Evaluation Summary

Sustainalytics is of the opinion that the Algonquin Power & Utilities Corp. ("APUC") Green Financing Framework aligns with the four core components of the Green Bond Principles 2018. This assessment is based on the following:

**USE OF PROCEEDS** The eligible categories for the use of proceeds – Renewable Energy Generation, Energy Efficiency, Clean Transportation, Sustainable Water and Wastewater Management, Climate Change and Pollution Control, and Sustainable Land Management – are aligned with those recognized by the Green Bond Principles 2018. Sustainalytics considers that the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDGs.

**PROJECT EVALUATION / SELECTION** APUC’s Treasury team, along with its project development and construction teams, Enterprise Risk management Team, and select members of the executive team, will conduct the project selection process. Sustainalytics considers this to be in line with market practice.

**MANAGEMENT OF PROCEEDS** APUC will track the net use of proceeds through a Green Financing Register. The proceeds of transactions will be deposited in the general account and earmarked for allocation to Eligible Investments. Pending allocation, proceeds will be temporarily invested in cash or short-term investment instruments or used to repay existing debt. This is in line with market practice.

**REPORTING** APUC intends to publish annual information on its website or in its financial statements. The allocation reporting will include the amounts allocated to Eligible Investments and the balance of unallocated proceeds. Where feasible, impact reporting will be provided using quantitative KPIs including renewable energy production, emissions avoided, and water savings. Sustainalytics views APUC’s allocation and impact reporting as aligned with market practice.
Introduction

Algonquin Power & Utilities Corp. ("APUC", or the "Company") is a diversified generation, transmission and distribution utility, headquartered in Oakville, Canada, which was incorporated in 1988. APUC owns and operates rate-regulated natural gas, water, and electricity generation, transmission and distribution utility systems through its Liberty Utilities business group. APUC’s Renewable Energy Group develops and operates non-regulated renewable and clean energy generation facilities, including wind, solar, hydroelectric, and thermal, and delivers most of the electricity from its renewable energy facilities under long-term off-take agreements.

APUC has developed the Algonquin Power & Utilities Corp. Green Financing Framework (the "Framework") under which it intends to issue Green Financings (which may include bonds, notes, debentures, units and any other convertible debt instruments containing one or more of the foregoing) and use the proceeds to finance and/or refinance, in whole or in part, existing and/or future projects that support the Company's development of renewable energy generation assets and the clean energy technologies. The Framework defines eligibility criteria in six areas:

1. Renewable Energy Generation
2. Energy Efficiency
3. Clean Transportation
4. Sustainable Water and Wastewater Management
5. Climate Change and Pollution Control
6. Sustainable Land Management

The Framework builds upon the 2019 Liberty Power Green Bond Framework\(^1\) through which Algonquin Power Co. (operating as Liberty Power), a wholly-owned subsidiary of APUC, previously issued a green bond. In addition to the existing categories in the previous document, the updated Framework includes four new green categories.

APUC engaged Sustainalytics to review the Algonquin Power & Utilities Corp. Green Financing Framework, dated June 2020, and provide a second-party opinion on the Framework's environmental credentials and its alignment with the Green Bond Principles 2018 (GBP).\(^2\) This Framework has been published in a separate document.\(^3\)

Scope of work and limitations of Sustainalytics Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics independent\(^4\) opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible categories are credible and impactful.

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

- The Framework’s alignment with Green Bond Principles 2018, as administered by ICMA;
- The credibility and anticipated positive impacts of the use of proceeds;
- 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 1.4, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of APUC’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. APUC representatives have confirmed (1) they understand it is the sole responsibility of APUC to ensure that the information provided is

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\(^3\) The Algonquin Power & Utilities Corp. Green Financing Framework will be available on Algonquin Power & Utilities Corp.’s website.

\(^4\) 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.
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 APUC.

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 financing proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

In addition, the Second-Party Opinion opines on the intended allocation of proceeds but does not guarantee the realised allocation of the financing 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 APUC has made available to Sustainalytics for the purpose of this SPO.

**Sustainalytics’ Opinion**

**Section 1: Sustainalytics’ Opinion on the Algonquin Power & Utilities Corp. Green Financing Framework**

Sustainalytics is of the opinion that the Algonquin Power & Utilities Corp. Green Financing Framework is credible and impactful, and aligns with the four core components of the GBP 2018. Sustainalytics highlights the following elements of APUC’s Green Financing Framework:

- **Use of Proceeds:**
  - The eligible categories, Renewable Energy Generation, Energy Efficiency, Clean Transportation, Sustainable Water and Wastewater Management, Climate Change and Pollution Control, and Sustainable Land Management, are aligned with those recognized by the GBP 2018.
  - The Framework defines eligible Renewable Energy Generation projects and wind, solar, and hydroelectricity. Sustainalytics considers these criteria to be in line with market practice, highlighting positively that APUC will limit the development of new hydro facilities to those 25MW in capacity or smaller.
  - Within the area of Energy Efficiency APUC will focus on facilities that store or manage energy, which is viewed to be in line with market practice.
  - The Framework defines Clean Transportation projects as those for vehicle charging or related to electric or plug-in hybrid vehicles. Sustainalytics notes that market practice for hybrid vehicles is to limit investment to those with emissions of less than 75 gCO₂ per passenger kilometer, and views the limitation to plug-in hybrids as providing reasonable assurance that this threshold will be achieved in most cases.
  - Within the area of Sustainable Water and Wastewater Management APUC will focus on investments focus on providing efficient drinking water and sewage services. Sustainalytics considers investments in high-performing water systems to be aligned with market practice.
    - Sustainalytics views positively that APUC has specified that desalination projects will be limited to those powered by renewable energy and located in water-stressed areas.
  - Within the area of Climate Change and Pollution Control APUC may invest in either projects which reduce carbon intensity of products and operations or in increase climate resiliency of existing infrastructure. Sustainalytics views the Framework’s exclusion on investments related to fossil fuel efficiency as providing important reassurance on the suitability of these initiatives.
for inclusion in a green financing, and further highlights the importance of credible studies and assessments in guiding the selection of appropriate resiliency upgrades.

- Sustainalytics views positively the Framework’s inclusion of natural landscape protection.

- **Project Evaluation and Selection:**
  - APUC’s Treasury team, along with its project development and construction teams, enterprise risk management team, and select members of APUC’s executive team, will conduct the project selection process. The eligibility of investments will be evaluated based on several criteria such as financial, technical/operating, market, legal and environmental, and social and governance risks.
  - Based on the defined responsibilities, Sustainalytics considers this to be in line with market practice.

- **Management of Proceeds:**
  - APUC will track the net use of proceeds through a Green Financing Register. The proceeds of transaction will be deposited in the general account of the Company or its subsidiaries and earmarked for allocation to eligible investments. APUC intends to fully allocate the proceeds within 36 months; the unallocated proceeds will be invested in short-term investment instruments and/or reused to repay outstanding corporate credit facilities. This is in line with market practice.
  - Based on use of a green financing register, the disclosure of management processes, and commitment to allocate with 36 months, Sustainalytics considers this process to be in line with market practice.

- **Reporting:**
  - APUC intends to publish annual information on its website or in its financial statements, providing allocation and impact reporting in line with market practice.
  - The allocation reporting will include the amounts allocated to Eligible Investments and the use of short-term investment instruments for any balance of unallocated proceeds. The reporting may also include the amount allocated by Eligible Investment, and examples of Eligible Investments being financed.
  - The impact reporting may include environmental indicators such as installed capacity, renewable energy production, greenhouse gas emissions reduced and/or avoided, water savings, and land area protected.

**Alignment with Green Bond Principles 2018**

Sustainalytics has determined that the Algonquin Power & Utilities Corp. Green Financing Framework aligns to the four core components of the GBP 2018. For detailed information please refer to Appendix 1: Green Bond/Green Bond Programme External Review Form.
Section 2: Sustainability Performance of APUC

Contribution of the Framework to APUC's sustainability strategy

Sustainalytics is of the opinion that APUC has demonstrated a commitment to enhance access to renewable energy and climate change mitigation in its 2019 Sustainability Report and its Annual Report 2019 through the following efforts:

- APUC's Corporate Sustainability Policy mentions supporting the "global goal of limiting planetary temperature rise to less than 2 degrees Celsius" and the "delivery of clean, efficient and reliable energy at a fair price" as some of its principles.

- APUC's 2019 Sustainability Report outlines a series of 2023 Sustainability Goals including 75% renewable energy generation, reducing its GHG emissions by one million metric tons (against 2017 levels), and adding 2,000 MW of renewables (between 2019-2023). On track to meeting these goals, between 2017 and 2018, APUC reduced its GHG emissions from fossil fuel-based electricity generation by 11%, while as of 2019, the Company's Renewable Energy Group operates 53 renewable and clean energy facilities which a combined gross generating capacity of over 2 GW.

- APUC has stated its commitment to transitioning its operational vehicle fleet to electric vehicles (EVs) and compressed natural gas, where feasible. In 2018, APUC reported that 28% of its fleet vehicles were low or no-emission vehicles and that it partnered with companies to install EV charging stations.

- The Company has a "Drive to Zero" program with a goal of no recordable or lost time injuries. In 2018, APUC's generation business achieved zero lost time injury for two years in a row. APUC also uses the DuPont Bradley Curve, a proprietary system for safety developed by DuPont Sustainable Solutions, as a benchmarking tool for safety performance.

- APUC is committed to respect all relevant environmental and regulatory requirements, including environmental impact assessment, in the jurisdictions in which projects are located, and to protect animal and plant biodiversity through such mandatory as well as voluntary assessments.

- APUC has aligned with the greenhouse gas (GHG) reporting best practices outlined by the ISO 14064-1 standard as well as the GHG Protocol Corporate Accounting and Reporting Standard (developed by the World Resources Institute and the World Business Council for Sustainable Development). In 2019, the Company engaged with a sustainability consulting firm to review its GHG inventory calculations and reporting as part of its ongoing effort to accurately capture performance and reduce overall emissions, where feasible.

Additionally, in 2019, APUC established its Office of Sustainability which is responsible for the development, communication and execution of a broad-based, company-wide sustainability strategy, integrating sustainability throughout the Company and all stages of its planning processes.

Considering the above, Sustainalytics is of the opinion that APUC's sustainability strategy and actions demonstrate the importance it places on achieving positive environmental and social impacts. Sustainalytics also believes that the APUC Green Financing Framework is aligned with the Group's overall sustainability efforts and supports its commitment to advance a sustainable energy future.

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

While Sustainalytics recognizes that the use of proceeds from APUC’s Green Financing Framework will be directed towards eligible investments that are recognized by the GBP 2018 to have positive environmental impact, Sustainalytics is aware that such projects could also lead to negative environmental and social outcomes. Some key environmental and social risks associated with the eligible investments include a lack of pollution control in construction and development projects, an increased exposure of local communities to adverse effects, and biodiversity loss.

Sustainalytics is of the opinion that APUC can mitigate such risks through the following policies, systems and processes:

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6 APUC, Annual Report 2019: http://investors.algonquinpower.com/Cache/IRCache/d73ac4b8-8c45-a327-cdf4-7874ca159688.PDF?O=PDF&T=&Y=&D=&FID=d73ac4b8-8c45-a327-cdf4-7874ca159688&iid=4142273
• Within its Environmental Policy, APUC states a commitment to proactively prevent or minimize direct impacts from its business on the natural environment, while managing the use of natural resources in an efficient manner through conservation and energy efficiency measures.6

• The Health and Safety Policy outlines APUC’s commitment to ensuring the health and safety of its employees while mitigation the impact its operational assets have on the communities in which it operates.9

• APUC’s Code of Business Conduct and Ethics,10 as approved by the Board of Directors, stipulates that APUC and its subsidiaries comply with all applicable laws, including health, safety, and environmental laws.

• APUC’s Supplier Code of Conduct11 sets out the core values and corporate practices for all of its suppliers and stipulates that they comply with all applicable laws, codes, rules and regulations within their designated areas of operations. It also states the APUC’s expectation for suppliers to “look for more sustainable ways to operate” and “to decrease their impact on the environment where possible.”

• APUC applies a company-wide Enterprise Risk Management policy and framework to identify the likelihood and impacts of potential risks and pathways to mitigation.12 The policy and framework are applied across the enterprise from operations and strategy development to due diligence for new acquisitions and assets. The Enterprise Risk Management policy is consistent with the ISO 31000:2009 (Risk Management) as well as the COSO framework for Enterprise Risk Management.13

Due to the above-mentioned policies, systems and processes, Sustainalytics believes that APUC has sufficient measures to identify, manage and mitigate environmental and social risks commonly associated with the use of proceeds.

Section 3: Impact of Use of Proceeds

All six use of proceeds categories are aligned with those recognized by the GBP. Sustainalytics has focused below where the impact is specifically relevant for APUC’s primary business activities.

Contribution of renewable energy to a low-carbon future

In order to achieve the commitments of the Paris Agreement, to limit global average temperature increases to well below 2°C and aim to limit the increase to 1.5°C, drastic decreases to global emissions will be required.14 Considering that greenhouse gas emissions from electricity and heat production made up approximately 49% of total fuel combustion in 2014,15 increasing the share of renewable energy generation has the potential to have significant impact on meeting climate goals. According to the International Renewable Energy agency (IRENA), the total share of renewable energy must rise to approximately 66% of the total primary energy supply (TPES) by 2050 in order to meet the 2°C target.16 Although renewable energy grew more rapidly than other forms of generation in 2017, meeting a quarter of the global demand growth,17 this rate of deployment must be ramped up to meet international targets.

Sustainalytics believes that APUC is well positioned to make an impact through the use of proceeds categories and that the activities outlined in the Framework will promote the adoption of renewable energy and support a shift towards a low-carbon economy.

Contribution of the use of proceeds to Ontario’s Made-in-Ontario Environmental Plan

In 2015, the province of Ontario established its five-year Climate Change Action Plan which set out targets to reduce carbon emissions in the province by 15% below 1990 levels by 2020, and 37% by 2030, and by 80% below 1990 levels by 2050.18 The province decreased its targets in 2018 with the release of its A Made-in-
Ontario Environmental Plan,\textsuperscript{19} instead committing to reducing its carbon emissions by 30% below 2005 levels by 2030 in alignment with the Federal Government’s Paris commitments. In 2019, the province reported that its total greenhouse gas emissions dropped by 22% against a 2005 baseline, despite the rest of Canada experiencing an increase of 3% during the same time.\textsuperscript{20} The Environmental Plan states the pathways the province intends to deploy in order to meet its 2030 emission reduction target, including through protecting its air, land and water, increasing the number of low carbon vehicles and scaling clean energy. While some view the progress to date positively, many environmental experts suggest that in order to successfully meet the provincial goals there is a significant need for increased investments in clean fuels, low carbon vehicles uptake and other policies including transit and waste.\textsuperscript{21} Sustainalytics is of the opinion that the use of proceeds categories in the Framework will directly support Ontario’s ability to fulfill the commitments under the A Made-in-Ontario Environmental Plan.

### Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. This green financing advances the following SDG goals and targets:

<table>
<thead>
<tr>
<th>Use of Proceeds Category</th>
<th>SDG</th>
<th>SDG target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewable Energy Generation</td>
<td>7. Affordable and Clean Energy</td>
<td>7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.</td>
</tr>
<tr>
<td>Energy Efficiency</td>
<td>7. Affordable and Clean Energy</td>
<td>7.3 By 2030, double the global rate of improvement in energy efficiency.</td>
</tr>
<tr>
<td>Clean Transportation</td>
<td>11. Sustainable Cities and Communities</td>
<td>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.</td>
</tr>
<tr>
<td>Sustainable Water and Wastewater Management</td>
<td>6. Clean Water and Sanitation</td>
<td>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.</td>
</tr>
<tr>
<td>Climate Change and Pollution Control</td>
<td>9. Industry, Innovation and Infrastructure</td>
<td>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,</td>
</tr>
</tbody>
</table>


### Conclusion

APUC has developed the Algonquin Power & Utilities Corp. Green Financing Framework under which it will issue green financings and the use of proceeds to finance investments in Renewable Energy Generation, Energy Efficiency, Clean Transportation, Sustainable Water and Wastewater Management, Climate Change and Pollution Control, and Sustainable Land Management. Sustainalytics considers that the projects funded by the green financing proceeds will provide positive environments by promoting clean energy and reducing greenhouse gas emissions.

The Algonquin Power & Utilities Corp. Green Financing Framework outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that the Algonquin Power & Utilities Corp. Green Financing Framework is aligned with the overall sustainability strategy of the company and that the green use of proceeds categories will contribute to the advancement of the UN Sustainable Development Goals 6, 7, 9, 11, and 15. Additionally, Sustainalytics is of the opinion that APUC 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 Algonquin Power & Utilities Corp. is well-positioned to issue green financings and that the Algonquin Power & Utilities Corp. Green Financing Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2018.
Appendices

Appendix 1: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

<table>
<thead>
<tr>
<th>Issuer name:</th>
<th>Algonquin Power &amp; Utilities Corp.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:</td>
<td>Algonquin Power &amp; Utilities Corp. Green Financing Framework</td>
</tr>
<tr>
<td>Review provider’s name:</td>
<td>Sustainalytics</td>
</tr>
<tr>
<td>Completion date of this form:</td>
<td>June 16, 2020</td>
</tr>
</tbody>
</table>

Section 2. Review overview

SCOPE OF REVIEW
The following may be used or adapted, where appropriate, to summarise the scope of the review.
The review assessed the following elements and confirmed their alignment with the GBPs:

☐ Use of Proceeds  ☒ Process for Project Evaluation and Selection

☐ Management of Proceeds  ☒ Reporting

ROLE(S) OF REVIEW PROVIDER

☐ Consultancy (incl. 2nd opinion)  ☐ Certification

☐ Verification  ☐ Rating

☐ Other (please specify):

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 Generation, Energy Efficiency, Clean Transportation, Sustainable Water and Wastewater Management, Climate Change and Pollution Control, and Sustainable Land Management – are aligned with those recognized by the Green Bond Principles 2018. Sustainalytics considers that the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDGs.

Use of proceeds categories as per GBP:

☒ Renewable energy
☒ Energy efficiency
☒ Pollution prevention and control
☒ Environmentally sustainable management of living natural resources and land use
☐ Terrestrial and aquatic biodiversity conservation
☐ Clean transportation
☒ Sustainable water and wastewater management
☒ Climate change adaptation
☐ Eco-efficient and/or circular economy adapted products, production technologies and processes
☐ Green buildings
☐ Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs
☐ Other (please specify):

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

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

APUC’s Treasury team, along with its project development and construction teams, Enterprise Risk management Team, and select members of the executive team, will conduct the project selection process. Sustainalytics considers this to be in line with market practice.

Evaluation and selection

☒ Credentials on the issuer’s environmental sustainability objectives
☒ Documented process to determine that projects fit within defined categories
☒ Defined and transparent criteria for projects eligible for Green Bond proceeds
☒ Documented process to identify and manage potential ESG risks associated with the project
Second-Party Opinion
Algonquin Power & Utilities Corp. Green Financing Framework

☒ Summary criteria for project evaluation and selection publicly available
☐ Other (please specify):

Information on Responsibilities and Accountability
☒ Evaluation / Selection criteria subject to external advice or verification
☐ In-house assessment
☐ Other (please specify):

3. MANAGEMENT OF PROCEEDS

Overall comment on section (if applicable):
APUC will track the net use of proceeds through a Green Bond Register. The proceeds of transaction will be deposited in the general account and earmarked for allocation to Eligible Investments. Pending allocation, proceeds will be invested in short-term investment instruments. This is in line with market practice.

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

Additional disclosure:
☐ Allocations to future investments only
☒ Allocations to both existing and future investments
☐ Allocation to individual disbursements
☐ Allocation to a portfolio of disbursements
☐ Disclosure of portfolio balance of unallocated proceeds
☐ Other (please specify):

4. REPORTING

Overall comment on section (if applicable):
APUC intends to publish annual information on its website or in its financial statements. The allocation reporting will include the amounts allocated to Eligible Investments and the balance of unallocated proceeds. Where feasible, impact reporting will be provided using quantitative KPIs including renewable energy production, emissions avoided, and water savings. Sustainalytics views APUC’s allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:
☐ Project-by-project
☒ On a project portfolio basis
☐ Linkage to individual bond(s)
☐ Other (please specify):
Information reported:

☒ Allocated amounts
☒ Green Bond financed share of total investment
☐ Other (please specify):

Frequency:

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

Impact reporting:

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

Information reported (expected or ex-post):

☒ GHG Emissions / Savings
☒ Energy Savings
☒ Decrease in water use
☒ Other ESG indicators (please specify): Installed capacity; renewable energy production; land restored and preserved; threatened species protected and conserved.

Frequency

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

Means of Disclosure

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

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

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

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

☐ Consultancy (incl. 2nd opinion)
☐ Certification
ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

i. Second Party Opinion: An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer’s adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer’s overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.

ii. Verification: An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer’s internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.

iii. Certification: An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.

iv. Green Bond Scoring/Rating: An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.
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These are based on information made available by the issuer and therefore are not warranted as to their merchantability, completeness, accuracy, up-to-dateness or fitness for a particular purpose. The information and data are provided “as is” and reflect Sustainalytics’ opinion at the date of their elaboration and publication. Sustainalytics accepts no liability for damage arising from the use of the information, data or opinions contained herein, in any manner whatsoever, except where explicitly required by law. Any reference to third party names or Third Party Data is for appropriate acknowledgement of their ownership and does not constitute a sponsorship or endorsement by such owner. A list of our third-party data providers and their respective terms of use is available on our website. For more information, visit http://www.sustainalytics.com/legal-disclaimers.

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

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

Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that supports investors around the world with the development and implementation of responsible investment strategies. For over 25 years, the firm has been at the forefront of developing high-quality, innovative solutions to meet the evolving needs of global investors. Today, Sustainalytics 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. Sustainalytics also works with hundreds of companies and their financial intermediaries to help them consider sustainability in the policies, practices and capital projects. With 16 offices globally, Sustainalytics has more than 600 staff members, including over 200 analysts with varied multidisciplinary expertise across more than 40 industry groups. For more information, visit www.sustainalytics.com.