



WHEN TRUST MATTERS



# RATCH-AUSTRALIA CORPORATION PTY LIMITED GREEN FINANCING FRAMEWORK SECOND PARTY OPINION

**Document title:** Second Party Opinion on RATCH-Australia Corporation Pty Limited's Green Finance Framework

**Prepared by:** DNV Business Assurance Australia Ltd.

**Location:** Sydney, Australia; Bangkok, Thailand

**Date:** 1 July 2022

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### Disclaimer

Our assessment relies on the premise that the data and information provided by the client to us as part of our review procedures have been provided in good faith. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied as per scope of work. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Statement.

### Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2011 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct<sup>1</sup> during the assessment and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of statements or data included in the Framework except for this Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assessment process.

<sup>1</sup> DNV Code of Conduct is available from DNV website ([www.dnv.com](http://www.dnv.com))

## DNV'S INDEPENDENT ASSESSMENT

### Scope and Objectives

RATCH-Australia Corporation Pty Limited, or another designated related entity, ("RAC", or "Issuer") is a project developer and project owner in the Australian energy market. RAC owns a portfolio of generation assets with a capacity of 1.2 GW. RAC has been developing, constructing and operating projects in Australia since 2011 including the in-house developed 227 MW Collector Wind Farm in New South Wales and the 214 MW Yandin Wind Farm in Western Australia (for which RAC owns a 70% stake), both of which commenced full operations in 2021. Since late 2018, RAC has also delivered the 180 MW Mount Emerald Wind Farm and the 42.5 MW Collinsville Solar Farm, both in Queensland.

The ultimate holding company of RAC is RATCH Group Public Company Limited (company number 0107543000031), a Thai-incorporated company ("RATCH Group"), which is listed on the Stock Exchange of Thailand with a market cap equivalent to around A\$3.3bn. The largest shareholder in the RATCH Group, with 45% ownership, is the Electricity Generating Authority of Thailand (EGAT). The RATCH Group has more than 7GW of operational capacity in Thailand, Laos, Indonesia and China with an additional 1.2 GW of capacity under development and construction.

This Green Financing Framework ('the Framework') has been developed in alignment with the following Principles (collectively the "Principles"):

- the Green Bond Principles ("GBP"), International Capital Market Association (ICMA), June 2018<sup>2</sup>; and
- the Green Loan Principles ("GLP"), Loan Market Association (LMA), May 2020<sup>3</sup>.

Alignment of the Green Finance with the Principles is presented in the Framework through the following key pillars:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting
5. External Review

### Responsibilities of the Management of RAC and DNV

The management of RAC has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform RAC management and other interested stakeholders in the Framework as to whether the Framework is aligned with the Principles. In our work, we have relied on the information and the facts presented to us by RAC. DNV is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by RAC's management and used as a basis for this assessment were not correct or complete.

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<sup>2</sup> In alignment with ICMA Green Bond Principles, June 2018, <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

<sup>3</sup> In alignment with LMA Green Loan Principles, May 2020, <https://www.lsta.org/content/green-loan-principles/>

## Basis of DNV's opinion

We have adapted our assessment methodology to create the RAC-specific Eligibility Assessment Protocol (henceforth referred to as "Protocol"). Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion.

As per our Protocol, the criteria against which the Framework has been reviewed are grouped under the four core components:

### 1. Use of Proceeds

The Use of Proceeds criteria are guided by the requirement that an issuer of a bond/a borrower of a loan must use the funds raised to finance eligible activities. The eligible activities should produce clear environmental benefits.

### 2. Process for Project Evaluation and Selection

The Project Evaluation and Selection criteria are guided by the requirements that an issuer of a bond/a borrower of a loan should outline the process it follows when determining eligibility of an investment using Green Bond/Loan proceeds, and outline any impact objectives it will consider.

### 3. Management of Proceeds

The Management of Proceeds criteria are guided by the requirements that a bond or loan should be tracked within the organization, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled.

### 4. Reporting

The Reporting criteria are guided by the recommendation that at least annual reporting should be made of the use of proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible.

No assurance is provided regarding the financial performance of instruments issued via the Framework, the value of any investments, or the long-term environmental benefits of the transaction. Our objective has been to provide an assessment that the Framework has met the criteria established on the basis set out below.

## Work Undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by RAC in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

- Creation of a Protocol, adapted to the purpose of the Framework, as described above and in Schedule 3 to this Assessment;
- Assessment of documentary evidence provided by RAC on the Framework and supplemented by a high-level desktop research. These checks refer to current assessment best practices and standards methodology;
- Review of published materials by RAC and the website of RAC and, where relevant, parent organisations;
- Discussions with RAC's management, and review of relevant documentation and evidence related to the criteria of the Protocol; and
- Documentation of findings against each element of the criteria. Our opinion as detailed below is a summary of these findings.

## Findings and DNV's Opinion

DNV's findings are listed below:

### 1. Use of Proceeds

RAC intends to use the proceeds from the Green Financing Instruments issued under the Framework to finance or refinance eligible green assets as identified by the Principles.

The Framework defines the following eligible project categories.

#### *Eligible Green Project Categories*

- Renewable Energy
- Waste Water Management

DNV undertook an analysis of the associated project type to determine the eligibility as "Green" and in line with the Principles.

DNV concludes that the eligible categories outlined in the Framework are consistent with the categories outlined in the Principles.

### 2. Process for Project Evaluation and Selection

RAC has stated its commitment to conducting business with social and environmental responsibility. The Framework describes how the RATCH Group sustainability strategy is integrated into the long-term business strategy to grow economic value and benefit society and the environment.

RAC has set up a Green Debt Committee ("Committee") consisting of members from key parts of the company. The Committee is responsible for selecting, evaluating and screening Eligible Green Projects. The decision as to the selection of Eligible Green Projects will be documented and maintained. The Committee will select Eligible Green Projects that meet the criteria for use of proceeds described above. Projects must also comply with all applicable laws and regulations, and the Company's policies and guidelines.

Additionally, the Committee will carry out an analysis of climate and environmental issues specific to each investment decision. The RAC Finance Department will control and validate the allocation of the proceeds to Eligible Green Projects.

DNV concludes that RAC's Framework appropriately describes the process of project evaluation and selection.

### 3. Management of Proceeds

RAC expects Green Debt will be issued in connection with a specific Eligible Green Project(s). Allocation and tracking of the Green Debt proceeds will be done by the Committee. The net proceeds of Green Debt will be transferred to the nominated RAC bank account. The Company has an internal system which will be used to monitor, establish and account for the allocation of the proceeds for such Eligible Green Projects.

DNV has reviewed the evidence presented and can confirm that the proceeds arising from the future issuances will be appropriately managed.

### 4. Reporting

RAC will annually disclose the allocation of the amount equal to the net proceeds, on the RAC's website annually. The Company plans to disclose examples of Green Debt Projects that have been financed or refinanced by the net proceeds of Green Debt where appropriate and subject to confidentiality arrangements. This will include allocation reporting and impact reporting.

On the basis of the information provided by RAC and the work undertaken, it is DNV's opinion that the Framework meets the criteria established in the Protocol and that it is aligned with the stated definition of Green Financing Instruments within the Principles, which is to "enable capital-raising and investment for new and existing projects with environmental benefits".

**for DNV Business Assurance Australia Pty Ltd.**

Sydney, NSW, Australia 1 July 2022



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Mark Robinson  
**Lead Verifier, Sustainability  
Services**



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Thomas Leonard  
**Technical Reviewer**

## Schedule 1. Description of Categories to be financed or refinanced through RAC’s Green Financing Transactions

Eligible Green Project Categories	Description	DNV Findings
Renewable Energy	Expenditures to support the development, installation, operation and connection of renewable energy, including: <ul style="list-style-type: none"> <li>• Wind power</li> <li>• Solar power</li> <li>• Battery storage</li> </ul>	DNV finds that the criteria and project types are eligible projects according to the Principles.
Waste Water Management	Improvement in waste water quality, usage and disposal	DNV finds that the criteria and project types are eligible projects according to the Principles.

## Schedule 2. Contributions to UN SDGs

Eligible Project Categories	UN SDGs	DNV Findings
Renewable Energy	<p><b>SDG 7.1:</b> By 2030, ensure universal access to affordable, reliable and modern energy services</p> <p><b>SDG 7.2:</b> By 2030, increase substantially the share of renewable energy in the global energy mix</p> <p><b>SDG 7.a</b> By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology</p> <p><b>SDG 7.b</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 landlocked developing countries, in accordance with their respective programmes of support</p>	DNV is of the opinion that eligible category outlined in the Framework contributes to the achievement of the UN SDGs.
Waste Water Management	<p><b>SDG 6.3</b> 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</p>	DNV is of the opinion that eligible category outlined in the Framework contributes to the achievement of the UN SDGs.

## Schedule 3. Eligibility Assessment Protocol

### 1. Use of Proceeds

Ref.	Criteria	Requirements	DNV Findings
1a	Type of bond / loan	<p>The Bond/Loan must fall in one of the following categories, as defined by the Green Bond Principles:</p> <ul style="list-style-type: none"> <li>Green Use of Proceeds Bond</li> <li>Green Use of Proceeds Revenue Bond</li> <li>Green Project Bond</li> <li>Green Securitized Bond</li> <li>Loan instrument made available for Green project (Green use of proceeds loan)</li> </ul>	<p>The Framework states that Green Bonds contribute to positive environmental impacts.</p> <div style="border: 1px solid black; padding: 5px;"> <p><b>From the Framework</b></p> <p><i>Eligible Green Projects include projects or assets in the following eligible categories:</i></p> <ul style="list-style-type: none"> <li>Renewable Energy</li> <li>Waste Mater Management</li> </ul> </div> <p>The reviewed evidence confirms that the Green Bonds fall in the category: Green Use of Proceeds Bond/Loan.</p>
1b	Green Project Categories	<p>The cornerstones of Green Bond and Loan are the utilization of the proceeds of the bond and the loan which should be appropriately described in the legal documentation for the security.</p>	<p>Eligible project categories presented by RAC are as follows:</p> <ul style="list-style-type: none"> <li>Renewable Energy</li> <li>Waste Water Management</li> </ul> <p>The above-mentioned project categories meet the eligible Green Project Categories in Principles.</p>
1c	Environmental benefits	<p>All designated Green Project categories should provide clear environmentally sustainable benefits, which, where feasible, will be quantified or assessed by the Issuer.</p>	<p>Environmental benefits are noted to include:</p> <ul style="list-style-type: none"> <li>Expected annual renewable energy generation</li> <li>Reduced and/or avoided GHG emissions (in t. CO2e /year)</li> <li>Reduced usage (of water)</li> <li>Improved utilization and quality (of water)</li> </ul>
1d	Refinancing Share	<p>In the event that a proportion of the proceeds may be used for refinancing, it is recommended that issuers provide an estimate of the share of financing vs. re-financing, and where appropriate, also clarify which investments or project portfolios may be refinanced.</p>	<p>The Framework indicates that, proceeds will only be used for financing and refinancing of investments in the eligible categories.</p>

## 2. Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	DNV Findings
2a	Investment-decision process	<p>The Issuer of a Green Bond and Loan should outline the decision-making process it follows to determine the eligibility of projects using Green Bond and Loan proceeds. This includes, without limitation:</p> <ul style="list-style-type: none"> <li>• The environmental objectives of the eligible Green Projects;</li> <li>• The process by which the issuer determines how the projects fit within the eligible Green Projects categories; and</li> <li>• Complementary information on processes by which the issuer identifies and manages perceived environmental and social risks associated with the relevant project(s).</li> </ul>	<p>The Framework describes the method for making investment decisions.</p> <p><b>From the Framework</b></p> <p><i>For the governance of RAC’s Green Financing Framework, the Company has set up a Green Debt Committee (“Committee”) consisting of the following members:</i></p> <ul style="list-style-type: none"> <li>• RAC CEO</li> <li>• RAC EGM Finance</li> <li>• RAC EGM Assets</li> <li>• RAC Company Secretary &amp; Legal Counsel</li> </ul> <p><i>The selection of Eligible Green Projects, evaluating and screening projects is the responsibility of the Committee. The decision as to the selection of Eligible Green Projects will be documented and maintained.</i></p>
2b	Issuer / borrower’s environmental and governance framework	<p>Issuers are also encouraged to:</p> <ul style="list-style-type: none"> <li>• Position the relevant information within the context of the issuer’s overarching objectives, strategy, policy and/or processes relating to environmental sustainability.</li> <li>• Provide information, if relevant, on the alignment of projects with official or market-based taxonomies, related eligibility criteria</li> <li>• Have a process in place to identify mitigants to known material risks of negative environmental and/or social impacts from the relevant project(s).</li> </ul>	<p>The Framework states that the RATCH Group sustainability strategy is integrated into the long-term business strategy to grow economic value and benefit society and the environment.</p> <p><b>From the Framework</b></p> <p><i>Sustainability Strategies:</i></p> <ul style="list-style-type: none"> <li>• Operate business under sustainable development principles with responsibility for economy, society and the environment</li> <li>• Base business decision making on economic, health, safety, environment and social issues</li> <li>• Implement activities for sustainable results, for stakeholders’ acceptance and trust</li> <li>• Interact regularly with stakeholders</li> <li>• Executives and employees follow regulations on occupational health, safety, security, as well as social and environmental responsibility</li> <li>• Operate businesses that benefit society; ensure occupational health and safety of employees, suppliers and community; prevent impacts on communities; control and reduce Green House Gas (“GHG”) emissions in production process; and protect ecosystem and biodiversity</li> </ul>

### 3. Management of Proceeds

Ref.	Criteria	Requirements	DNV Findings
3a	Tracking procedure	<ul style="list-style-type: none"> <li>(Bond) The net proceeds of Green Bonds should be credited to a sub-account, moved to a sub- portfolio or otherwise tracked by the Issuer in an appropriate manner and attested to by a formal internal process that will be linked to the Issuer's lending and investment operations for Green Projects.</li> <li>(Loan) The proceeds of Green Loans should be credited to a dedicated account or otherwise tracked by the borrower in an appropriate manner, so as to maintain transparency and promote the integrity of the product. Where a green loan takes the form of one or more tranches of a loan facility, each green tranche(s) must be clearly designated, with proceeds of the green tranche(s) credited to a separate account or tracked by the borrower in an appropriate manner.</li> </ul>	<p>The evidence reviewed shows how RAC plans to manage the Green Bond/Green Loan proceeds.</p> <p><b>From the Framework</b></p> <p><i>RAC anticipates Green Debt will be issued in connection with a specific Eligible Green Project and the allocation and tracking of the Green Debt proceeds will be done by the Committee. The net proceeds of Green Debt will be transferred to the nominated RAC bank account. The Company has an internal system which will be used to monitor, establish and account for the allocation of the proceeds for such Eligible Green Projects.</i></p>
3b	Tracking procedure	So long as the Green Bonds are outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible green investments or loan disbursements made during that period.	<p>The related tracking procedures are in place in the Framework as follows:</p> <p><b>From the Framework</b></p> <p><i>The balance of the net proceeds (if any) will be periodically adjusted to match allocations to Eligible Green Projects made during the life of the financing instruments. If for any reason some projects are no longer eligible, RAC will use its best efforts to substitute such projects as soon as is practical, once an appropriate Eligible Green Project for substitution has been identified by the Committee.</i></p>
3c	Temporary holdings	Pending such investments or disbursements to eligible Green Projects, the Issuer should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds.	<p>The Framework explains the treatment of unallocated funds.</p> <p><b>From the Framework</b></p> <p><i>Pending the full allocation of the net proceeds to Eligible Green Projects, any unallocated funds will be managed per RAC's policy, at its own discretion and invested in temporary liquid instruments (cash and/or invest in other short-term liquid instruments). RAC will aim to fully allocate the proceeds to the Eligible Green Projects within 2 years of the issuance date.</i></p> <p><i>Any interest and investment income earned on the above mentioned separately designated cash and investment accounts can be applied to defray costs incurred for the Eligible Green Projects and/or any reasonable administration costs associated with the management and administration of the Green Debt.</i></p>

#### 4. Reporting

Ref.	Criteria	Requirements	DNV Findings										
4a	Periodical reporting	<ul style="list-style-type: none"> <li>Issuers should make, and keep, readily available up to date information on the use of proceeds to be renewed annually until full allocation, and on a timely basis in case of material developments.</li> <li>The annual report should include a list of the projects to which Green Bond proceeds have been allocated, as well as a brief description of the projects, the amounts allocated, and their expected impact.</li> <li>Where confidentiality agreements, competitive considerations, or a large number of underlying projects limit the amount of detail that can be made available, the GBP recommend that information is presented in generic terms or on an aggregated portfolio basis (e.g. percentage allocated to certain project categories).</li> </ul>	<p>RAC will annually disclose the allocation of the amount equal to the net proceeds, on the RAC’s website annually. The Company plans to disclose examples of Green Debt Projects that have been financed or refinanced by the net proceeds of Green Debt where appropriate and subject to confidentiality arrangements. This will include allocation reporting and impact reporting.</p> <p>The Framework explains the proposed Allocation Reporting.</p> <table border="1"> <thead> <tr> <th colspan="2">From the Framework</th> </tr> </thead> <tbody> <tr> <td></td> <td> <ul style="list-style-type: none"> <li>The percentage of an amount equal to the net proceeds allocated to Eligible Green Projects (% financed by Green Debt)</li> <li>The percentage of financing/refinancing of projects</li> <li>Descriptions of the projects</li> <li>Balance of the unallocated proceeds</li> </ul> </td> </tr> </tbody> </table> <p>RAC has confirmed that it will aim to report annually on the estimated environmental and social impacts arising from the implementation of the Eligible Green Projects.</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Examples of impact indicators</th> </tr> </thead> <tbody> <tr> <td>Renewable Energy</td> <td> <ul style="list-style-type: none"> <li>Expected annual renewable energy generation (MWh/y)</li> <li>Reduced and/or avoided GHG emissions (in t. CO2e /year)</li> </ul> </td> </tr> <tr> <td>Waste Water Management</td> <td> <ul style="list-style-type: none"> <li>Reduced usage</li> <li>Improved utilization and quality</li> </ul> </td> </tr> </tbody> </table>	From the Framework			<ul style="list-style-type: none"> <li>The percentage of an amount equal to the net proceeds allocated to Eligible Green Projects (% financed by Green Debt)</li> <li>The percentage of financing/refinancing of projects</li> <li>Descriptions of the projects</li> <li>Balance of the unallocated proceeds</li> </ul>	Category	Examples of impact indicators	Renewable Energy	<ul style="list-style-type: none"> <li>Expected annual renewable energy generation (MWh/y)</li> <li>Reduced and/or avoided GHG emissions (in t. CO2e /year)</li> </ul>	Waste Water Management	<ul style="list-style-type: none"> <li>Reduced usage</li> <li>Improved utilization and quality</li> </ul>
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## Schedule 4. Green Financing Instruments External Review Form

### Section 1. Basic Information

**Issuer name:**

RATCH-Australia Corporation Pty Limited. or other designated related entities ("RAC").

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

RAC Green Financing Framework, July 2022

**Independent External Review provider's name:**

DNV Business Assurance Australia Pty Ltd.

**Completion date of this form:**

1 July 2022

**Publication date of review publication:**

1 July 2022

### 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 GLP:

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

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

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Second Party Opinion  | <input type="checkbox"/> Certification  |
| <input checked="" type="checkbox"/> Verification          | <input type="checkbox"/> Scoring/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)**

On the basis of the information provided by RAC and the work undertaken, it is DNV's opinion that the RAC's Green Financing Framework meets the criteria established in the Protocol and are aligned with the stated definition of green bonds/loans within the Principles.

### 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):**

RAC intends to use the proceeds of the Green Financing Instruments issued under the Framework to finance or refinance, in whole or in part, new or existing Eligible Green Project Categories. DNV concludes that the RAC Green Financing Framework is aligned with the Principles.

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

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Renewable energy   | <input type="checkbox"/> Energy efficiency   |
| <input type="checkbox"/> Pollution prevention and control  | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation   | <input type="checkbox"/> Clean transportation  |
| <input 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 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 type="checkbox"/> Other ( <i>please specify</i> ):  |

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

## 2. PROCESS FOR PROJECT EVALUATION AND SELECTION

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

The proceeds will be allocated to finance and refinance the assets as defined in Schedule 1. DNV reviewed the Framework which describes the process through which projects are evaluated and selected. DNV can confirm the proceeds of the Green Financing Instruments go through an internal process for evaluation and selection.

### Evaluation and selection

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's 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 Green Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available       | <input type="checkbox"/> Other ( <i>please specify</i> ):   |

### Information on Responsibilities and Accountability

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

## 3. MANAGEMENT OF PROCEEDS

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

The Framework states that the net proceeds from the issuance of RAC's Green Financing Instruments will initially be deposited by RAC into the Company's general saving account, which will be managed and monitored by RAC's internal team.

### Tracking of proceeds:

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

### Additional disclosure:

- |   |   |
|---|---|
| <input type="checkbox"/> Allocations to future investments only | <input 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                     |

- Disclosure of portfolio balance of unallocated proceeds
- Other (*please specify*):

#### 4. REPORTING

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

The Framework states that net proceeds of any RAC financing instrument issuance under the Framework will be managed using a portfolio approach by the Green Finance Working Group and would be allocated as follows to Eligible Green Projects

##### Use of proceeds reporting:

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

##### Information reported:

- Allocated amounts
- Sustainability 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*):

##### Frequency:

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

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

- GHG Emissions / Savings
- Energy Savings
- Decrease in water use
- Number of beneficiaries
- Target populations
- Other ESG indicators (*please specify*):
- Reduced usage
  - Improved utilization and quality

##### Means of Disclosure

- Information published in financial report
- Information published in sustainability report
- Information published in ad hoc documents
- Other (*please specify*): Published on website
- 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 checked="" type="checkbox"/> | Second Party Opinion             | <input type="checkbox"/> | Certification  |
| <input checked="" type="checkbox"/> | Verification                     | <input type="checkbox"/> | Scoring/Rating |
| <input type="checkbox"/>            | Other ( <i>please specify</i> ): |                          |                |

**Review provider(s):**

DNV Business Assurance Australia Pty Ltd.

**Date of publication:**

1 July 2022

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

- 1. Second Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Financing 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 environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- 2. Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Finance proceeds, statement of environmental impact or alignment of reporting with the Principles, may also be termed verification.
- 3. Certification:** An issuer can have its Green Financing Instruments or associated Green Financing Framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- 4. Green Financing Instruments Scoring/Rating:** An issuer can have its Green Bonds, associated Green Financing 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 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 environmental risks.



## About DNV

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