s chain of custody.
Non-certified wood sources	<p>FSC’s Controlled Wood Standard establishes requirements to participants to establish supply-chain control systems, and documentation to avoid sourcing materials from controversial sources, including:</p> <ul style="list-style-type: none"> a. Illegally harvested wood, including wood that is harvested without legal authorization, from protected areas, without payment of appropriate taxes and fees, using fraudulent papers and mechanisms, in violation of CITES requirements, and others, b. Wood harvested in violation of traditional and civil rights, c. Wood harvested in forests where high conservation values are threatened by management activities, d. Wood harvested in forests being converted from forests and other 	<p>The PEFC’s Due Diligence System requires participants to establish systems to minimize the risk of sourcing raw materials from:</p> <ul style="list-style-type: none"> a. forest management activities that do not comply with local, national or international laws related to: <ul style="list-style-type: none"> ○ operations and harvesting, including land use conversion, ○ management of areas with designated high environmental and cultural values, ○ protected and endangered species, including CITES species, ○ health and labor issues, ○ indigenous peoples’ property, tenure and use rights, ○ payment of royalties and taxes.

⁵⁷ ISO, ISO/IEC Guide 59:2019: <https://www.iso.org/standard/23390.html>

	<p>wooded ecosystems to plantations or non-forest uses,</p> <p>e. Wood from management units in which genetically modified trees are planted.</p>	<p>b. genetically modified organisms,</p> <p>c. forest conversion, including conversion of primary forests to forest plantations.</p>
Accreditation/verification	<p>FSC-accredited Certification Bodies (CB) conduct an initial assessment, upon successful completion companies are granted a 5-year certificate. Companies must undergo an annual audit every year and a reassessment audit every 5 years. Certification Bodies undergo annual audits from Accreditation Services International (ASI) to ensure conformance with ISO standard requirements.</p>	<p>Accreditation is carried out by an accreditation body (AB). Like a certification body checks a company meets the PEFC standard, the accreditation body checks that a certification body meets specific PEFC and ISO requirements. Through the accreditation process PEFC has assurance that certification bodies are independent and impartial, that they follow PEFC certification procedures.</p> <p>PEFC does not have their own accreditation body. Like with the majority of ISO based certifications, PEFC relies on national ABs under the umbrella of the International Accreditation Forum (IAF). National ABs need to be a member of the IAF, which means they must follow IAF's rules and regulations.</p>
Conclusion	<p>Sustainalytics views both FSC and PEFC as being robust, credible standards that are based on comprehensive principles and criteria that are aligned with ISO. Both schemes have received praise for their contribution to sustainable forest management practices⁵⁸ and both have also faced criticism from civil society actors.^{59,60} In certain instances, these standards go above and beyond national regulation and are capable of providing a high level of assurance that sustainable forest management practices are in place. However, in other cases, the standards are similar or equal to national legislation and provide little additional assurance. Ultimately, the level of assurance that can be provided by either scheme is contingent upon several factors including the certification bodies conducting audits, national regulations and local context.</p>	

⁵⁸ FESPA, FSC, PEFC and ISO 38200: <https://www.fespa.com/en/news-media/blog/fsc-pefc-and-iso-38200>

⁵⁹ Yale Environment 360, Greenwashed Timber: How Sustainable Forest Certification Has Failed: <https://e360.yale.edu/features/greenwashed-timber-how-sustainable-forest-certification-has-failed>

⁶⁰ EIA, PEFC: A Fig Leaf for Stolen Timber: <https://eia-global.org/blog-posts/PEFC-fig-leaf-for-stolen-timber>

Appendix 2: An Overview of LEED Certification Scheme

	LEED ⁶¹
Background	Leadership in Energy and Environmental Design (LEED) is a US Certification System for residential and commercial buildings used worldwide. LEED was developed by the non-profit U.S. Green Building Council (USGBC).
Certification levels	<ul style="list-style-type: none"> • Certified • Silver • Gold • Platinum
Areas of Assessment	<ul style="list-style-type: none"> • Energy and atmosphere • Sustainable Sites • Location and Transportation • Materials and resources • Water efficiency • Indoor environmental quality • Innovation in Design • Regional Priority
Requirements	<p>Prerequisites independent of level of certification, and credits with associated points.</p> <p>These points are then added together to obtain the LEED level of certification</p> <p>There are several different rating systems within LEED. Each rating system is designed to apply to a specific sector (e.g. New Construction, Major Renovation, Core and Shell Development, Schools-/Retail-/Healthcare New Construction and Major Renovations, Existing Buildings: Operation and Maintenance).</p>
Performance display	
Qualitative Considerations	Widely recognized internationally, and strong assurance of overall quality.

⁶¹ USGBC, "LEED rating system", at: www.usgbc.org/LEED.

Appendix 3: Overview of Referenced Agriculture Certifications

	Roundtable on Responsible Soy (RTRS) ⁶²	Bonsucro ⁶³	Roundtable on Sustainable Biomaterials (RSB) ⁶⁴	ISCC ⁶⁵	Rainforest Alliance
Background	The Round Table for Sustainable Soy (RTRS) works with all involved stakeholders on producing more sustainable soy through the RTRS Standard for Responsible Soy Production.	Bonsucro was developed out of the Better Sugarcane Initiative, an international multi-stakeholder NGO whose purpose is to lower the environmental and social impacts of sugarcane production. The Bonsucro Production Standard aims to ensure that the sugarcane production and sugarcane derived products are sustainably produced.	The Roundtable on Sustainable Biomaterials (RSB) is an international initiative that promotes and supports the sustainability of biomaterials production and processing, bringing together companies, farmers, NGOs, and inter-governmental agencies. While the RSB was set up in 2007 as a means of ensuring the sustainability of liquid biofuels for transport, in 2013, it expanded its scope to include biomaterials.	International Sustainability and Carbon Certification ("ISCC") is a German certification system that provides sustainability solutions for traceable and deforestation-free supply chains of agricultural, forestry, waste and/or residue raw materials, non-bio renewables and recycled carbon materials and fuels.	The Rainforest Alliance Seal is a global certification system for Agriculture, Forestry and Tourism. The Rainforest Alliance certification indicates compliance with the organization's standards for environmental, social and economic sustainability. Rainforest Alliance merged with UTZ in January 2018.
Clear positive impact	Promoting sustainable soy production for human consumption, animal feed and biofuels.	Promoting sustainable sugarcane production.	Promoting sustainable biomaterials.	Promoting sustainable supply chain practices.	Promoting sustainable practices in agriculture, forestry and tourism.
Minimum standards	The RTRS soy certification sets requirements in the areas of legal compliance and good business practices, responsible labour conditions, responsible community relations, environmental responsibility, and good agricultural practices.	The Bonsucro Production Standard sets minimum requirements in the areas of legal compliance, biodiversity and ecosystem impacts, human rights, production and processing and continuous improvement.	The RSB sets minimum requirements in the areas of legality, planning, monitoring and continuous improvement, GHG emissions, human and labour rights, rural and social development, local food security, conservation, soil, water and air management, use of technology, inputs and management of waste, land rights and chain of custody. The RSB standard requires that biofuels achieve 50% lower lifecycle GHG emissions compared with a fossil fuel baseline. Each Principle also includes type of	The ISCC system has core sustainability criteria requirements that must be met. In addition to the core requirements of ISCC PLUS, voluntary add-ons can be added to adapt ISCC PLUS certificates to meet specific market requirements. Verification of GHG emissions is considered voluntary and can be added by applying as an add-on.	Rainforest alliance establishes a minimum threshold for impact through critical criteria, and requires farmers to go beyond by demonstrating improved sustainability on 14 continuous improvement criteria.

⁶² RTRS: <http://www.responsiblesoy.org/?lang=en>

⁶³ Bonsucro: <https://www.bonsucro.com>

⁶⁴ RSB: <https://rsb.org/>

⁶⁵ International Sustainability Carbon Certification (ISCC): <https://www.iscc-system.org/>

			feedstock as a specific indicator of compliance.		
Scope of certification or programme	The RTRS soy certification addresses human rights, child labour, forced labour, human health and safety, biodiversity use, soil quality, substance use (agrochemicals), GHG emissions, and resource management (energy, water, waste) through its criteria.	Bonsucro addresses key risks such as human and labour rights, ecosystem management, biodiversity and land use through its criteria.	The RSB certification addresses key risks such as human and labour rights, supply chain, resource management, and land and biodiversity use through its criteria.	Different certifications are available (ISCC PLUS, ISCC EU, ISCC Solid Biomass NL and ISCC Non-GMO) depending on the type of market suppliers are targeting; food, bio-based products, feed and energy. Within each specific certification, different types of agricultural materials are covered. ISCC PLUS includes all types of agricultural and forestry raw materials, waste and residues, non-bio renewables, recycled carbon materials and fuels.	Rainforest alliance addresses key risks such as human rights, child labour, pesticide use and biodiversity use through its criteria.
Verification of standards and risk mitigation	Certified entities undergo third-party audits to ensure compliance with criteria. As the certificate is valid 5 years, the certified entity is subject to annual surveillance surveys.	Certified entities undergo third-party audits to ensure compliance with criteria.	Certified entities undergo a self-assessment process and, afterward, receives a visit from a third-party auditor. Annual audits will also take place after the validation.	Certified entities undergo third party verifications audits to ensure compliance with the sustainability requirements existing based on legal requirements or voluntary agreements.	Certified entities undergo third party verification to ensure compliance with criteria and continuous improvement.
Third party expertise and multi-stakeholder process	The RTRS Standard for Responsible Soy Production was developed through the efforts of producers, industry and civil society, which agreed upon the Principles and Criteria for certifying soy as a responsible crop.	Bonsucro is a full member of the ISEAL Alliance and respects the ISEAL Code of Good Practice for Setting Social and Environmental Standards and the Impacts Code.	RSB is a full member of the ISEAL Alliance and respects its Codes of Good Practice for multi-stakeholder sustainability standards. RSB's benchmarks are available with Rainforest Alliance, the Sustainable Agriculture Network, the Forest Stewardship Council, Bonsucro and the IFC Performance standards.	Standard setting is aligned with the UN Global Compact, the ISEAL Standard Setting Code and ISAE 3000.	Standard setting is aligned with the ISEAL Standard Setting Code.
Performance Display					
Qualitative considerations	RTRS has more than 180 members from	Bonsucro has certified around	The RSB certification is considered strong	Global recognition across more than	Global recognition across 76 countries

	<p>countries all around the world, selling over 1.3 million tonnes of RTRS certified soy. The RTRS certifications have been criticized for managing allegedly 'flawed' criteria which allow the certification of GMO and herbicide resistant crops. Additionally, the RTRS criteria allow for deforestation of secondary forest areas (not identified as primary or high conservation value). Moreover, in 2009 and 2010 two major Brazilian organisations in the soya supply chain quit the RTRS because the addition of a criteria related to deforestation. RTRS members such as Nidera, Monsanto and DuPont/Pioneer were sanctioned by Argentine authorities in the past due to forced labour, despite the fact that respecting labour laws are condition for using the RTRS label.</p>	<p>3.37% of global sugarcane production and covers 3.70% of global area of sugarcane, having 207 member organizations in over 20 countries.</p>	<p>by organizations such as WWF, IUCN and NRDC. In 2017, RSB certified 50 industrial facilities and 56 784 hectares of farmland.</p>	<p>100 countries. There are over 23,000 ISCC certified supply chains with approximately 3,500 system users. For ISCC PLUS, no certification schemes other than ISCC are currently accepted which means that all economic operators along the supply chain must demonstrate that the ISCC sustainability criteria have been fulfilled. ISCC focuses on Stage 1 of the biofuel product life cycle; feedstock production and collection.</p>	<p>around the world. There are 763 Rainforest Alliance certified products and more than 1,354,057 people which have conducted training, certification and verification under the Rainforest Alliance standard. Rigurous on the enforcement of minimum standards and strong governance over the implementaton of social and environmental mitigation processes.</p>
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Appendix 4: Sustainability Bond / Sustainability Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	banco BV
Sustainability Bond ISIN or Issuer Sustainability Bond Framework Name, if applicable:	banco BV Green, Social & Sustainability Funding Framework
Review provider's name:	Sustainalytics
Completion date of this form:	December 10, 2021
Publication date of review publication:	

Section 2. Review overview

SCOPE OF REVIEW

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

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

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

ROLE(S) OF REVIEW PROVIDER

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

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

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

Please refer to Evaluation Summary above.

Section 3. Detailed review

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

1. USE OF PROCEEDS

Overall comment on section *(if applicable)*:

The eligible categories for the use of proceeds – Renewable Energy, Energy Efficiency, Green Buildings, Clean Transportation, Sustainable Water and Wastewater Management, Sustainable Agriculture, Forests and Land Conservation, Pollution Prevention and Control Health, Healthcare and Wellbeing, COVID Healthcare, Education and Vocational Training, and SME Financing – are aligned with those recognized by both the Green Bond Principles and Social Bond Principles. Sustainalytics considers that investments in the eligible categories will lead to positive environmental or social impacts and advance the UN Sustainable Development Goals, specifically Goals 3, 4, 6, 7, 8, 9, 12 and 15.

Use of proceeds categories as per GBP:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Renewable energy | <input checked="" type="checkbox"/> Energy efficiency |
| <input checked="" type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input checked="" type="checkbox"/> Clean transportation |
| <input checked="" 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 |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input checked="" type="checkbox"/> Other (please specify): Sustainable Agriculture, Forests and Land Conservation |

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

Use of proceeds categories as per SBP:

- | | |
|---|---|
| <input type="checkbox"/> Affordable basic infrastructure | <input type="checkbox"/> Access to essential services |
| <input type="checkbox"/> Affordable housing | <input checked="" type="checkbox"/> Employment generation (through SME financing and microfinance) |
| <input type="checkbox"/> Food security | <input type="checkbox"/> Socioeconomic advancement and empowerment |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with SBP categories, or other eligible areas not yet stated in SBP | <input checked="" type="checkbox"/> Other (please specify): Health, Healthcare and Wellbeing, COVID Healthcare, and Education and Vocational Training |

If applicable please specify the social taxonomy, if other than SBP:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

banco BV's ESG Finance Working Group will be responsible for evaluating prospective transactions after they have been identified by the Bank's respective business units. banco BV's ESG and Climate Risk Management team will be responsible for final section. Sustainalytics considers the project selection process to be in line with market practice.

Evaluation and selection

- | | |
|---|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's social and green 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 Sustainability 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 checked="" type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (please specify): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

banco BV's Sustainability Team will monitor and track the allocation of proceeds using an ESG Finance Inventory. Pending full allocation, unallocated proceeds will be invested in cash, cash equivalents or other liquid marketable instruments. The Bank intends to fully allocate proceeds within three years of each issuance. This is in line with market practice.

Tracking of proceeds:

- | |
|---|
| <input checked="" type="checkbox"/> Sustainability 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 (please specify): |

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 (please specify): |

4. REPORTING

Overall comment on section (if applicable):

banco BV intends to report on the allocation and impact of bond proceeds on an annual basis. Allocation reporting will include the total amount of proceeds allocated on a category level, while impact reporting will include key impact metrics. Sustainalytics views the allocation and impact reporting as aligned with market practice.

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 (please specify): |

Information reported:

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

Frequency:

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

Impact 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 (please specify): |

Information reported (expected or ex-post):

- | | |
|---|--|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input checked="" type="checkbox"/> Energy Savings |
| <input checked="" type="checkbox"/> Decrease in water use | <input checked="" type="checkbox"/> Number of beneficiaries |
| <input checked="" type="checkbox"/> Target populations | <input checked="" type="checkbox"/> Other ESG indicators (please specify): Various quantitative and qualitative impact |

metrics as outlined in the Framework.

Frequency:

- Annual Semi-annual
 Other (please specify):

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 (please specify): The report will be made available on the Bank's website. |
| <input type="checkbox"/> Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review): | |

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

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

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

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

Review provider(s):

Date of publication:

ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE GBP AND THE SBP

- i. Second-Party Opinion: An institution with sustainability expertise that is independent from the issuer may provide a Second-Party Opinion. The institution should be independent from the issuer's adviser for its Sustainability 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 Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy, and/or processes relating to sustainability and an evaluation of the environmental and social features of the type of Projects intended for the Use of Proceeds.
- ii. Verification: An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or sustainability criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally or socially 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 Sustainability Bond proceeds, statement of environmental or social impact or alignment of reporting with the Principles may also be termed verification.

- iii. **Certification:** An issuer can have its Sustainability Bond or associated Sustainability Bond framework or Use of Proceeds certified against a recognised external sustainability standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. **Green, Social and Sustainability Bond Scoring/Rating:** An issuer can have its Sustainability Bond, associated Sustainability 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 and/or social performance data, process relative to the Principles, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material sustainability risks.

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

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

