Second Party Opinion Methodology

2025

15.05.2025

TABLE OF CONTENTS

1. INTRODUCTION

1.1 Purpose of this Methodology Document

This methodology overview document describes EthiFinance's Second Party Opinions as provided by our business unit "ESG Rating Agency" to companies and institutions to evaluate their sustainable debt instruments. The methodology document is updated and approved on an annual basis by our Methodology Approval Committee.

1.2 Definition of a Second Party Opinion

A Second Party Opinion (SPO) is an independent evaluation conducted by EthiFinance's ESG analysts to assess the sustainability credentials of a financing framework or financial instrument, including but not limited to green bonds, social bonds, sustainability-linked bonds, and sustainability-linked or green loans. The purpose of an SPO is to provide investors and market participants with independent, evidence-based assurance on the environmental and/or social integrity of the financing structure under review.

This assessment focuses exclusively on the sustainability credentials of the instrument or framework and is not a credit rating or a substitute for financial analysis. Our SPOs provide a point-in-time assessment of a sustainable finance instrument or framework, as well as the issuer's ESG characteristics, which may evolve over time in response to changing market conditions, updated regulatory standards, or newly available information.

1.3 Scope of our Second Party Opinions

EthiFinance's SPOs are applied across a wide spectrum of issuers, encompassing corporates, project and structured finance vehicles, financial institutions, multilateral development banks, as well as sovereign, regional, and local government entities.

The SPO determines whether the framework or instrument is aligned with internationally recognized market standards. For bond issuances, these include the ICMA Green Bond Principles (GBP), Social Bond Principles (SBP), Sustainability Bond Guidelines (SBG), and Sustainability-Linked Bond Principles (SLBP). For loan instruments, these include the Green Loan Principles (GLP), Social Loan Principles (SLP), and Sustainability-Linked Loan Principles (SLLP). These frameworks are hereafter collectively referred to as the "Principles."

In addition to the assessment of alignment, the SPO includes an Issuer ESG Assessment, which evaluates the issuer's sustainability profile by reviewing its strategic consistency with sustainability objectives, the strength of its ESG Risk Management, and any significant Controversies. This assessment provides essential context on the issuer's overall sustainability practices.

The SPO also assesses the Expected Environmental and/or Social Impact of the use of proceeds or the key performance indicators (KPIs) included in the instrument.

2. METHODOLOGY OVERVIEW

2.1 Methodology Summary

This methodology governs the issuance of Second Party Opinions (SPOs) provided by EthiFinance, which are structured around three main analytical pillars: Issuer ESG Assessment, Alignment with the Principles, and Expected Impact. Each pillar is assessed independently, based on clearly defined criteria, to ensure a comprehensive, robust, and transparent evaluation.

1. Issuer ESG Assessment: This pillar evaluates the issuer's sustainability profile by analyzing three core aspects: the issuer's Strategic Consistency with sustainability goals, the robustness of its ESG Risk Management policies, and any significant Controversies in which the issuer may be involved. This assessment provides context regarding the issuer's overall sustainability practices.
2. Alignment with the Principles: For Use of Proceeds Instruments, this pillar assesses the framework's conformity with four key components derived from the ICMA (or LMA) standards: Use of Proceeds, Process for Project Evaluation and Selection, Management of Proceeds, and Reporting.
   For Sustainability-Linked Instruments, the assessment is based on five aspects derived from the ICMA and LMA standards: Key Performance Indicators (KPIs), Sustainability Performance Targets (SPTs), Instrument Characteristics, Reporting, and Verification.
3. Expected Impact of the Funded Projects: For Use of Proceeds Instruments, this pillar examines the materiality and ambition of the financed projects. For Sustainability-Linked Instruments, the analysis focuses on the materiality of the selected KPIs and the ambitiousness of the corresponding SPTs, in order to determine the expected contribution to environmental or social objectives.

This three-pillar approach ensures that each SPO delivered by EthiFinance provides a balanced, structured, and independently verified assessment of the sustainable financing framework or instrument's credibility.

2.2 Assessment Outcome

The final SPO report presents the results of our assessment in a structured sequence, beginning with a comprehensive analysis of the Issuer ESG Assessment. This is followed by an evaluation of the framework's Alignment with the relevant Market Principles (ICMA or LMA, depending on the instrument). The report will conclude with the Expected Impact Assessment, which reviews each project category individually and assigns a final impact score based on the assessment of materiality and ambition.

Each of the three pillars is allocated a final score as defined below.

	Pillar		Component	Assessment Scale
1	**Issuer ESG Assessment**		Strategic Consistency	Not Consistent / Partially Consistent / Fully Consistent
			ESG Risk Management	Limited/ Moderate / Substantial / High
			Controversial Activities & Practices	Yes / No
2	**Alignment with the Principles**	Use of Proceeds	Use of Proceeds	Not Aligned / Partially Aligned / Aligned / Best Practice
			Evaluation & Selection	
			Management of Proceeds	
			Reporting	
		Sustainability-Linked Instruments	KPI	Not Aligned / Partially Aligned / Aligned / Best Practice
			Calibration	
			Financial Characteristics	
			Reporting	
			Verification	
3	**Expected Impact of the Projects**		Materiality	Limited / Moderate / Substantial / High
			Ambition	

2.3 Assessment Pillars

In the following sections, we describe our methodological approach to the SPO assessment in more detail for each of the three assessment pillars.

2.3.1 Issuer ESG Assessment

The ESG assessment is composed of three components:

1. Strategic Consistency
2. ESG Risk Management
3. Controversy

An issuer can achieve the following outcomes for each component **(Use of Proceeds Instruments)**

Component		
Consistency	Consistent	The issuer's overall business strategy and sustainability strategy are fully aligned with the financed projects or Sustainability-Linked Instrument KPIs across the entire company (not just a limited portion).
	Partially Consistent	The issuer's broad business strategy and sustainability goals show some alignment with the financed projects or sustainability KPIs, but gaps remain.
	Not Consistent	There is a clear contradiction between the issuer's overall corporate/sustainability strategy and the specific projects financed or KPIs chosen.
ESG Risk	High	Company-wide ESG policies comprehensively address all key risks, align with major international standards, and are overseen by strong governance. ESG practices are robustly and consistently implemented across all operations and supply chains.
	Substantial	Most key ESG risks are covered by company-wide policies aligned with recognized standards, supported by effective governance. ESG practices are well integrated and consistently enforced, with only minor gaps.
	Moderate	Some ESG policies or standards are adopted for selected risks, but coverage and implementation are inconsistent across business units or regions. ESG integration shows effort but remains incomplete, with notable gaps.
	Limited	ESG policies are fragmented, high-level, or absent, with little evidence of alignment to recognized standards. ESG is poorly integrated into operations, and monitoring or training is sporadic or lacking.
Controversy	Yes	Involvement in ESG controversies identified (with a score of 3 or 4 or above) and/or controversial business practices.
	No	No evidence suggesting involvement in ESG controversies and/or controversial business practices.

2.3.1.1 Strategic Consistency

The assessment of Strategic Consistency evaluates the degree of alignment between the projects being financed and the issuer's publicly disclosed sustainability strategy or overarching sustainability commitments. It verifies whether the financed projects are clearly linked to the issuer's priority sustainability objectives, as outlined in documents such as sustainability reports, corporate strategies, materiality assessments, climate transition plans, or other public disclosures. The review considers several factors, including whether the projects directly support one or more of the issuer's key sustainability goals (such as decarbonization targets, social inclusion commitments, or circular economy initiatives), and whether the projects are positioned as part of the issuer's core strategy rather than as peripheral or ancillary activities.

2.3.1.2 ESG Risk Management

The ESG Risk Management assessment provides a structured evaluation of how the issuer addresses and manages environmental, social, and governance (ESG) risks at the corporate or institutional level, focusing on three core components:

1. Identification of material industry-specific risks
2. Evaluation of corporate ESG policies
3. Operational implementation of controls.

Through the analysis of these three components, the assessment determines the maturity and effectiveness of the issuer's approach to managing sustainability risks and enhances transparency, thereby providing a clear and comprehensive picture of how ESG risks are identified, addressed, and integrated into day-to-day operations.

1. <u>Identification of Key Industry-Specific Risks:</u>
   Our analysts conduct an independent identification of the most material ESG risks associated with the issuer's sector of activity, based on industry benchmarks, sectoral ESG frameworks, and recognized regulatory guidance such as the EU Sustainable Finance Disclosure Regulation (SFDR) and the European Banking Authority (EBA) Guidelines on ESG Risk Management. This step ensures that all significant risks are considered, including environmental (e.g., climate change, resource depletion), social (e.g., labor rights, diversity, community relations), and governance risks (e.g., business ethics, transparency, board practices). The objective is to establish a comprehensive risk profile against which the issuer's policies and practices are subsequently evaluated.
2. <u>Evaluation of Corporate ESG Policies:</u>
   We assess the existence, scope, and robustness of the issuer's ESG-related corporate policies addressing the identified risks. The review verifies whether the issuer has formalized commitments and procedures in line with internationally recognized standards (such as ISO 14001, ISO 45001, OECD Guidelines, UN Guiding Principles on Business and Human Rights). It examines whether policies clearly define ESG objectives, responsibilities, governance structures, and action plans.
3. <u>Operational Implementation and Integration:</u>
   We evaluate how ESG policies are operationalized across the issuer's activities, ensuring that sustainability considerations are embedded into everyday business practices. Key aspects reviewed include the existence of ESG audit systems, employee training programs, ESG performance monitoring, and corrective action processes. The assessment ensures that ESG risk management is not merely declarative but effectively implemented and measurable. For example, in the building construction sector, one of the key environmental risks is the high carbon footprint from cement use. A robust ESG policy may commit to reducing embodied carbon by sourcing low-carbon materials and setting science-based emissions targets. Operationalization is demonstrated when the company mandates that new projects substitute a portion of traditional cement with verified low-carbon alternatives, monitors emissions using

digital tools like BIM, and conducts regular third-party carbon audits. These concrete actions, supported by transparent reporting and external certifications (such as LEED or BREEAM), provide measurable proof that ESG risk management is embedded in daily operations and not just a policy statement.

2.3.1.3 Controversy Assessment

The Controversy assessment evaluates the issuer's involvement in activities or practices that are considered inconsistent with recognized sustainability standards and responsible business conduct. The Controversy assessment is a critical component of the Issuer ESG Assessment because it helps identify material reputational, legal, and operational risks that may affect the credibility of the sustainable financing instrument. The assessment is divided into two components:

1. Controversial Activities:
   We review whether the issuer is engaged in sectors widely regarded as controversial from an environmental, social, or ethical perspective. These include the production of alcohol, tobacco, cannabis, gambling, pornography, hazardous chemicals, fossil fuels (including coal and unconventional oil and gas), mining, nuclear energy (unless compliant with the EU Taxonomy), military and armament, civilian firearms, genetic engineering, and animal testing/welfare. Activities are considered controversial regardless of the revenue share they represent within the issuer's overall business model.
2. Controversial Practices:
   We assess whether the issuer has been involved in breaches of internationally recognized sustainability standards, such as the UN Global Compact principles, the International Labour Organization (ILO) conventions, or other major ESG norms. Controversial practices encompass environmental violations, human rights abuses, labor law infringements, corruption cases, and significant governance failures.

2.3.2 ICMA / LMA Alignment

We analyse a sustainable finance framework or instrument's alignment to the Principles in order to assess whether it complies with the core requirements established under these international standards, thereby ensuring the credibility, transparency, and integrity of the instrument for investors and market participants. This process is designed both to clearly validate the alignment of the framework or instrument with the core requirements of the principles and to systematically identify any material gaps or inconsistencies. Where appropriate, we provide an opinion on how the framework's alignment with recognized best practices can be strengthened to enhance its potential to deliver meaningful environmental and social outcomes.

An issuer can achieve the following outcomes for each component and at the aggregate level for the whole framework:

Use of Proceeds	
Best Practice	The framework or component not only meets but exceeds the Principles, demonstrating leading practices in transparency, ambition, and structure.
Aligned	The framework or component fully meets the ICMA/LMA Principles.
Partially Aligned	The framework or component meets certain aspects but presents notable gaps or inconsistencies.
Not Aligned	The framework or component fails to meet key expectations under the ICMA/LMA Principles.

2.3.2.1 Use of Proceeds Instrument Assessment

Our analysis includes verifying that for Use of Proceeds Instruments, (1) Use of Proceeds, (2) Project Evaluation and Selection, (3) Management of Proceeds, and (4) Reporting adhere to the ICMA Principles.

1. For Use of Proceeds, EthiFinance verifies that the framework clearly defines eligible projects, objectives aligned with international standards (e.g., ICMA, EU Taxonomy, CBI, SDGs), and expected environmental or social benefits. We also review the existence of exclusion criteria, disclosure of refinancing shares, and identification of vulnerable target populations for social projects.
2. For Evaluation and Selection, we assess the transparency and governance of the project selection process, including the expertise of the selection committee, disclosure of decision-making roles, the traceability of the process, and the confirmation of ESG risk identification and mitigation processes.
3. For Management of Proceeds, we verify the issuer’s ability to track, allocate, and safeguard proceeds through dedicated tracking systems, fund segregation practices, periodic adjustments, and proper disclosure of unallocated funds and temporary investments.
4. For Reporting, we assess whether issuers provide at least annual, publicly accessible reports covering allocation of proceeds and project impacts. Reports must disclose allocation details, share of refinancing, impact indicators following recognized methodologies, material changes, ESG controversies management, and, where applicable, external verification of both allocation and impact.

2.3.2.2 Sustainability-Linked Instruments Assessment

For Sustainability-Linked Instruments, our analysis includes verifying that (1) the Selection of KPIs, (2) the Calibration of Sustainability Performance Targets (SPTs), (3) the Bond Characteristics, (4) the Reporting and Verification adhere to the principles.

1. In the assessment of KPI Selection for Sustainability-Linked Instruments, EthiFinance verifies that the KPIs are clearly defined, measurable, and strategically relevant to the issuer's core business activities, in line with ICMA's Sustainability-Linked Bond Principles. We assess the clarity of the KPI description, including its scope, unit of measurement, calculation methodology, and baseline disclosure, as well as the rationale behind the KPI's selection. Materiality is evaluated based on the KPI's significance to the issuer's operations and sector-specific sustainability challenges, using references such as ICMA's Illustrative KPIs Registry, SASB, and GRI. Regarding scope and coverage, we assess the percentage of the issuer's business or emissions that the KPI represents, as broader coverage is more likely to result in meaningful and scalable sustainability impacts. We also review whether the KPI is benchmarked against credible international standards or science-based targets, and whether it has been previously measured to establish a baseline and enable trend analysis. In addition, we verify that the KPI can be externally verified, that clear calculation methodologies are disclosed, and that a back-up mechanism exists in case the KPI becomes unobservable due to extraordinary events. This comprehensive review ensures that the selected KPIs are robust, relevant, and aligned with market best practices, thereby reinforcing the integrity and ambition of the Sustainability-Linked Instrument.
2. In assessing the Calibration of Sustainability Performance Targets (SPTs), EthiFinance evaluates whether the targets are ambitious, transparent, and credible in the context of the issuer's historical performance, peer benchmarks, and scientific or policy-aligned pathways. We review whether the issuer discloses at least three years of historical KPI data to establish a "business-as-usual" trajectory and determine if the SPT reflects a material improvement beyond that trajectory. Comparative benchmarking with industry peers and alignment with credible science-based scenarios (e.g., Paris Agreement pathways or national targets) further support the ambition of the target. The baseline year, observation dates, and trigger events—whereby non-achievement may affect bond characteristics—must be clearly defined. We also assess whether the issuer means of achievement for the SPT, and whether potential recalculations due to corporate actions (e.g., M&A) or external factors (e.g., regulation, market conditions) are addressed.
3. In evaluating the Financial Characteristics of Sustainability-Linked Instruments, we assess whether the variation in bond or loan terms—such as changes in coupon rate, call options, or other mechanisms—is meaningful enough to incentivize the issuer to achieve its Sustainability Performance Targets (SPTs). Additionally, we examine the presence of fallback mechanisms for scenarios in which SPTs cannot be calculated or observed due to exceptional circumstances (e.g., mergers and acquisitions, regulatory changes), and whether such provisions are clearly defined in the bond documentation. Full disclosure of the instrument's structural terms—including the timing, conditions, and location of disclosure—is also reviewed to ensure transparency.
4. In the assessment of reporting and verification, EthiFinance evaluates whether the issuer commits to regular, transparent, and comprehensive disclosures on the performance of Sustainability Performance Targets (SPTs). Reporting should be conducted at least annually and

cover the full period relevant to the observation and potential adjustment of the instrument's financial or structural characteristics. It must include baseline values, progress against SPTs, and any resulting financial implications. Interim performance updates are encouraged. Issuers are also expected to obtain independent external verification of performance data for each reporting period, and this verification must be made publicly accessible. This ensures accountability, transparency, and alignment with ICMA's Sustainability-Linked Bond Principles.

2.3.3 Impact Assessment

Our impact assessment is divided into two components: (1) materiality and (2) ambition, with the final rating expressed on a four-level scale: limited, moderate, substantial, or high. The integration of both materiality and ambition enables a holistic and balanced evaluation of a project's expected environmental or social outcomes. While materiality ensures that the project addresses meaningful and context-specific challenges, ambition assesses the depth, durability, and technical robustness of the solution proposed. This dual approach allows us to distinguish between projects that merely comply with minimum sustainability expectations and those that ensure a long-term impact.

An issuer can achieve the following outcomes for each component and at the aggregate level for the whole framework **(Use of Proceeds Instruments):**

Use of Proceeds	
High	Addresses a top-priority, urgent challenge that is central to the issuer's strategy and strongly supported by policy. Employs best-in-class technologies or approaches-or, in the case of social projects, precisely targets the most vulnerable populations while fully meeting AAAQ criteria (Acceptability, Accessibility, Availability, and Quality) to deliver transformational, long-term benefits that meet or exceed international standards.
Substantial	Addresses a significant challenge that is well-aligned with the issuer's strategic objectives and policy recommendations, though not the most urgent. Utilizes proven, effective solutions or, for social projects, focuses on underserved or marginalized groups with strong, though not comprehensive, fulfilment of AAAQ requirements to deliver substantial, lasting benefits with only minor gaps relative to best practices or standards.
Moderate	Addresses a recognized but less urgent need that supports the issuer's broader objectives. Applies adequate, mainstream solutions or, in the case of social projects, reaches a broader or mixed population with partial targeting of vulnerable groups and only moderate alignment with AAAQ-resulting in positive but limited or short- to medium-term benefits and partial adherence to best practices.

Limited	Addresses a marginal issue with little urgency or strategic relevance for the issuer. Relies on outdated or less effective solutions or, for social projects, lacks clear targeting of vulnerable populations and shows weak or inconsistent performance across AAAQ, delivering only minor or incidental benefits with limited alignment to standards or meaningful social impact.

An issuer can achieve the following outcomes for each component and at the aggregate level for the whole framework **(Sustainability-Linked Instruments):**

Sustainability-Linked Instruments	
High	A sustainability-Linked Instrument is highly material and ambitious when its KPI is core to the issuer's strategy, covers over 50% of operations, addresses urgent policy priorities, and its target is science-based, outperforms peers and history, and aligns with top international standards.
Substantial	KPI is significant but not the top priority, or is core but covers more than 50% of operations, well-aligned with regional priorities. Target goes well beyond past performance, matches leading peers, and aligns with strong but not best-in-class benchmarks.
Moderate	The KPI is relevant to the issuer's sustainability strategy but is not core, or covers a moderate share (e.g., 20–50%) of operations or value chain. The target demonstrates incremental improvement over historical performance and is broadly consistent with industry practice but does not set a new standard or clearly outperform peers. Alignment with regional or sectoral benchmarks is partial, and ambition is moderate in scope or timeframe.
Limited	The KPI addresses some material impacts but is peripheral to the issuer's main sustainability challenges, or covers a small portion (less than 20%) of operations or value chain. The target is focused primarily on process improvements or compliance, with limited ambition or scope, and lacks alignment with recognized global or sectoral standards. Improvements are incremental and do not materially advance the issuer's sustainability performance relative to peers or policy objectives.

2.3.3.1 Use of Proceeds Instrument assessment

Materiality: Assessed by determining whether the projects meaningfully address pressing environmental or social challenges within the geographic, sectoral, and regulatory context in which they are deployed. This includes evaluating the relevance of the project to local needs as well as whether it aligns with regional policy priorities or sustainability goals. We also consider the issuer's institutional capacity to implement and manage such projects effectively. This includes past experience, governance structures, and operational resources, which together influence the likelihood that the intended sustainability outcomes will be achieved and maintained over time.

Ambition: We assess whether the projects meet robust technical and environmental thresholds established by internationally recognized standards such as the EU Taxonomy and the Climate Bonds Initiative (CBI). This includes verifying compliance with criteria related to energy efficiency, emissions performance, resource use, and pollution prevention. We also examine whether projects are structured to avoid long-term environmental or social risks—such as carbon lock-in, whereby investments in carbon-intensive technologies hinder future decarbonization efforts, or adverse social trade-offs, such as the displacement of vulnerable populations without appropriate mitigation measures.

In the case of social projects, we first assess whether the project effectively targets vulnerable or underserved populations, prioritizing those most exposed to exclusion, poverty, or systemic disadvantages. Ambition is then further evaluated using the EU Social Taxonomy's AAAQ framework, which examines whether the associated goods or services are Available, ensuring that sufficient quantities are provided to meet the needs of the population; Accessible, ensuring that services are physically reachable, affordable, and accompanied by adequate information; Acceptable, ensuring that they are culturally appropriate, ethically designed, and aligned with societal expectations; and of Quality, ensuring that services are safe, effective, and meet recognized international standards. For instance, social housing microloans should clearly identify the vulnerable population based on income, social status, or geographical status to ensure priority access for those most in need. The product or service should be designed to be non-risky, including measures to prevent over-indebtedness, such as providing financial literacy information or training.

2.3.3.2 Sustainability-Linked Instrument Assessment

Materiality: Assessed by analysing (1) the KPI's relevance to the issuer's core business and sustainability strategy, (2) its importance in the sectoral and geographical context—including regulatory drivers, and (3) the share of the issuer's operations or emissions it covers. Materiality is strengthened when KPIs apply to a substantial portion of the business—typically over 50%—and are linked to the issuer's most impactful areas of activity, such as key revenue-generating operations, major emission sources, or critical supply chain segments. For example, in a high-emission industry such as cement production, where the majority of emissions stem from Scope 1 due to the calcination process and fuel combustion in clinker production, a KPI focused on reducing Scope 1 CO_2 emissions is considered highly material as it directly targets the core operational impact area. KPIs that fail to address these dominant sources of impact—despite being sustainability-related—are generally assessed less favourably.

Ambition: Assessed through a multi-layered benchmarking approach. We evaluate whether the issuer's Sustainability Performance Targets (SPTs) represent a meaningful improvement over its historical performance trajectory (i.e., beyond business-as-usual), and whether they exceed sectoral norms or peer benchmarks. High ambition is demonstrated when SPTs are aligned with science-based targets or official policy pathways, such as the Paris Agreement or EU climate goals. We also assess whether the means of achievement are credible and consider fallback mechanisms for exceptional events that could affect KPI calculation or target achievement.

3. PROCESS AND SOURCES

3.1 Process

The assessment process applied in our Second Party Opinions is iterative and summarized as follows. More detailed information is available in a separate process document.

1. Launch: A kick-off meeting will be held to introduce the project timeline, methodology, the team, and to confirm the list of required and available documents.

2. Research: The project team begins by reviewing the issuer’s ESG risk management, sustainability strategy, and controversies using publicly available reports. Upon receiving the framework, the team prepares a structured questionnaire covering the three SPO pillars: issuer ESG assessment, alignment with the principles, and project impact. Questions are sent in Excel format with a deadline, and follow-up exchanges or meetings may be held if necessary. All material responses must be reflected in the framework.

3. Preliminary analysis: The project team consolidates findings from the framework, questionnaire, and research to determine preliminary scores for ESG assessment, alignment, and impact, in line with the SPO methodology. Results are documented in the SPO tool for transparency and used to prepare a summary for internal committee review.

4. Committee: An internal ad hoc group is convened to deliberate and validate the final assessment for each SPO pillar, based on the detailed pre-analysis conducted by the project analysts. Its role is to ensure that the final results are accurate, transparent, and fully aligned with EthiFinance’s methodology. During the meeting, the project lead and team present their findings, and the committee reviews, approves or requests further clarifications before validating these findings. All decisions, discussions, participant identities, and the date of approval are formally documented.

5. Draft: Following the committee's approval, the project team finalizes the draft SPO report in line with EthiFinance templates and methodology. An independent reviewer—who was not involved in the project—then reviews the draft to ensure consistency with the methodology and committee decisions. After validation by the reviewer, the SPO report is submitted to the client.

6. Final SPO: The draft SPO report is first submitted to the issuer for review, followed by a meeting where the project team presents the results without providing advisory on framework changes. The issuer is given a set deadline to provide feedback. Analysts update the report if necessary: non-material changes (e.g., minor clarifications) are integrated directly, while material changes (those impacting scores or conclusions) trigger a second committee review. Once finalized, the report undergoes a final quality check by the project lead and independent reviewer before being sent to the issuer. Proofreading and required translations are performed at the end of the process to ensure accuracy.

3.2 Sources

Our assessment methodology combines different sources of information:

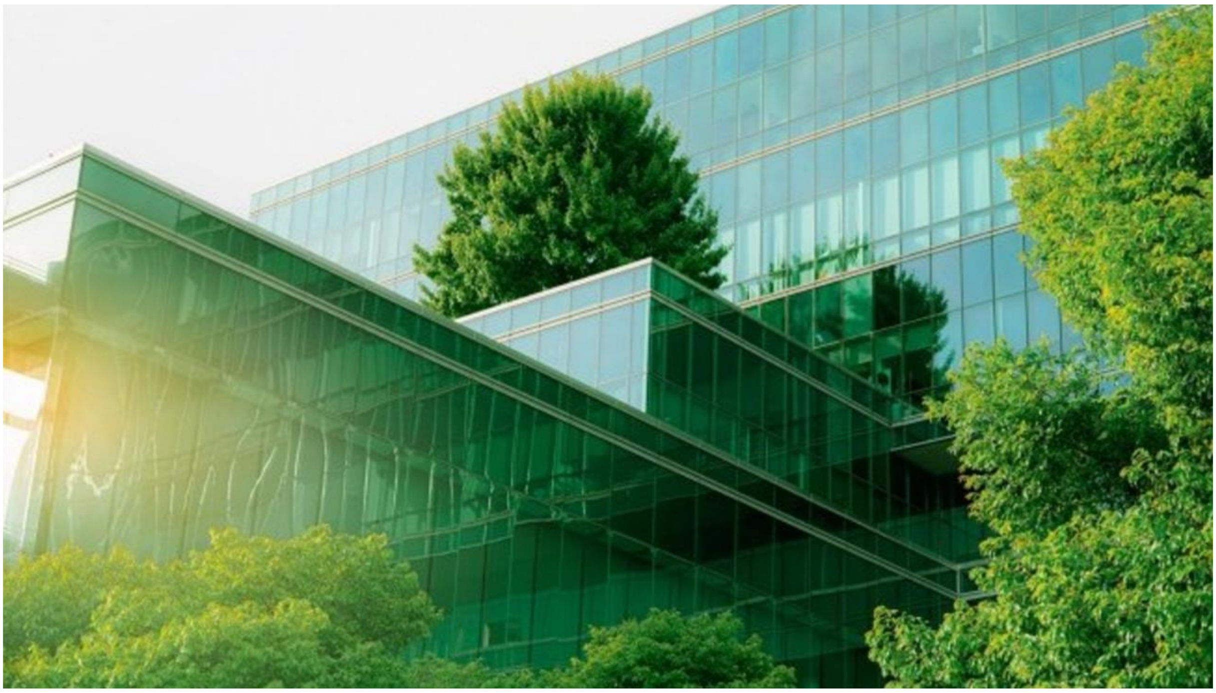
1) Sources used for developing our assessment framework and analyst guidelines
- International Capital Market Association (ICMA): The Green Bond Principles (GBP) 2021 (with June 2022 Appendix 1)
- International Capital Market Association (ICMA): The Social Bond Principles (SBP) 2023
- International Capital Market Association (ICMA): The Sustainability Bond Guidelines (SBG) 2021
- International Capital Market Association (ICMA): The Sustainability-Linked Bond Principles (SLBP) 2024
- Loan Syndications and Trading Association (LSTA), Loan Market Association (LMA), Asia Pacific Loan Market Association (APLMA): Green Loan Principles (GLP) 2025
- Loan Syndications and Trading Association (LSTA), Loan Market Association (LMA), Asia Pacific Loan Market Association (APLMA): Social Loan Principles (SLP) 2025
- Loan Syndications and Trading Association (LSTA), Loan Market Association (LMA), Asia Pacific Loan Market Association (APLMA): Sustainability-Linked Loan Principles (SLP) 2025

2) Sources used during the assessment process
- Framework
- Issuer documents (reports, website, policies, codes)
- Response to questionnaire sent to issuer
- Desktop research
- Climate Bonds Initiative: https://www.climatebonds.net
- EU Taxonomy Compass: https://ec.europa.eu/sustainable-finance-taxonomy/taxonomy-compass

4. DOCUMENT REVISION HISTORY

V.	Approval Date	Approved by	Author	Summary of changes
1	15.05.2025	Julia Haake, Head of ESG Rating Agency	Jill Kuo, SPO Product Lead Imke Mahlmann, SPO Product Lead	First version of the methodology document

5. CONTACT



EthiFinance SAS

153 Boulevard Haussmann

75008 Paris

contact.esgagency@ethifinance.com

www.ethifinance.com