Sustainable Fitch
a FitchSolutions Company

Financial Institutions
Universal Commercial Bank
Germany

Bank of China Frankfurt Branch

Sustainability-Linked, Green and Social Loans Lending Framework Assessment

Pillar	Key Drivers
Use of Funds	• The bank has selected a portfolio of loans – comprising sustainability-linked (SLLs) loans, and green and social loans – to be financed by proceeds from issuances under this framework. • **SLLs:** Eligible SLLs must be externally reviewed to align with the LMA SLL Principles (SLLP), and support the themes of climate transition and/or socioeconomic advancement. • **Green and social loans:** The use of proceeds (UoP) categories describe projects with clear environmental and social benefits, and are aligned with the categories included in the LMA Green Loan Principles (GLP) and Social Loan Principles (SLP).
Process for Project or SLL Evaluation and Selection	• The evaluation and selection process is well-defined. There is a separation of proposal and approval responsibilities, which provides a degree of checks and balances. • Prior to any issuance of sustainability-linked, green and social (SGS) loan bonds, all underlying loans will be externally verified for alignment to the relevant LMA Principles. • The three-year lookback period is in line with standard market practice.
Management of Proceeds	• Proceeds are earmarked and virtually segregated through a ledger management system shared across all SGS bond issuances and their underlying loans regardless of loan type. • Unallocated proceeds may be temporarily invested in sustainable bonds, money-market instruments, or held in cash.
Reporting	• Annual allocation and impact reporting will be published as long as there are bonds outstanding. • Impact reporting will be made available down to the category level for underlying green and social loans, while for SLLs, the reporting will be on the achievement of sustainability performance targets (SPTs) at the loan level, subject to confidentiality limitations.
Verification	• The post-issuance reporting on allocation of proceeds and impacts will be verified by an external party on an annual basis.

Framework Type	Sustainability-Linked, Green and Social Loans
Alignment	✓ Market practices
Date assigned	9 August 2024

See Appendix A for definitions.

Scope of Assessment

Bank of China Frankfurt Branch (BOC Frankfurt Branch) has developed a lending framework to finance or refinance SLLs, green loans and social loans. Sustainable Fitch's assessment of the bank's lending framework does not constitute a Second-Party Opinion for the framework or for the loans financed by the bank under the framework. It assesses the quality of the lending framework based on existing market practices to finance or refinance SLLs, or to finance or refinance green and/or social loans.

This is because the sustainable finance market principles have been developed separately for UoP and sustainability-linked structures, while the framework under assessment is one where proceeds are intended to finance or refinance both loans with a UoP structure (green and social loans) and SLLs. The design of a single framework that includes both UoP loans and SLLs is not standard market practice, so we have assessed the UoP loans and SLL components separately.

The lending framework assessment is accompanied by loan-level assessments of the loans in the issuer's portfolio. The loan-level assessments for SLLs reference the LMA, LSTA and APLMA SLLP 2023 as well as the corresponding Guidance on SLLP 2023, while the loan-level

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assessments for green and social loans respectively reference the LMA, LSTA and APLMA GLP and SLP.

Loan Portfolio Details

Number	Instrument	Sector	Type[a]
Loan 1	Term/revolving facility loan	Pharmaceuticals	Sustainability-linked
Loan 2	Dual-tranche loan	Retailing	Sustainability-linked
Loan 3	Promissory bill	Chemicals	Sustainability-linked
Loan 4	Promissory bill	Utilities	Sustainability-linked
Loan 5	Term/revolving facility loan	Chemicals	Sustainability-linked
Loan 6	Project financing	Utilities	Green
Loan 7	Term loan	Non-bank financial institutions	Social
Loan 8	Term loan	Diversified manufacturing	Social

[a]As defined by BOC Frankfurt Branch.
Source: BOC Frankfurt Branch SGS bond framework (August 2024), individual loan agreements

Framework Highlights

We consider this SGS bond framework as aligned with standard market practice to finance or refinance SLLs, and to finance or refinance green and social loans. The framework includes the relevant pillars from the ICMA Green Bond Principles (GBP) and Social Bond Principles (SBP) as well as the ICMA Guidelines for Sustainability-Linked Loans financing Bonds (SLLBs) – information on the UoP, process for project and SLL evaluation and selection, management of proceeds and reporting.

Proceeds from transactions under the framework can be allocated to SLLs, green loans and social loans. As of the date of this analysis, the issuer has injected eight loans in the SGS pool, including five SLLs, one green loan and two social loans. We have assessed the alignment of each of the eight loans as ‘Good’ or ‘Excellent’, in relation to the relevant LMA SLL, GLP and SLP.

Under the framework, proceeds may be allocated towards SLLs, green loans or social loans. Eligible SLLs will have KPIs that contribute to the themes of climate transition and/or socioeconomic advancement. Eligible green loans will align with the green UoP categories of the framework. These include 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, and green buildings. Eligible social loans will align with the social UoP categories, namely, affordable basic infrastructure, access to essential services, affordable housing and employment generation.

We expect the possible use of funds to contribute to projects with positive environmental and social impacts or facilitate the borrowers’ contribution to such impacts. The UoP categories for green and social loans are aligned with the project categories recommended by the LMA GLP and SLP respectively.

The framework has set out a clearly defined list of excluded activities that include environmentally and socially harmful and controversial activities. This provides assurance to investors that the proceeds of the bonds issued under the framework will not be used for environmentally or socially harmful projects.

Source: Sustainable Fitch, BOC Frankfurt Branch SGS bond framework (August 2024)

Entity Highlights

BOC Frankfurt Branch is part of Bank of China Limited (BOC), which is the fourth-largest state bank in China in terms of total assets. BOC’s business activities are split into personal banking services (47% of 2023 profit before tax), corporate banking services (36%), treasury operations (10%), investment banking (2%), general and life insurance (1%) and other activities (4%) such as investment holdings, leasing and other areas of financial services. The bank has three main geographical regions of operations; in mainland China, where it primarily operates via over 10,000 domestic institutions; in Hong Kong, Macao and Taiwan, where its activities are centralised in the BOC (Hong Kong) Group unit; and in other countries and regions with significant operations in New York, London, Singapore and Luxembourg. BOC Frankfurt Branch was the first branch of a Chinese financial institution opened in Germany, in 1989. BOC Frankfurt Branch adheres to BOC's approach to managing ESG risks and conducting ESG lending practices.

At end-2023, BOC had about CNY20 trillion in total loans across its corporate and personal banking portfolios. Its corporate lending portfolio includes loans towards commerce and services (16% of total loans), manufacturing (13%), transportation, storage and postal services (11%), real estate (7%), electricity, heating, gas and water (7%) and other sectors (12%). Of the CNY11 trillion in domestic corporate loans, BOC reports that less than 10% finances brown industries, namely the power generation, steel, petrochemicals, chemicals, non-ferrous metals, cement, paper and domestic aviation industries. Personal loans account for 33% of total loans, with the majority of loans in mortgages.

BOC integrates ESG risks into its risk management system to identify and manage ESG risks in its business activities and from its customers. It has defined ESG risk management responsibilities and integrated ESG risk management in at least 90 industry-level credit policies for industries such as agriculture, mining and metallurgy, oil, gas and chemical engineering, construction and real estate, and transportation and logistics. Its 2021–2025 sustainability plan outlines several qualitative and quantitative targets, including a commitment to have at least CNY2.5 trillion in outstanding loans to small and micro enterprises by 2025 and to provide at least CNY3 trillion in new green lending between 2021 and 2025. Since 2021, BOC has excluded the financing of new coal-fired power generation and coal mining projects located outside of mainland China.

In its operations, BOC has set short-term targets to reduce its environmental footprint in terms of emissions, energy, paper use and water consumption. By 2025, it aims to reduce its absolute Scopes 1 and 2 emissions by 40%, electricity consumption by 17%, paper purchase by 20% and water consumption by 5% from the 2019 levels. BOC does not disclose its Scope 3 financed emissions but has indicated in its sustainability disclosures that it has begun to conduct trial calculations to determine its emissions from major carbon-intensive industries, including thermal power, steel and building materials.

BOC is an active issuer of sustainable financing instruments. As of 30 June 2024, the bank has issued USD21 billion of bonds under its sustainability series bonds management statement in its offshore markets. This includes 50 labelled bonds: 37 green bonds, six sustainability bonds, two social bonds, three transition bonds, one sustainability re-linked bond and one SLL funding bond.

The issuing entity, BOC Frankfurt Branch, is an important issuer of BOC's offshore sustainable bond products in Europe. As of end-2023, BOC Frankfurt Branch had two outstanding green bond issuances issued under the BOC's sustainability series bonds. The net proceeds of CNY5 billion were used to finance projects in renewable energy and clean transportation.

Source: Sustainable Fitch, BOC Frankfurt Branch SGS bond framework (August 2024), BOC annual report 2023, BOC corporate social responsibility and ESG report 2023, BOC Task Force on Climate-related Financial Disclosures report 2023, BOC sustainability series bonds annual report 2023

Use of Funds

Company Material	Sustainable Fitch's View
• An amount equal to the net proceeds from the SGS bonds will be used to finance and/or refinance a pool of SGS loans. Eligible SGS loans comprise a composite of SLLs, green loans and social loans financed by for each SGS bond by BOC Frankfurt Branch. BOC Frankfurt Branch will allocate the net proceeds of the SGS bonds to the eligible SGS loans. • Eligible SLLs should be screened against the following criteria: - alignment with the latest SLLP corresponding to the year the facility was signed; - alignment with the five core components of the SLLP, including selection of KPIs, calibration of SPTs, loan characteristics, reporting and verification, and that the issuer shall obtain an external review for each eligible SLL in the SLL pool; and - to the extent feasible, priority will be given to eligible SLLs with KPIs that are in accordance with the ICMA Illustrative KPIs Registry, with sustainability objectives focused on climate transition and socioeconomic advancement. • Eligible green loans include projects falling under eight categories: 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, and green buildings. • Eligible social projects include projects falling under four categories: affordable basic infrastructure, access to essential services, affordable housing and employment generation. BOC Frankfurt Branch will identify the relevant target population for the eligible social projects. • The definition of the target population may vary depending on the project's context, and in some cases, the target population may be the general public. Examples of target populations include, but are not limited to, vulnerable groups as defined by local governments or relevant authorities, the undereducated, people with disabilities, those underserved due to a lack of quality access to essential goods and services, aging populations and vulnerable youth. • Proceeds will not be allocated to industries such as luxury goods, weapons, alcohol, tobacco, fossil fuels and nuclear.	• We have reviewed the five SLLs that are included in the SGS pool at the time of this assessment as aligned with the LMA SLLP. Alignment with the LMA SLLP entails that the KPIs selected for the SLLs are relevant, core and material to the borrower's overall business; measurable or quantifiable using a consistent methodology; and benchmarkable against external references or definitions. The KPIs selected meet these criteria overall, although some limitations are detailed in the loan level assessments. • Conformity with the LMA SLLP also entails that the SPTs for the SLLs will be set in good faith and remain relevant and ambitious throughout the life of the loan, which supports accountability. The SPTs of the SLLs assessed are relevant to the borrowers' businesses and demonstrate ambition, although with some limitations. • The existing SLLs in the SGS pool have KPIs that contribute to at least one of the sustainability objectives identified by BOC, which are climate transition and socioeconomic advancement. The KPIs are mostly included in the ICMA Illustrative KPIs Registry, which is good practice as it facilitates the identification of material KPIs for borrowers from different industries and quantifies impacts using recognised industry metrics. • Regarding the financing of green loans, the eight green UoP categories in the framework describe activities that are included in the eligible categories of the LMA GLP. • Similarly, the four social UoP categories in the framework describe activities that are included in the eligible categories of the LMA SLP. The social categories included in the framework describe activities that will benefit the general public, with the potential to benefit specific vulnerable target populations. • We have assessed the two social loans and one green loan included in the SGS pool at the time of this analysis as aligned with the LMA SLP and GLP respectively. • The ICMA Guidelines for SLLBs, and the ICMA GBP and SBP have been developed separately for UoP and sustainability-linked structures, while the framework under assessment is one where proceeds are intended to finance or refinance both loans with a UoP structure (green and social loans) and SLLs, which is not standard market practice recommended by ICMA guidelines and principles. • The bank is applying a lookback period of three years for refinancing SGS loans. This is in line with standard market practice for green, social and sustainability (GSS) bonds, though a shorter lookback period would increase the additionality of the refinanced loans in terms of positive sustainability impacts. The origination of the eight loans that have been assessed dates from 2021 onwards, which is in line with the lookback period. • The framework references a clearly defined list of excluded activities that include environmentally and socially harmful and controversial sectors. This is in line with best practice, as it safeguards against proceeds from SGS bonds being used for environmentally or socially harmful activities.
Source: BOC Frankfurt Branch SGS bond framework (August 2024), company material	Source: Sustainable Fitch

Process for Project or SLL Evaluation and Selection

Company Material	Sustainable Fitch's View
• BOC Frankfurt Branch will evaluate the SGS loans prior to and throughout the loan cycle. This evaluation will include pre-loan investigation, loan review and post-loan inspection. • To add a loan to the portfolio that will be financed by a bond issued under this framework, BOC Frankfurt Branch will first conduct a preliminary screening of potential SGS loans against internal loan compliance documents and the eligibility criteria set forth in the SGS	• The ICMA GBP and SBP require issuers of GSS bonds to communicate to investors the process by which the issuer determines eligibility. The framework describes a project evaluation and selection process wherein the corporate banking department proposes potential SGS loans, followed by a due diligence check by the risk management department against the eligibility criteria, and then a review by an external verifier to confirm alignment with the relevant sustainable loan principles, prior to

Process for Project or SLL Evaluation and Selection

Company Material	Sustainable Fitch's View
framework. After forming a list of nominees, the branch will send these cases for external verification against the GLP, SLP and SLLP. Once verified, the SGS loans will be included in the eligible SGS ledger and be officially designated as eligible SGS loans. • For SLLs, if the borrower fails to meet one or more SPTs, the BOC Frankfurt Branch will disqualify the SLL and replace it with other eligible SLLs that have been verified by an external verifier, subject to the availability and feasibility of conditions. • BOC has defined ESG risk management responsibilities and included binding requirements for environmental and social risk management in more than 90 industry credit policies, which involve agriculture, forestry, animal husbandry and fishery, mining and metallurgy, oil, gas and chemical engineering, construction and real estate, and transportation and logistics, with a tightening control over carbon-intensive industries.	any issuance. The internal separation of SGS loan proposal and approval responsibilities supports objectivity in the selection process prior to seeking external review. • The ICMA Guidelines for SLLBs recommend issuers of SLLBs to communicate to investors the governance structure to evaluate and monitor SLL eligibility and performance over time, including information about the corporate functions and external capacities involved in the decision-making process. BOC has engaged us as an external verifier to review pre-issuance alignment of SLLs against the LMA SLLP; further disclosure on the bank's internal corporate functions involved in the selection process would support full alignment with the ICMA Guidelines for SLLBs recommendations. • The ICMA GBP, SBP and Guidelines for SLLBs also require issuers to communicate the process by which the issuer identifies and manages perceived sustainability risks associated with the projects. BOC Frankfurt Branch adheres to its parent bank's approach of conducting ESG risk assessments across various industry credit policies and applies the SGS exclusion list to the loans. This approach integrates considerations for identifying and managing perceived sustainability risks into the risk management process and aligns with market best practices for the issuance of GSS bonds and SLLBs.
Source: BOC Frankfurt Branch SGS bond framework (August 2024)	Source: Sustainable Fitch

Management of Proceeds

Company Material	Sustainable Fitch's View
• BOC Frankfurt Branch will allocate the net proceeds of the SGS bonds to the eligible SGS loans across various domestic and overseas markets via BOC's global network. BOC Frankfurt Branch has established a mechanism to manage the proceeds on a bond-by-bond basis. • Prior to the issuance of SGS bonds, BOC Frankfurt Branch shall develop the preliminary eligible SGS(s) list as per the evaluation and selection of eligible SGS section in the framework to ensure that the proceeds from SGS bonds can be allocated to eligible SGS loans in a timely manner. • BOC Frankfurt Branch shall record the source and allocation of proceeds in a separate ledger management system to ensure that all the net proceeds of the SGS bonds are properly managed and used. • The ledger system shall contain information including, but not limited to: transaction information such as issue amount, coupon rate, issue date, maturity date, KPIs and SPTs features of SLL(s), and the proceeds allocation information such as borrower description, loan category, balance, release date, repayment date, exchange rate and interest rate of the loan. • BOC Frankfurt Branch will review and update the ledger on a regular basis, at least annually. During the life of each SGS bond, if the allocated SGS loans cease to fulfil the eligibility criteria and/or the allocated SGS loans have been partially or fully prepaid/repaid during the life of the respective SGS bonds, the net proceeds will be reallocated to new eligible SGS loans. • Unallocated proceeds shall not be invested in GHG-intensive, highly polluting, energy-intensive projects, nor projects with negative social impacts (including, but not limited to, those mentioned in section 3.1.4 exclusions of the framework). The unallocated proceeds could be temporarily invested in sustainable bonds issued by non-financial institutions in domestic or international capital markets, and in money market instruments with good credit ratings and market liquidity, or kept in cash until they are allocated to an eligible SGS loan.	• Proceeds from bonds issued under this framework will be earmarked and virtually segregated using a ledger management system, as per standard market practice, and is in line with the ICMA GBP and SBP. • We understand from the bank that all allocated loans will be tracked in the same register regardless of loan type, and transaction information is used to differentiate among the loans. Tracking SLLs, green loans and social loans in the same register is not standard market practice, as bonds typically finance either UoP or SLLs, rather than finance a mixed pool. • The bank did not specify whether its internal tracking method will be verified by an external reviewer. Verification is recommended as best practice for GSS bonds and SLLBs, as it provides assurance on the allocation of proceeds in line with the framework criteria. • The bank has disclosed its intended placements for unallocated proceeds, in line with best practice for GSS bonds and SLLBs. We positively view that the investment of these proceeds is subject to the exclusion list of activities that may contribute to environmental or social harm. • The bank has committed to review the ledger at least on an annual basis, which provides assurance that net proceeds will be reallocated from ineligible or repaid SGS loans to eligible SGS loans in a timely manner. For SLLs in particular, the ICMA Guidelines for SLLBs encourages issuers to have processes to ensure on a regular basis that the proceeds are properly allocated at any point in time; this may entail allocation monitoring on a more frequent basis than annually.
Source: BOC Frankfurt Branch SGS bond framework (August 2024)	Source: Sustainable Fitch

Reporting

Company Material	Sustainable Fitch's View
• BOC Frankfurt Branch will publish an annual SGS bond report if it has SGS bond(s) outstanding. • Disclosures for SLLs will include the proceeds allocation, the borrower background and the performance of the SLLs. Where feasible, BOC Frankfurt Branch will make disclosures in relation to the sector and geography of the borrowers; achievement of the KPIs/SPTs in the respective SLL; information on the year of origination of the eligible SLLs; and information on disqualified SLLs and newly added SLLs. If the confidentiality agreement of SLLs apply, BOC Frankfurt Branch will aggregate the information and report it at the loan portfolio basis. • Disclosures for green and social loans will include the proceeds allocation, and the respective environmental and social impacts. Where feasible, BOC Frankfurt Branch will make disclosures in relation to the environmental and social impacts of the financed projects including, but not limited to, impact indicators listed in the SGS bond framework.	• The bank has committed to allocation and impact reporting on an annual basis, as long as there are bonds outstanding under the framework. The frequency of reporting is in line with standard market practice for GSS bonds and SLLBs. For each SGS bond issuance, reporting will be provided at the loan level. In addition, BOC has clarified during internal engagement that they will provide updates to investors in the event of any material developments, in addition to the annual reporting, which aligns it with best practice to keep investors up to date on all material developments. • Impact reporting for SLLs will be presented in the form of achievement of the SPTs. Depending on the confidentiality of individual loan agreements, granularity on the achievement of each SPT may not be provided, and instead, only the overall performance of the SLL will be disclosed publicly at the aggregated portfolio basis. This is in line with the ICMA Guidelines for SLLBs. • Impact reporting for green and social loans will be presented in the form of environmental or social impact indicators at the category level for each financed loan. • The granularity of reporting on the bank's financing of green and social loans is in line with market practice for GSS bonds, as quantitative impact indicators can be attributed to each SGS bond issuance. However, more granular information such as at the project level would support further transparency. • The selected impact indicators are aligned with those recommended by the ICMA Handbook – Harmonised Framework for Impact Reporting. Best practices for GSS bonds also include disclosure of the calculation methodologies used for these impact indicators. • We understand from internal engagement that the bank intends to have sufficient SGS loans in its eligible pool to fully allocate the bonds at issuance. It also intends to publish the amount of unallocated proceeds, if any, in the annual allocation report.
Source: BOC Frankfurt Branch SGS bond framework (August 2024)	Source: Sustainable Fitch

Verification

Company Material	Sustainable Fitch's View
• Post-issuance, BOC Frankfurt Branch will publish an assurance report on the UoP from the SGS bond issuance(s). • Relevant data and information contained in the annual report of the SGS bonds will also be reviewed by a qualified verifier. • The annual report, assurance report on the UoP from the SGS bond issuance (verification on the allocation of proceeds) and assurance report on post-issuance of SGS bond (verification of the allocation and impact reporting presented in the annual report) will be made available on BOC Frankfurt Branch's official website.	• This section focuses on the bank's post-issuance verification commitments. The pre-issuance verification has been covered in the sections on use of funds, and project or SLL selection. • Based on internal engagement with the bank, we understand that the bank plans to undertake similar procedures on post-issuance verification through the engagement of an external verifier, as in its previous sustainability series bonds issuances. • The scope of verification in the assurance report on the UoP involves verifying that the allocation of proceeds from SGS bonds is aligned with the eligibility criteria stated in the framework. • The scope of verification in the assurance report on post-issuance of SGS bonds involves verifying that the allocation information and impact information presented in the annual report are free from any material misstatements. • The bank has committed to verifying the allocation of proceeds of SGS issuances, as well as the allocation and impact reporting presented in the annual SGS issuance report. The reports will be published on its website. • The bank's verification commitment is in line with the recommendations of the ICMA GBP, SBP and ICMA Guidelines for SLLBs to externally verify the allocation of funds post-issuance. The ICMA GBP, SBP and Guidelines for SLLBs also recommend that issuers externally verify the internal tracking method, and such a commitment is not specified in the framework, as mentioned in the section on management of proceeds.
Source: BOC Frankfurt Branch SGS bond framework (August 2024)	Source: Sustainable Fitch

Loan 1

Sustainability-Linked Loan Analysis

Analysis Overview

Analysis Overview	Alignment
Overall	**Good**
KPI Selection	Good
Performance Targets	Good
Instrument Features	Good
Reporting	Good
Verification	Good

Note: This analysis is a short-form external review based on the Sustainable Fitch Second-Party Opinion methodology. See Appendix B for methodology details.

Borrower Information

The group is a pharmaceutical company that specialises in the research, development and commercial sale of dermatological products in injectable aesthetics, dermatological skincare and therapeutic dermatology. The borrowing entity is a limited liability company under the group.

Source: Loan agreement, company annual report

Key Debt Details

Instrument	Borrower Sector	Type
Term/revolving facility loan	Pharmaceuticals	Sustainability-linked

Source: Sustainable Fitch, loan agreement, company annual report

Target Overview

No.	KPI	Target Type	Timeline	Benefit	Penalty
1	Share of renewable electricity use across manufacturing sites	Absolute share	Re-assessed annually from 2024 to 2030	Step-down, if both KPIs are met	Step-up, if both KPIs are not met
2	Water-consumption intensity reduction across manufacturing sites	Percentage reduction against selected baseline year	Re-assessed annually from 2024 to 2030		

Source: Loan agreement

Considerations

KPI Selection	• Sustainable Fitch considers KPIs 1 and 2 to be clearly defined and measurable, covering all facilities that are involved in the group's manufacturing activities. • Both KPIs are material, although with significant limitations. KPI 1 accounts for a marginal share of the group's emissions portfolio. KPI 2 is an intensity-based metric, which only reflects water-use efficiency, and does not fully capture whether the group has reduced its total water consumption. • Historical data are available for KPI 1 for the past three years in the group's public disclosures. Data on KPI 2 for past years are not available. • KPI 1 contributes to the climate transition objective described in the SGS bond framework. KPI 2 contributes to reduction of the water-consumption intensity, but does not directly contribute to the listed objectives in the same section of the framework.
Performance Targets	• Both SPTs are clearly defined, and reassessed on an annual basis with incremental targets from 2024 to 2030. However, SPT 1 represents a limited level of ambition as it was already achieved in 2023. • We consider the underlying strategies to achieve both SPTs to be adequate.
Instrument Features	• The loan has a step-up and step-down feature that are dependent on the achievement of the two SPTs. The magnitude of adjustment is higher than market practice; however, SPT 1 was already achieved at the time of loan issuance, so if this performance is maintained, it would limit the financial incentive of the adjustment. • Restatement of SPT 1 to a new renewable energy target or emissions-based target is allowed until 2026. The borrower has committed to provide information to lenders in the event that the SPT is re-calculated, such as in the event of major changes in operational boundaries, or changes in data availability.
Reporting	• Performance of the SPTs will be reported privately to lenders on an annual basis by 30 June of the following year from the target achievement year.
Verification	• Both SPTs will be verified by an external verifier. The borrower has committed to provide verification information in the annual reporting, unless it is unable to do so due to requirements imposed by the external verifier.

Source: Sustainable Fitch, loan agreement, company annual report, sustainability disclosures

Loan 2

Sustainability-Linked Loan Analysis

Analysis Overview	Alignment
Overall	**Good**
KPI Selection	Good
Performance Targets	Excellent
Instrument Features	Aligned
Reporting	Good
Verification	Good

Note: This analysis is a short-form external review based on the Sustainable Fitch Second-Party Opinion methodology. See Appendix B for methodology details.

Borrower Information

The company is holding entity in the retailing sector. It is a major owner and operator of grocery stores in Europe. The issuing entity is a limited liability subsidiary of the holding entity.

Source: Loan agreement, company materials

Key Debt Details

Instrument	Borrower Sector	Type
Dual-tranche loan	Retailing	Sustainability-linked

Source: Loan agreement, company materials

Target Overview

No.	KPI	Target Type	Timeline	Benefit	Penalty
1	Operational GHG emissions reduction	Percentage reduction against selected baseline year	Reassessed at end-2022, 2023 and 2025	Step-down, if both KPIs are met	Step-up, if both KPIs are not met
2	Total number of human rights impact assessments	Absolute number	Reassessed at end-2022, 2023 and 2025		

Source: Loan agreement

Considerations

KPI Selection	• Sustainable Fitch considers both KPIs to be clearly defined and measurable, with defined baselines. KPI 1 is calculated in accordance with the GHG Protocol, and KPI 2 covers most jurisdictions the company operates in. • However, KPI 1 has limited materiality as it only covers the company's operational emissions and excludes its supply chain emissions that account for the bulk of its total emissions. KPI 2 is moderately material as the assessment of human rights in supply chains does not directly mitigate the potential risks, although we acknowledge it is an important step in order to do so. • Historical data is available in the company's public sustainability disclosures for the past two years for KPI 1 and past three years for KPI 2. • KPI 1 contributes to the climate transition objective described in the SGS bond framework; KPI 2 contributes to the protection of human rights in the company's supply chain, but it does not directly contribute to the listed objectives in the same section of the framework.
Performance Targets	• Both SPTs are clearly defined, and will be assessed in a timely manner (in 2022, 2023 and 2025) with incremental targets over the lifetime of the loan. • SPT 1 supports the company's near-term science-based target to reduce its operational emissions. However, it represents a limited level of ambition as the 2025 reduction target was already exceeded prior to the loan issuance in 2021. • SPT 2 is in line with the company's near-term sustainability objectives. The SPT represents a high level of ambition against business-as-usual, as the company only conducted an average of one human rights impact assessment annually prior to the loan issuance.
Instrument Features	• The loan has a step-up and step-down feature that is dependent on the achievement of the two SPTs. However, the magnitude of the step-up is lower than standard market practice, and limits the strength of the incentive for the company to achieve the SPTs. • Potential recalculations may take place due to significant changes in the company's operational boundaries, errors in historical data or methodological changes. The company commits to report to lenders in the event of recalculation.
Reporting	• Performance of the SPTs will be reported to lenders on an annual basis.
Verification	• Either limited or reasonable assurance will be obtained from a third-party verifier. Verification information will be provided to lenders in the annual reporting.

Source: Sustainable Fitch, loan agreement, company materials

Loan 3

Sustainability-Linked Loan Analysis

Analysis Overview	Alignment
Overall	**Good**
KPI Selection	Good
Performance Targets	Excellent
Instrument Features	Aligned
Reporting	Good
Verification	Good

Note: This analysis is a short-form external review based on the Sustainable Fitch Second-Party Opinion methodology. See Appendix B for methodology details.

Borrower Information

The borrower is a global company specialising in producing flavours, fragrances and cosmetic ingredients. The company operates in over 40 countries and serves the food, beverage, consumer goods and pharmaceutical industries.

Source: Loan agreement, company materials

Key Debt Details

Instrument	Borrower Sector	Type
Promissory bill	Chemicals	Sustainability-linked

Source: Loan agreement, company materials

Target Overview

No.	KPI	Target Type	Timeline	Benefit	Penalty
1	Intensity of GHG emissions (Scopes 1 and 2) per EUR1 million value added	Intensity reduction	Re-assessed annually from 2022 to 2030	Step-down, if KPI is met	Step-up, if KPI is not met

Source: Loan agreement

Considerations

KPI Selection	• The selected KPI on GHG emissions intensity is relevant to the chemicals sector; however, Sustainable Fitch considers the materiality to be limited, as the KPI scope represents a small share of the company's total emissions. • The company has a track record of measuring and reporting on the KPI. The availability of three years of public historical data supports transparency. • We assess as positive that the metric is based on external methodologies. • The KPI contributes to the climate transition objective described in the SGS bond framework.
Performance Targets	• We consider the SPT to be ambitious, as the target represents a significant reduction. We also view positively that the target supports the company's net-zero commitment, which has been externally verified by the Science Based Targets initiative. • The company reports that it was not on track to meet the target in 2023.
Instrument Features	• The magnitude of the step-up is lower than standard market practice, and it limits the strength of the incentive for the company to achieve the SPTs. The loan agreement does not include any fall-back clauses in the event the SPTs are not calculated. It also does not include any clause on re-negotiation of the SPTs in the event of any significant changes in the operations of the company.
Reporting	• The company reports annually on the metric in its sustainability reports. It has restated the achievement level for 2022, but has not provided an explanation for the restatement.
Verification	• The information reported on the target is in the sustainability report, which is subject to external review by a qualified external auditor. • The annual measurement and verfication of the target achievement is in line with standard market practice for sustainability-linked loans, and the target is externally verified on an annual basis.

Source: Sustainable Fitch, loan agreement, company materials

Loan 4

Sustainability-Linked Loan Analysis

Analysis Overview	Alignment
Overall	**Good**
KPI Selection	Good
Performance Targets	Good
Instrument Features	Good
Reporting	Good
Verification	Good

Note: This analysis is a short-form external review based on the Sustainable Fitch Second-Party Opinion methodology. See Appendix B for methodology details.

Borrower Information

The borrower provides energy management services, offering solutions for the measurement, billing and analysis of energy and water consumption in buildings to promote sustainability and cost efficiency.

Source: Loan agreement, company materials

Key Debt Details

Instrument	Borrower Sector	Type
Promissory bill	Utilities	Sustainability-linked

Source: Loan agreement, company materials

Target Overview

No.	KPI	Target Type	Timeline	Benefit	Penalty
1	GHG emissions per full-time employee	Intensity	Re-assessed annually from 2022 to 2027	Step-down if KPIs are met	Step-up if KPIs are not met
2	Share of electricity from renewable energy sources	Percentage share			
3	Share of radio-based devices	Percentage share			
4	Digitalisation of services	Percentage share			
5	Frequency rate – accidents	Lost-Time Accident Rate			

Source: Loan agreement

Considerations

KPI Selection	• Sustainable Fitch views the KPIs to address the borrower's relevant environmental and social issues, although some of them are more company specific and are not included in the ICMA Illustrative KPIs Registry. • The coverage of KPIs 3 and 4 is limited, as they only cover operations in Germany rather than across the whole scope of the company. The scoring of this section is also limited by the lack of transparency on KPI 4, which is not disclosed in the company's progress reports. • KPIs 1 and 2 contribute to the climate transition objective described in the SGS bond framework. KPIs 3 and 4 contribute to decreasing energy intensity, but do not directly contribute to the listed objectives in the framework. KPI 5 does not directly align with any of the sustainability objectives listed in the framework.
Performance Targets	• The environmental performance targets support the company's roadmap to net zero by 2030; however, they are not verified as following a science-based decarbonisation pathway. The annual measurement of SPTs is in line with standard market practice for sustainability-linked loans. • The scoring of this section is limited by limited ambitiousness of various SPTs. In particular, the SPT performance related to KPIs 2 and 5 in 2022 and 2023 has already exceeded future target levels.
Instrument Features	• The loan has step-up and step-down features that are dependent on the achievement of the SPTs. We assess the total impact of the margin adjustments as low but aligned with general market practice for sustainability-linked loans. • The agreement includes a clause for restatement in the case of a major change in the calculation methodology of one or several KPIs; however, no information concerning a potential re-negotiation has been disclosed.
Reporting	• The company has committed to provide annual reporting on its performance versus the SPTs, and we positively note that four out of five KPIs are also publicly reported in the progress report.
Verification	• We positively view that the company has committed to obtain annual verification of its progress reports by a qualified technical reviewer, which provides assurance on the quality of reported data.

Source: Sustainable Fitch, loan agreement, company materials

Loan 5

Sustainability-Linked Loan Analysis

Analysis Overview	Alignment
Overall	**Good**
KPI Selection	Good
Performance Targets	Good
Instrument Features	Excellent
Reporting	Good
Verification	Good

Note: This analysis is a short-form external review based on the Sustainable Fitch Second-Party Opinion methodology. See Appendix B for methodology details.

Borrower Information

The borrowing entity is a non-operating subsidiary of the parent company, functioning as the financing arm responsible for financial operations, such as issuing bonds and managing financial transactions. The parent company is a chemical distributor of speciality chemicals and food ingredients.

Source: Loan agreement, company annual report

Key Debt Details

Instrument	Borrower Sector	Type
Term/revolving facility loan	Chemicals	Sustainability-linked

Source: Sustainable Fitch, loan agreement, company materials

Target Overview

No.	KPI	Target Type	Timeline	Benefit	Penalty
1	Scopes 1 and 2 emissions intensity of parent company	Percentage reduction against selected baseline year	Reassessed annually from 2022 to 2025	Step-down, if both KPIs are met	Step-up, if both KPIs are not met
2	Gender diversity of the parent company's senior management	Percentage increase against selected baseline year	Reassessed annually from 2022 to 2025		

Source: Loan agreement

Considerations

KPI Selection	• Sustainable Fitch considers KPIs 1 and 2 to be measurable on a consistent methodological basis, and able to be benchmarked against the parent company's past performance. • We consider both KPIs material, although with significant limitations due to their limited scope. KPI 1 does not include Scope 3 emissions, which accounted for a majority of the company's emissions portfolio. The intensity-based metric could potentially allow the company to meet its target, while still increasing absolute emissions. For KPI 2, we consider improving gender diversity to be socially positive. • Historical data for both KPIs is available for the past three years in the company's public disclosures, which is recommended by the ICMA SLLP; however, the data has not been externally verified. • KPI 1 contributes to the climate transition objective, and KPI 2 contributes to the socioeconomic advancement objective described in the SGS bond framework.
Performance Targets	• Both SPTs are measurable and specific, with annual target observation dates. However, both of them represent a limited level of ambition, as their target trajectories appear to follow the business-as-usual trend of past performance, indicating no significant improvement. • Although the SPT 1 for 2025 was met in 2022, the decrease in emissions did not stem from a reduction in absolute GHG emissions. Furthermore, publicly available information indicates a lack of comprehensive strategy for reducing emissions.
Instrument Features	• The loan has a step-up and step-down feature that is dependent on the achievement of the two SPTs. The magnitude of adjustment is higher than standard market practice. • We positively view the borrower's commitment to discussing any significant changes that may warrant potential recalculations or adjustments with the lenders during the period of the loan; this flexibility supports the continued relevance of loan features to incentivising sustainable outcomes.
Reporting	• The borrower has committed to reporting to its lenders annually, its performance against the SPTs that will be included as part of its environmental and social data disclosures in its sustainability report.
Verification	• The borrower has committed to obtaining limited assurance from a third-party verifier on its reporting of its performance against the SPTs on an annual basis, which is in line with the SLLP requirements. The verification report is publicly available and included in its sustainability report.

Source: Sustainable Fitch, loan agreement, company annual report, sustainability disclosures

Loan 6

Green Loan Analysis

Analysis Overview	Alignment
Overall	**Excellent**
Use of Proceeds – Eligible Projects	Excellent
Use of Proceeds – Other Information	Excellent
Evaluation and Selection	Excellent
Management of Proceeds	Excellent
Reporting and Transparency	Excellent

Note: This analysis is a short-form external review based on the Sustainable Fitch Second-Party Opinion methodology. See Appendix B for methodology details.

Borrower Information

The project sponsors are a leading international organisation in the field of offshore wind energy and an investment firm specialising in sustainable infrastructure and energy projects. The sponsor responsible for operation and maintenance, focuses on developing, constructing and operating renewable energy projects to support the global shift towards sustainable energy.

Source: Loan agreement, company materials

Key Debt Details

Instrument	Borrower Sector	Type
Project financing	Utilities	Green

Source: Sustainable Fitch, loan agreement, company materials

Use of Proceeds

Category	Allocated Proceeds
Offshore wind	100%

Source: Loan agreement

Considerations

Use of Proceeds – Eligible Projects	• The loan consists of project financing of an offshore wind farm located in the North Sea. The project is poised to substantially contribute to Europe's renewable energy capacity, with an expected installed capacity of around 253MW. • According to information provided by the borrower, the project has been screened for adverse environmental impacts in line with the EU taxonomy “do no significant harm” criteria. The project is reported to meet all substantial contribution criteria of the EU taxonomy.
Use of Proceeds – Other Information	• The borrower’s UoP will conform to the exclusion list of environmentally and socially controversial activities in BOC Frankfurt Branch’s SGS bond framework. • Funding is used for the development, operation and maintainance of the asset. A clear timeline signals the additionality of the project, Sustainable Fitch therefore considers this a new project.
Evaluation and Selection	• The borrower has communicated to BOC the environmental objective of the project, and how it identifies and manages associated ESG risks, which is in line with the GLP. We positively highlight that assessments of the quality, health and safety as well as the environmental and social impact of the project have been conducted. • BOC will also conduct loan reviews, and post-loan inspections in accordance with its SGS bond framework criteria; this provides an additional layer of checks and balances in confirming the eligibility of the project.
Management of Proceeds	• Due to the project finance structure, the funds are allocated to a non-recourse entity separate from the sponsor, which signals a complete segregation of funds. • We understand from BOC that the loan facility has not been fully drawn at the time of analysis. • BOC will continue to monitor the allocated project. Any temporarily unallocated funds will be used in line with the SGS bond framework – held as liquidity by the financed non-recourse structure.
Reporting and Transparency	• We independently reviewed the green loan against the four core components of the GLP as recommended. • BOC requires the borrower to report on the allocation and impact of the loan portfolio, in accordance with the GLP. Reporting will be conducted at the project level and on a loan-by-loan basis if another loan is drawn under this project. • The borrower reports on the impact of the full project to BOC. Reporting at the lender level (BOC) will be based on pro-rata volumes of the drawn amounts of BOC’s financing share.

Source: Sustainable Fitch, loan agreement, company materials

Loan 7

Social Loan Analysis

Analysis Overview

Analysis Overview	Alignment
Overall	**Good**
Use of Proceeds – Eligible Projects	Good
Use of Proceeds – Other Information	Aligned
Evaluation and Selection	Excellent
Management of Proceeds	Good
Reporting and Transparency	Excellent

Note: This analysis is a short-form external review based on the Sustainable Fitch Second-Party Opinion methodology. See Appendix B for methodology details.

Borrower Information

The borrower is an alternative investment management company, which specialises in private equity and global real estate acquisitions. It offers services including credit, hedge funds and insurance products.

Source: Loan agreement, company materials

Key Debt Details

Instrument	Borrower Sector	Type
Term loan	Non-bank financial institutions	Social

Source: Sustainable Fitch, loan agreement, company materials

Use of Proceeds

Category	Allocated Proceeds
Affordable housing	100%

Source: Loan agreement

Considerations

Use of Proceeds – Eligible Projects	• The borrower will use the loan to refinance a portfolio of student accommodation. A minimal share of the portfolio is a hotel that is co-located with the student accommodation, which Sustainable Fitch considers to be incidental due to the mixed-use nature of the building. The student accommdation will be made affordable by offering rental rates to students at a discount compared to market rate. • The UoP aligns with the affordable housing category of the LMA SLP, and it benefits a target population of students by providing a considerable discount on rental rates.
Use of Proceeds – Other Information	• The borrower's UoP will conform to the exclusion list of environmentally and socially controversial activities in BOC Frankfurt Branch's SGS bond framework. • All funding has been used for refinancing the portfolio assets as of the date of this analysis. The buildings are all pre-existing, with no new construction undertaken, and most buildings are of an age that exceeds the market practice of a three-year lookback period. Both factors indicate a limited level of additionality.
Evaluation and Selection	• We understand that the borrower has communicated to BOC the social objective and target population of the projects, the process to detemine the eligiblity of the projects, and how to identify and manage associated ESG risks, which is in line with the SLP. • BOC will also conduct pre-loan investigations, loan reviews and post-loan inspections in accordance with its SGS bond framework criteria, which provide an additional layer of checks and balances in the selection of eligible projects for the loan.
Management of Proceeds	• We understand from BOC that the loan facility has been fully drawn down as of the date of this analysis, and all proceeds have been allocated, with no unallocated proceeds remaining. • BOC will continue to monitor the allocated projects, removing and replacing any that become ineligible. Any temporarily unallocated funds will be used in line with the SGS bond framework – held as liquidity or invested in sustainable bonds by the borrower.
Reporting and Transparency	• We have independently reviewed the social loan against the four core components of the SLP as recommended. • BOC requires the borrower to report on the allocation and impact of the loan portfolio, in accordance with the SLP. Reporting will be conducted at the category level and on a loan-by-loan basis if another loan is drawn under this project. • The impact indicators reported by the borrower included student discount per room and the number of student beds, which directly quantify the social impacts of the funded projects.

Source: Sustainable Fitch, loan agreement, company materials

Loan 8

Social Loan Analysis

Analysis Overview	Alignment
Overall	**Good**
Use of Proceeds – Eligible Projects	Good
Use of Proceeds – Other Information	Excellent
Evaluation and Selection	Excellent
Management of Proceeds	Good
Reporting and Transparency	Excellent

Note: This analysis is a short-form external review based on the Sustainable Fitch Second-Party Opinion methodology. See Appendix B for methodology details.

Borrower Information

The borrower is a private SME with fewer than 250 employees, specialising in the manufacture of knitting machines.

Source: Loan agreement, company materials

Key Debt Details

Instrument	Borrower Sector	Type
Term loan	Diversified manufacturing	Social

Source: Sustainable Fitch, loan agreement, company materials

Use of Proceeds

Category	Allocated Proceeds
Employment generation	100%

Source: Loan agreement

Considerations

Use of Proceeds – Eligible Projects	• The UoP aligns with the employment generation category of the LMA SLP and supports the targeted population of SMEs in obtaining formal financing. However, the borrower is based in a high-income country, as defined by the World Bank, where barriers to formal financing for SMEs are lower compared to lower-income countries. • The borrower currently has a staff headcount of fewer than 250 and is categorised as a medium-sized enterprise according to the European Commission's definition.
Use of Proceeds – Other Information	• The borrower's UoP will conform to the exclusion list of environmentally and socially controversial activities in BOC Frankfurt Branch's SGS bond framework. • The funding will be used to originate a new SME loan in BOC's lending portfolio, which indicates a good level of additionality.
Evaluation and Selection	• We understand that the borrower has communicated to BOC the social objective and target population of the project, the process to detemine the eligiblity of the project, and how to identify and manage associated ESG risks, which is in line with the SLP. • BOC will also conduct pre-loan investigations, loan reviews and post-loan inspections in accordance with its SGS bond framework criteria, which will provide an additional layer of checks and balances in the selection of eligible projects for the loan.
Management of Proceeds	• The loan agreement is still in the planning stage; we understand from BOC that the borrower has an internal process to manage the proceeds of this social loan. • BOC will continue to monitor the allocated funding, removing and replacing any that become ineligible. • The unallocated funding that is drawn will be subject to the exclusion list in BOC's SGS bond framework, and it will be held as liquidity or temporarily invested in sustainable bonds by the borrower.
Reporting and Transparency	• The social loan has been independently reviewed by Sustainable Fitch against the four core components of SLP as recommended. • BOC requires the borrower to report on the allocation and impact of the loan portfolio, in accordance with the SLP. Reporting of this SME loan will be conducted on a loan-by-loan basis if another loan is drawn under this loan agreement. • The impact indicators reported by the borrower included the number and type of beneficiaries, as well as the jobs supported, which directly quantify the social impacts of the funded projects.

Source: Sustainable Fitch, loan agreement, company materials

Appendix A: Definitions

Term	Definition
Debt types	
Green	Proceeds will be used for green projects and/or environmental-related activities as identified in the instrument documents. The instrument may be aligned with the ICMA Green Bond Principles or other principles, guidelines or taxonomies.
Social	Proceeds will be used for social projects and/or social-related activities as identified in the instrument documents. The instrument may be aligned with the ICMA Social Bond Principles or other principles, guidelines or taxonomies.
Sustainability	Proceeds will be used for a mix of green and social projects and/or environmental and social-related activities as identified in the instrument documents. The instrument may be aligned with the ICMA Sustainability Bond Guidelines or other principles, guidelines, taxonomies.
Sustainability-Linked	Financial and/or structural features are linked to the achievement of pre-defined sustainability objectives. Such features may be aligned with the ICMA Sustainability-Linked Bond Principles or other principles, guidelines or taxonomies. The instrument is often referred to as an SLB (sustainability-linked bond) or SLL (sustainability-linked loan).
Conventional	Proceeds are not destined for any green, social or sustainability project or activity, and the financial or structural features are not linked to any sustainability objective.
Other	Any other type of financing instrument or a combination of the above instruments.
Standards	
ICMA	International Capital Market Association. A series of principles and guidelines for green, social, sustainability and sustainability-linked bonds.
LMA, LSTA and APLMA	Loan Market Association (LMA), Loan Syndications and Trading Association (LSTA) and Asia Pacific Loan Market Association (APLMA). A series of principles and guidelines for green, social and sustainability-linked loans.
EU Green Bond Standard	A set of voluntary standards created by the EU to “enhance the effectiveness, transparency, accountability, comparability and credibility of the green bond market”.

Source: Sustainable Fitch, ICMA, UN, EU Technical Expert Group

Appendix B: Second-Party Opinion Methodology

Second-Party Opinion

Second-Party Opinions (SPO) are a way for issuers to obtain an independent external review on their green, social, sustainability and sustainability-linked instruments.

As per the ICMA Guidelines for External Reviewers, an SPO entails an assessment of the alignment of the issuer's green, social, sustainability or sustainability-linked bond or loan issuance, framework or programme with the relevant principles. For these purposes, "alignment" should refer to all core components of the relevant principles.

Sustainable Fitch analysts vary the analysis based on the type of instruments, to consider whether there are defined uses of proceeds or KPIs and sustainability performance targets. The analysis is done on a standalone basis, separate to the entity.

Analytical Process

The analysis considers all available relevant information (ESG and financial). The reports transparently display the sources of information analysed for each section and provide a line-by-line commentary on the sub-factors analysed. The ESG analysts working on an SPO will also engage directly with the issuer to acquire any additional relevant information not already in the public domain or in instrument-related documentation.

An important part of the analysis is the assessment of the E and S aspects of the use of proceeds. In addition to the alignment with ICMA Principle and Guidelines, the analysis may also refer to major taxonomies (eg the EU taxonomy for E aspects, and the UN Sustainable Development Goals for S aspects).

Once the analyst has completed the analysis, with commentary for the related SPO, it is submitted to the approval committee, which reviews it for accuracy and consistency. Based on issuer preference and mandate, an SPO can be monitored (annually or more frequently, if new information becomes available) or on a point-in-time basis.

Scale and Definitions

	ESG Framework
Excellent	Sustainable finance framework and/or debt instrument structure is fully aligned to all relevant core international principles and guidelines. Practices inherent to the structure meet excellent levels of rigour and transparency in all respects and are well in excess of the standards commonly followed by the market.
Good	Sustainable finance framework and/or debt instrument structure is fully aligned to all relevant core international principles and guidelines. Practices inherent to the structure meet good levels of rigour and transparency; in some instances, they go beyond the standards commonly followed by the market.
Aligned	Sustainable finance framework and/or debt instrument structure is aligned to all relevant core international principles and guidelines. Practices inherent to the structure meet the minimum standards in terms of rigour and transparency commonly followed by the market.
Not Aligned	Sustainable finance framework and/or debt instrument structure is not aligned to relevant core international principles and guidelines. Practices inherent to the structure fall short of common market practice.

Source: Sustainable Fitch

SOLICITATION STATUS

The Lending Framework Assessment was solicited and assigned or maintained by Sustainable Fitch at the request of the entity.