Sustainable Fitch
a FitchSolutions Company

Financial Institutions
Finance & Leasing Companies
Germany

Deutsche Leasing Group

Second-Party Opinion — Sustainable Finance Framework

Excellent | Good | Aligned | Not Aligned

Pillar	Alignment	Key Drivers
Use of Proceeds	Excellent	• Deutsche Leasing Group's green use of proceeds (UoP) categories aim to finance zero-emissions passenger cars and light commercial vehicles, and zero-emissions industrial machines, contributing to the EU's environmental objective of climate change mitigation by reducing GHG emissions from transportation. • Its social UoP aims to positively affect health by financing modern medical equipment in southern and eastern Europe, addressing demographic challenges and financial constraints in the healthcare sector, while supporting UN Sustainable Development Goal 3 (good health and well-being) and aligning with the ICMA Social Bond Principles.
Use of Proceeds – Other Information	Good	• Financed assets need to comply with the company's sustainability principles in lending in terms of asset selection. This includes robust exclusion criteria covering both environmentally and socially controversial activities.
Evaluation and Selection	Excellent	• The evaluation and selection process is comprehensive, and involves a sustainable funding working group with a range of departments being represented and a sustainability representative, to ensure alignment with environmental standards. This is supported by a multi-layered decision-making process, which enhances accountability.
Management of Proceeds	Good	• Deutsche Leasing earmarks sustainable assets in its internal systems, in line with standard market practices. Unallocated proceeds are held in line with regular treasury management practices, whereas best practice is to segregate proceeds or invest them in sustainable activities. It is positive that the issuer has committed to regular monitoring and exclusion of non-compliant assets.
Reporting and Transparency	Excellent	• The issuer has committed to annual reporting on allocation and impact. Allocation and impact reporting will be at the portfolio level, which is in line with standard market practice. Impact reporting uses clear quantitative indicators, but the methodology is not fully disclosed. The issuer will engage a third party to review the sustainable finance report.

Relevant UN Sustainable Development Goals

Framework Type	Sustainability
Alignment	✓ Green Bond Principles 2021 (ICMA) ✓ Social Bond Principles 2023 (ICMA) ✓ Sustainability Bond Guidelines 2021 (ICMA) ✓ Green Loan Principles 2023 (LMA/LSTA/APLMA) ✓ Social Loan Principles 2023 (LMA/LSTA/APLMA)
Date assigned	25 June 2025

See Appendix B for definitions.

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Use of Proceeds Summary – ICMA Categories

Green	Clean transportation Energy efficiency
Social	Access to essential services

Source: Deutsche Leasing sustainable finance framework 2025, ICMA

Framework Highlights

Sustainable Fitch considers transactions under Deutsche Leasing's sustainable finance framework to be aligned with the ICMA Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines as well as the LMA, LSTA and APLMA Green Loan Principles and Social Loan Principles. Our opinion is that the framework's alignment is 'Excellent'.

This is the company's first sustainable finance framework; it focuses primarily on the partner solutions business area, which supports German manufacturers and their customers through financing abroad.

The framework covers green assets (clean transportation and energy efficiency) and also includes a social category (health) intended to finance medical technologies such as magnetic resonance imaging (MRI) devices, computed tomography (CT) devices, ultrasound devices and laboratory technology.

We view the financed green assets as having a positive environmental impact on personal mobility and logistics, and the social assets as having an overall positive contribution to diagnostics and preventative healthcare.

The framework has a specific focus on the company's partner business. However, Deutsche Leasing intends to extend its sustainable finance framework to other group entities and to include further asset classes, such as renewable energy and public transportation infrastructure, in the future.

Deutsche Leasing applies comprehensive exclusion criteria across all financing, covering controversial business practices such as environmentally controversial activities, breach of human rights or labour rights, and controversial economic practices. Additionally, the company excludes financing of specific harmful sectors including thermal coal, oil and gas production, mining, peat, agriculture (biocides and pesticides), controversial gambling and violations of animal welfare.

The framework clearly reflects the four pillars of the ICMA Green Bond Principles and outlines in detail the company's internal processes to select green assets. We further positively highlight the provided description of eligible proceeds that covers the expected positive environmental and social impacts.

We did not review any third-party assessment of the environmental or social impact defined in the green and social eligibility criteria as part of our analysis for this Second-Party Opinion.

Source: Sustainable Fitch, Deutsche Leasing sustainable finance framework 2025

Entity Highlights

Deutsche Leasing Group is an asset finance and service partner in Germany and internationally, which has been operating since 1962. It played a key role in establishing the leasing business in Germany. The group had total assets of EUR24 billion and 3,107 employees in 23 countries as of 30 September 2024. The company is fully owned by around 340 German savings banks (Sparkassen), with regional savings bank associations being the largest shareholders. As part of the German savings bank finance group (Sparkassen-Finanzgruppe), Deutsche Leasing operates with close ties to this network.

The company provides investment-related financing solutions (asset finance) and complementary services (asset services) for both fixed and current assets. Its core business involves asset finance solutions ranging from procurement and insurance brokerage to administrative activities and remarketing of used objects. Deutsche Leasing primarily serves the business-to-business market with a focus on German medium-sized enterprises (Mittelstand), supporting them both domestically and internationally. The company also operates in 22 other countries through 25 foreign subsidiaries, offering localised asset finance solutions tailored to specific market requirements.

Deutsche Leasing has integrated sustainability in its business and risk strategy. The company has defined seven central fields of action for managing sustainability-related topics and established specific KPIs to monitor progress. It has a central sustainability management team in the corporate development department, which reports directly to the CEO, ensuring sustainability principles are embedded throughout the organisation. Deutsche Leasing has committed to reducing CO_2 emissions in business operations by 3%–5% annually, to managing assets with awareness of environmental and social risks, to supporting customers in their climate transition and to expanding risk management for climate-related risks.

Deutsche Leasing has made commitments to sustainability through various initiatives such as the voluntary commitment of German savings banks and service providers for climate-friendly and sustainable business, the German diversity charter and the UN Global Compact.

Source: Sustainable Fitch, Deutsche Leasing sustainable finance framework 2025, annual report

Use of Proceeds – Eligible Projects	Alignment: Excellent	
Company Material	**Sustainable Fitch's View**	
Clean transportation		
• This category covers financing of passenger cars and light commercial vehicles. • Financing is limited to vehicles with no direct CO_2 emissions.	• This project category has a positive environmental impact, as it directly contributes to climate change mitigation by eliminating direct GHG emissions from passenger transportation. • Deutsche Leasing can use this UoP to finance passenger cars and light commercial vehicles with no direct CO_2 emissions under this category, in line with its commitment to supporting the transition to emission-free mobility. • The transportation sector remains one of the most significant contributors to GHG emissions in the EU. Road transportation alone accounts for around 20% of the EU's total CO_2 emissions, according to the European Environment Agency, with passenger cars and light commercial vehicles representing a substantial portion of this figure. The transition to zero-emissions vehicles is therefore critical for achieving the EU's climate neutrality goals by 2050. • This category directly addresses the urgent need to decarbonise the transportation sector by exclusively financing vehicles with no direct CO_2 emissions. Electric vehicles only eliminate tailpipe emissions and also have improved energy efficiency than conventional internal-combustion engine vehicles. • The EU's electricity grid continues to include more renewable energy sources, so the overall carbon footprint of these vehicles will decrease throughout their life cycle. • This approach aligns with the EU's push toward sustainable mobility and supports the broader transition to a low-carbon economy. • The financing of passenger cars and light commercial vehicles with no direct CO_2 emissions is taxonomy eligible under category 6.5 "transport by motorbikes, passenger cars and light commercial vehicles" for contribution to climate change mitigation. The framework's clear restriction to zero-emissions vehicles ensures that only vehicles meeting the substantial contribution criteria (SCC) receive financing. • This UoP is in line with the clean transportation category of the ICMA Green Bond Principles.	13 CLIMATE ACTION
Energy efficiency		
• This category covers financing of forklifts and similar industrial vehicles. • Financing is limited to electric vehicles using lithium-ion batteries with no direct CO_2 emissions.	• This project category has a positive environmental impact, as it directly contributes to climate change mitigation by eliminating direct GHG emissions from intralogistics operations and significantly improving energy efficiency. • Deutsche Leasing can use this UoP to finance electric forklifts and similar industrial vehicles powered exclusively by lithium-ion batteries with no direct CO_2 emissions. As an independent leasing provider, Deutsche Leasing enables companies to implement sustainable intralogistics solutions that substantially reduce GHG emissions throughout the products' life cycle. • The industrial logistics sector represents a significant source of emissions, particularly in warehouse and manufacturing environments where traditional combustion-powered forklifts have been predominant. In recent years, electric-drive systems have been continuously improved, making e-forklifts available even in load capacity classes that were previously only served by powerful diesel and gasoline engines. • Deutsche Leasing can exclusively finance lithium-ion battery-powered forklifts under this category, so it addresses the critical need to decarbonise industrial operations. The data	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION

	referenced in Deutsche Leasing's framework indicate that lithium-ion vehicles produce on average more than 9% fewer CO_2e emissions over their life cycle than lead-acid battery alternatives, with the difference in the use phase reaching around 15%. • The higher energy efficiency of lithium-ion technology makes a substantial contribution to GHG emissions reduction in industrial settings. • Financing is limited to electric vehicles with lithium-ion batteries, which ensures that only the most environmentally beneficial intralogistics options receive financing, maximising the positive climate impact of this category. This approach promotes the decarbonisation of the logistics industry and enables efficient and environmentally friendly operational processes, supporting the broader transition to a low-carbon economy across the EU. • The financing of electric forklifts and similar industrial vehicles powered by lithium-ion batteries with no direct CO_2 emissions is taxonomy eligible under category 3.6 "manufacture of other low carbon technologies" for contribution to climate change mitigation. The SCC for this activity require that the technologies demonstrate substantial GHG emissions reductions compared to the best-performing alternative technology available in the market. • One of the primary producers of forklifts that Deutsche Leasing is cooperating with fulfils the SCC regarding the calculation of life-cycle assessments (LCAs) in line with ISO 14067 (carbon footprint of products), which has been verified by an independent third party. • Another producer carries out a LCA in line with ISO 14040 and ISO 14044 (life-cycle assessment standards), which are not explicitly mentioned in the EU taxonomy, and has not received an external verification on the LCA. • The company can also finance other producers, for which we have not reviewed the alignment with the SCC. • This UoP is in line with the energy efficiency category of the ICMA Green Bond Principles.	
Health		
• This category intends to finance medical technology such as MRI devices, CT devices, ultrasound devices and laboratory technology. • Financing is limited to instruments, devices, software or other products intended alone or in combination for one or more of the following purposes: – diagnosis, prevention, monitoring, prediction, prognosis, treatment or alleviation of diseases; – diagnosis, monitoring, treatment, alleviation of, or compensation for, injuries or disabilities; – investigation, replacement or modification of the anatomy or a physiological or pathological process; and – obtaining information through the in-vitro examination of specimens derived from the human body, including organ, blood and tissue donation. • The target group is defined as sick patients as well as the general population making use of the financed technology.	• This project category has a positive social impact, as it provides essential healthcare services by financing modern medical equipment for diagnosis, therapy and rehabilitation. • Deutsche Leasing intends to finance various medical technology equipment, with a focus on high-value MRI and CT scanners that are crucial for diagnosing and treating serious medical conditions. The framework states that the majority of financed medical devices under this category will be deployed in EU member states in southern and eastern Europe, making a significant contribution to essential medical care in these regions. • The healthcare sector across Europe faces substantial challenges due to demographic shifts toward an aging population, increasing care standards, and budget constraints. • Deutsche Leasing's framework indicates that the acquisition costs for advanced medical equipment such as CT scanners, MRI machines, X-ray and ultrasound devices, or surgical instruments can reach seven-figure amounts, creating immense financial challenges for hospitals, medical care centres, medical practices and rehabilitation facilities. • Deutsche Leasing's development of tailored leasing concepts for healthcare providers can enable access to modern medical equipment that might otherwise be financially out of reach. This financing approach is particularly valuable in southern and eastern European countries, where healthcare	3 GOOD HEALTH AND WELL-BEING

	systems may face greater resource constraints while still needing to provide high-quality care to their populations. • The medical technology financed under this category serves the general population as well as people suffering from illnesses, providing essential diagnostic and treatment capabilities that directly improve health outcomes. We positively assess that diagnostic equipment contributes to preventative healthcare capabilities improving early detection and treatment effectiveness. • Deutsche Leasing makes advanced medical equipment more accessible through flexible financing solutions, helping address the gap between technological innovation cycles and the financial capabilities of healthcare providers. • This UoP supports UN Social Development Goal 3 by improving access to quality essential healthcare services and medical technologies. • This UoP is aligned with the access to essential services category of the ICMA Social Bond Principles.
Source: Deutsche Leasing sustainable finance framework 2025	Source: Sustainable Fitch

Use of Proceeds – Other Information	Alignment: Good
Company Material	**Sustainable Fitch's View**
• The exclusion criteria for controversial business areas involve adhering to Deutsche Leasing's overarching sustainability principles in lending. • This includes prohibiting practices including controversial environmental behaviour, and explicitly excluding sectors such as thermal coal, oil and/or gas extraction, mining activities using mountain top removal, uranium mining or fracking, mining activities with significant negative impacts, and peat extraction. • From a social perspective this includes human and labour rights violations, controversial gambling and violations of animal welfare.	• No split of new versus existing assets is available, as this is the company's first framework. • We positively view that the company has defined clear exclusion criteria that cover both environmentally and socially controversial activities. • The exclusions are based on the company's overall lending policy, which ensures internal procedures minimise the risk of financing negatively impactful activities.
Source: Deutsche Leasing sustainable finance framework 2025	Source: Sustainable Fitch

Evaluation and Selection	Alignment: Excellent
Company Material	**Sustainable Fitch's View**
• Deutsche Leasing has implemented a three-step process for the selection and evaluation of assets. This process consists of an initial assessment and pre-selection; an internal review, validation and allocation; and external verification. • In the initial assessment and pre-selection, the treasury department identifies potentially suitable assets in accordance with the selection criteria outlined in the framework. Potential assets meeting these requirements are forwarded to the sustainable funding working group for review. • During the internal review, validation and allocation, the sustainable funding working group is responsible for validating and allocating the proposed assets, ensuring they meet the framework's criteria. This committee is led by the treasury department, and consists of representatives from treasury (mainly front office team members); the accounting, controlling, taxation or finance international team; the corporate development or sustainability team; and the partner solutions business unit. • It meets annually to allocate proceeds and reallocate them if assets no longer meet the requirements. The group assesses manufacturers' procedures for reuse, design for recyclability, waste management and substance traceability using public information. • Decisions to include assets must be unanimous, and reallocation is required if assets become ineligible. • To ensure transparency, an external third party annually verifies compliance with the framework and the composition of the green and social assets pool. If assets no longer meet the framework's requirements, an exclusion process is initiated.	• Deutsche Leasing has clearly outlined its process for the evaluation and selection of assets. The description covers the steps taken, the roles involved, and the governance and decision-making process. • We positively view that the selection process involves robust checks and balances. We consider the sustainable funding working group to represent a pervasive committee with representatives from various departments. which ensures that diverse expertise is involved in the decision-making process. • We positively highlight that the sustainable funding working group includes a sustainability representative, which ensures that the projects align with environmental standards and objectives, effectively managing risks. • The multi-layered decision-making process ensures risks are reduced through the various steps of evaluation and enhances accountability.
Source: Deutsche Leasing sustainable finance framework 2025	Source: Sustainable Fitch

Management of Proceeds	Alignment: Good
Company Material	**Sustainable Fitch's View**
• Deutsche Leasing aims to allocate the net proceeds as soon as possible, but no later than within three years, using a portfolio approach. In the case of refinancing, this is limited to green or social assets that were capitalised on the balance sheet no more than three financial years before the time of sustainable financing. • To enable clear and traceable tracking of funds utilisation and to avoid double allocation, the enterprise resource planning system Charisma is used, in which the financed and refinanced green or social assets are identified and earmarked based on the corresponding customer contracts. • Deutsche Leasing strives for the fastest possible allocation. Unallocated funds from sustainable financing will be managed by the treasury department under the general treasury guidelines until their allocation.	• Sustainable assets are virtually segregated by earmarking them in the company's internal systems. We consider this to be in line with standard market practice. • Unallocated proceeds are held in line with Deutsche Leasing's regular treasury management practices. We consider segregating unallocated proceeds and/or investing them in sustainable activities or activities in line with the issued instrument type as best practice. • We positively view that the issuer has committed to regular monitoring and exclusion of financed assets that cease to meet the criteria set out in the framework.
Source: Deutsche Leasing sustainable finance framework 2025	Source: Sustainable Fitch

Reporting and Transparency	Alignment: Excellent
Company Material	**Sustainable Fitch's View**
• Deutsche Leasing will annually publish a sustainable finance report that will include the allocation as well as the sustainability impact of the financed and refinanced assets. The treasury department is responsible for preparing the report. • The sustainable finance report will be produced annually starting from the year following the financing until the full repayment of the sustainable financings issued under this framework. If multiple sustainable financings are issued under this framework, Deutsche Leasing may provide information on them collectively in one report. • The allocation report will contain details regarding the allocation of net proceeds to green or social assets and include the following information: – amount of outstanding sustainable financing; – amount of allocated sustainable financing; – amount of unallocated net proceeds; – distribution of allocated amounts into the eligible project categories; – distribution of allocated amounts between financing new and refinancing existing green or social assets; and – details of significant changes regarding green or social assets to which amounts were allocated in a previous year's report. • The impact report will contain relevant impact metrics on an aggregated basis per category and will, to the best of its ability, meet the requirements of the Harmonised Framework for Impact Reporting for Green Bonds (June 2024) and Social Bonds (September 2024) by the ICMA. Possible metrics include: – clean transportation: CO_2 emissions emitted in tonnes per year, CO_2 emissions avoided in tonnes per year; – energy efficiency: energy saved in kWh/MWh per year, CO_2 emissions avoided in tonnes per year; and – health: number and type of medical devices, distribution of medical devices by country, number of patients treated.	• We positively view that the issuer has made a clear commitment to annually provide reporting on allocation and impact. • The allocation and impact report will be published annually until maturity, which we consider as market best practice, as it ensures timely publication on the impact generated by outstanding instruments. • The allocation, including unallocated proceeds, will be reported on a portfolio level for all outstanding instruments. The allocation split will be reported by eligible project category. We consider this to be in line with standard market practice for financial institutions, although we view a higher degree of granularity in reporting as best practice. • We consider the intended indicators for impact reporting to be in line with best practice, as they are clearly defined quantitative indicators that are specifically measurable. However, the metrics are based on internal numbers and the methodology has not been clearly disclosed. • Similar to the allocation reporting, we consider the granularity of impact reporting to be in line with standard market practice; however, bond-by-bond disclosure could improve the impact traceability for investors. • The issuer will annually engage a third party to review the compliance of the financed assets with the framework and the composition of the pool of green and social assets. • Deutsche Leasing will also engage a third party to provide an annual external review on the sustainable finance report. It does not clearly state whether the external review will cover both allocation and impact.
Source: Deutsche Leasing sustainable finance framework 2025	Source: Sustainable Fitch

Relevant UN Sustainable Development Goals

- **3.8:** Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.

- **7.3:** By 2030, double the global rate of improvement in energy efficiency.

- **13.2:** Integrate climate change measures into national policies, strategies and planning

Source: Sustainable Fitch, UN

Appendix A: Principles and Guidelines

Type of Instrument: Sustainability

Four Pillars	
1) Use of Proceeds (UoP)	Yes
2) Project Evaluation & Selection	Yes
3) Management of Proceeds	Yes
4) Reporting	Yes
Independent External Review Provider	
Second-party opinion	Yes
Verification	Yes
Certification	No
Scoring/Rating	No
Other	n.a.
1) Use of Proceeds (UoP) – based on expected or actual instrument allocation	
UoP as per Green Bond Principles (GBP)	
Renewable energy	No
Energy efficiency	Yes
Pollution prevention and control	No
Environmentally sustainable management of living natural resources and land use	No
Terrestrial and aquatic biodiversity conservation	No
Clean transportation	Yes
Sustainable water and wastewater management	No
Climate change adaptation	No
Certified eco-efficient and/or circular economy adapted products, production technologies and processes	No
Green buildings	No
Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP	No
Other	n.a.
Use of Proceeds as per Social Bond Principles (SBP)	
Affordable basic infrastructure	No
Access to essential services	Yes
Affordable housing	No
Employment generation (through SME financing and microfinancing)	No
Food security	No
Socioeconomic advancement and empowerment	No
Unknown at issuance but currently expected to conform with SBP categories, or other eligible areas not yet stated in SBP	No
Other	n.a.
Target Populations	
Living below the poverty line	No
Excluded and/or marginalised populations and /or communities	No
People with disabilities	No
Migrants and/or displaced persons	No
Undereducated	No
Underserved, owing to a lack of quality access to essential goods and services	No
Unemployed and/or workers affected by climate transition	No
Women and/or sexual and gender minorities	No
Aging populations and vulnerable youth	No

Type of Instrument: Sustainability	
Other vulnerable groups, including as a result of natural disasters, climate change, and/or climate transition projects that cause or exacerbate socioeconomic inequity	No
Other	Sick patients and the general population
2) Project Evaluation & Selection	
Evaluation & Selection	
Credentials on the issuer's social and green objectives	Yes
Documented process to determine that projects fit within defined categories	Yes
Defined and transparent criteria for projects eligible for sustainability bond proceeds	Yes
Documented process to identify and manage potential ESG risks associated with the project	Yes
Summary criteria for project evaluation and selection publicly available	Yes
Other	n.a.
Evaluation & Selection/Responsibility & Accountability	
Evaluation/selection criteria subject to external advice or verification	No
In-house assessment	Yes
Other	n.a.
3) Management of Proceeds	
Tracking of Proceeds	
Sustainability bond proceeds segregated or tracked by the issuer in an appropriate manner	Yes
Disclosure of intended types of temporary investment instruments for unallocated proceeds	Yes
Other	n.a.
Additional Disclosure	
Allocations to future investments only	No
Allocations to both existing and future investments	Yes
Allocation to individual disbursements	No
Allocation to a portfolio of disbursements	Yes
Disclosure of portfolio balance of unallocated proceeds	Yes
Other	n.a.
4) Reporting	
UoP Reporting	
Project-by-project	No
On a project portfolio basis	Yes
Linkage to individual bond(s)	No
Other	n.a.
UoP Reporting/Information Reported	
Allocated amounts	Yes
Sustainability bond-financed share of total investment	No
Other	n.a.
UoP Reporting/Frequency	
Annual	Yes
Semi-annual	No
Other	n.a.
Impact Reporting	
Project-by-project	No
On a project portfolio basis	Yes
Linkage to individual bond(s)	No
Other	n.a.

Type of Instrument: Sustainability

Impact Reporting/Information Reported (exp. ex-post)	
GHG emissions/savings	Yes
Energy savings	Yes
Decrease in water use	No
Number of beneficiaries	Yes
Target populations	No
Other ESG indicators	Type of medical equipment financed, countries where medical equipment is financed

Impact Reporting/Frequency	
Annual	Yes
Semi-annual	No
Other	n.a.

Means of Disclosure	
Information published in financial report	No
Information published in ad hoc documents	Yes
Information published in sustainability report	No
Reporting reviewed	Yes
Other	n.a.

Source: Sustainable Fitch, ICMA

Appendix B: 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 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 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 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 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. In the Second-Party Opinion we refer to alignment with ICMA's Bond Principles: 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). In the Second-Party Opinion we refer to alignment with Sustainable Finance Loan Principles: 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 C: 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 (e.g. 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 Second-Party Opinion was solicited and assigned or maintained by Sustainable Fitch at the request of the entity.