



Second-Party Opinion  
**EdgeConneX Green Finance Framework**

**Evaluation Summary**

Sustainalytics is of the opinion that the EdgeConneX Green Finance Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2021 and the Green Loan Principles 2021. This assessment is based on the following:



**USE OF PROCEEDS** The eligible category for the use of proceeds, Energy Efficiency, is aligned with those recognized by the Green Bond Principles and the Green Loan Principles. Sustainalytics considers that investments in the eligible category will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 7.



**PROJECT EVALUATION / SELECTION** ECX’s internal process in evaluating and selecting projects is overseen by its Green Finance Committee comprised of representatives from ECX’s Board and the Sustainability team including the CEO, CFO, Global Sustainability Director, VP Corporate Finance and Corporate Finance Analyst. ECX’s environmental and social risk management processes are applicable for all allocation decisions in the Framework. Sustainalytics considers the project selection process in line with market practice.



**MANAGEMENT OF PROCEEDS** ECX’s Green Finance Committee will track net outstanding proceeds and allocation to eligible green assets using an internal accounting process. ECX intends to reach full allocation within 36 months of any issuance. Unallocated proceeds will be held in cash, cash equivalents and/or U.S. government securities. This is in line with market practice.



**REPORTING** ECX intends to report on allocation of proceeds on an aggregated portfolio basis on an annual basis until full allocation. In addition, ECX is committed to reporting on relevant impact metrics. The reporting will be made publicly available on ECX’s website for green bonds and asset-backed securities and communicated directly with the investors for green loans. Sustainalytics views ECX’s allocation and impact reporting as aligned with market practice.

**Evaluation date** March 18, 2022

**Issuer Location** Virginia, United States

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## Introduction

EdgeConneX (“ECX”, or the “Company”) is a wholesale data center provider that builds and operates high-powered digital infrastructure in order to secure space, power and connectivity for customers globally. Founded in 2009, the Company operates in more than 40 countries with over 50 data centers, and headquarters in Virginia, Amsterdam, and Singapore.

ECX has developed the EdgeConneX Green Finance Framework (the “Framework”) under which ECX or its affiliates<sup>1</sup> intend to issue green bonds, loans and asset-backed securities (ABS) and use the proceeds to finance and/or refinance, in whole or in part, existing and/or future projects that aim to make the Company’s digital infrastructure more energy efficient and that reduce GHG emissions of its operations. The Framework defines eligibility criteria in one area:

### 1. Energy Efficiency

ECX engaged Sustainalytics to review the EdgeConneX Green Finance Framework, dated March 2022, and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP)<sup>2</sup> and the Green Loan Principles 2021 (GLP).<sup>3</sup> This Framework will be published in a separate document.<sup>4</sup>

### Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent<sup>5</sup> opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible project categories are credible and impactful.

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

- The Framework’s alignment with the Green Bond Principles 2021, as administered by ICMA, and the Green Loan Principles 2021, as administered by LMA, APLMA and LSTA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.11, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of ECX’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. ECX representatives have confirmed (1) they understand it is the sole responsibility of ECX to ensure that the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and ECX.

Sustainalytics’ Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market

<sup>1</sup> Any legal entity that controls, is controlled by, or is commonly controlled with a party, and “control” means more than 50% ownership or the right to direct management of an entity.

<sup>2</sup> The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

<sup>3</sup> The Green Loan Principles are administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications & Trading Association and are available at <https://www.lsta.org/content/green-loan-principles/>

<sup>4</sup> The EdgeConneX Green Finance Framework is available on EdgeConneX’s website at: <https://www.edgeconnex.com/company/sustainability/>

<sup>5</sup> When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond and loan proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner. The Second-Party Opinion is valid for issuances aligned with the respective Framework for which the Second-Party Opinion was written for a period of twenty-four (24) months from the evaluation date stated herein.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realised allocation of the bond and loan proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that ECX has made available to Sustainalytics for the purpose of this Second-Party Opinion.

## Sustainalytics' Opinion

### Section 1: Sustainalytics' Opinion on the EdgeConneX Green Finance Framework

Sustainalytics is of the opinion that the EdgeConneX Green Finance Framework is credible and impactful, and aligns with the four core components of the GBP and GLP. Sustainalytics highlights the following elements of ECX's Green Finance Framework:

- Use of Proceeds:
  - The eligible category, Energy Efficiency, is aligned with those recognized by the GBP and GLP.
  - Under the "Energy Efficiency" category ECX intends to finance or refinance the development of a portfolio of data center facilities each having a design PUE of 1.4 or below with the exception of one data center that has a design PUE greater than 1.5.
    - ECX has communicated to Sustainalytics that one of the data centers in its portfolio located in Houston has a current design PUE of greater than 1.5. The Company intends to add new capacity to this facility, which will have the effect of lowering the overall design PUE of the facility to below the threshold of 1.5. ECX expects the Houston facility to achieve this lower PUE value within the tenure of the ABS. Sustainalytics encourages ECX to report on the facility-level design PUE to investors to demonstrate the achievement of this threshold.
    - Sustainalytics notes that while the design PUE of each data center is below 1.5, the operational PUE may exceed this threshold as a result of partial utilization. ECX has communicated to Sustainalytics that it anticipates its utilization rate to increase and therefore it expects to observe a decrease in the average operational PUE to 1.5 or less within the tenure of the bond. Sustainalytics notes positively that ECX has committed to report annually the average operational PUE of its portfolio as part of its impact reporting.
    - Based on the assurance by ECX that each of the facilities financed will achieve a design PUE of less than 1.5 during the tenure of the bond, Sustainalytics views these investments to be in alignment with market practice.
- Project Evaluation and Selection:
  - Through an internal process, ECX's Green Finance Committee (the "Committee") will be responsible for overseeing the evaluation and selection process and the approval of eligible green assets. The Committee is comprised of representatives from ECX's Board and the Sustainability team including the CEO, CFO, Global Sustainability Director, VP Corporate Finance and Corporate Finance Analyst.
  - ECX has in place environmental and social risk management processes, which are applicable to all allocation decisions under the Framework. Sustainalytics considers these environmental and social risk management processes to be adequate. For additional detail see Section 2.

- Based on the above, Sustainalytics considers the project selection and evaluation process to be in line with market practice.
- Management of Proceeds:
  - The Committee will oversee the management of proceeds, which will track net outstanding proceeds and allocation to eligible green assets using an internal accounting process.
  - Unallocated proceeds will be held in cash, cash equivalents and/or U.S. government securities.
  - ECX intends to allocate proceeds within 36 months of any issuance.
  - Based on a defined allocation timeframe and temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:
  - ECX intends to report on allocation and impact on an aggregated portfolio basis annually until full allocation of outstanding net proceeds. The reporting will be made publicly available on ECX's website in the case of green bonds and asset backed securities, and communicated directly with investors in the case of green loans.
  - Allocation reporting will include total allocation of proceeds, balance of unallocated proceeds and breakdown of financed versus refinanced eligible green assets.
  - In addition, ECX intends to report on relevant impact metrics including a description of each eligible green assets in the portfolio as well as the portfolio-level design PUE and operational PUE.
  - Based on the commitment to allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

#### **Alignment with Green Bond Principles 2021 and Green Loan Principles 2021**

Sustainalytics has determined that the EdgeConneX Green Finance Framework aligns to the four core components of the GBP and GLP. For detailed information please refer to Appendix 1: Green Bond/Green Bond Programme External Review Form.

## **Section 2: Sustainability Strategy of ECX**

### **Contribution of framework to EdgeConneX's sustainability strategy**

Sustainalytics is of the opinion that ECX demonstrates a commitment to sustainability with a focus on key environmental and social areas such as: (i) increasing energy efficiency, (ii) reducing GHG emissions, and (iii) ensuring data privacy and cyber security.

Recognizing the importance of minimizing its carbon footprint and reducing its operational energy consumption, ECX has developed a sustainability strategy with quantitative targets to fulfill its commitments. Launched in 2021, this strategy provides direction on the Company's approach to sustainability issues and outlines the following environmental commitments.<sup>6</sup>

- ECX has set a target to operate a carbon-, water-, and waste-neutral data center platform powered by 100% renewable energy, globally, by 2030. To track its progress against these goals, ECX plans to conduct its impact reporting in line with the materiality assessment matrix developed with the help of an external consultant. As per this matrix, the Company will be measuring its performance through the metrics identified as having the most relevance to its operations: (i) total energy, (ii) renewable electricity procurement, (iii) power usage effectiveness, (iv) water withdrawals, (v) waste by disposal method, (vi) diversity and inclusion metrics, and (vii) occupational health and safety. As of 2021, the Company has already achieved carbon-neutrality across all data centers in North America.
- In 2022, ECX aims to join "RE100",<sup>7</sup> an international initiative open to companies committed to procuring 100% of their electricity consumed in business activities from renewable energy sources. Between 2019 and 2020, ECX tripled the use of renewable energy across its data center facilities resulting in 148,500 MWh coming from renewable energy sources.

<sup>6</sup> EdgeConneX, "Sustainability Report", February 2022, at: <https://www.edgeconnex.com/wp-content/uploads/2022/02/EdgeConneX-2020-Sustainability-Report.pdf>

<sup>7</sup> RE100 is the global corporate renewable energy initiative led by the Climate Group and CDP to bring businesses committed to 100% renewable electricity. For additional details, see: <https://www.there100.org/about-us>

- To reduce its water consumption, ECX has phased out the use of evaporative cooling systems across all its facilities globally. The Company has also invested in a patented water treatment system in some of its facilities in Europe, leading to a 30% reduction in their water consumption.
- ECX plans to join the Science Based Target Initiative (SBTi) in 2022 and has also committed to implementing an energy management system certified under ISO 50001 by 2024 in at least one of its data center facilities.

Sustainalytics is of the opinion that the EdgeConneX Green Finance Framework is aligned with the Company's overall sustainability strategy and initiatives and will further the Company's action on its key environmental priorities.

### **Approach to managing environmental and social risks associated with the projects**

While Sustainalytics recognizes that the net proceeds from the bond(s) and loan(s) issued under the Framework will be directed towards eligible projects that are expected to have positive environmental impact, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks associated with the eligible projects could include environmental pollution and emissions associated with the projects' operations, supply chain environmental impact, and cybersecurity and exposure to data privacy.

Sustainalytics is of the opinion that ECX is able to manage and/or mitigate potential risks through implementation of the following measures, as defined in its 2019/20 Sustainability Report<sup>8</sup> and its Sustainability Policy for the Employee Handbook.<sup>9</sup>

- ECX is committed to fulfilling all regulatory requirements related to GHG emissions and energy efficiency. The Company is further committed to reduce the adverse environmental impact of its operations through various measures such as limiting the use of non-renewable resources, minimizing e-waste production and recycling, and reducing water consumption at data centers by deploying better infrastructural design of its facilities. ECX addresses supply chain environmental impact through its policy of conducting business with suppliers who share the Company's commitment to sustainability. The Company assesses the sustainability performance of its suppliers via audits and measures the environmental impact of its supply chain activities through specific data points (GHG, water usage and waste) for carbon disclosure.
- ECX addresses risks concerning customer data privacy and cybersecurity through IT security measures that aim to detect, prevent, and respond to attackers. These measures include three global network operations centres and an IT team with a global presence that can be activated at any time to address a cyber-attack.

Based on these policies, standards and assessments, Sustainalytics is of the opinion that ECX has implemented adequate measures and is well-positioned to manage and mitigate environmental and social risks commonly associated with the eligible category.

## **Section 3: Impact of Use of Proceeds**

The use of proceeds category is aligned with those recognized by the GBP and GLP. Sustainalytics has focused below where the impact is specifically relevant in the local context.

### **Importance of improving energy efficiency in data centers in the US**

Data centers contain a large number of servers which support data-intensive technologies and services such as artificial intelligence, as well as smart and connected systems used by millions of end-users.<sup>10,11</sup> This translates into significant electricity demand recorded at approximately 260-340 terawatt hours (TWh) or 1.1-1.4% of global electricity use.<sup>12</sup> In 2016, US data centers were estimated to consume about 70 billion kilowatt

<sup>8</sup> EdgeConneX, "Sustainability Report", February 2022, at: <https://www.edgeconnex.com/wp-content/uploads/2022/02/EdgeConneX-2020-Sustainability-Report.pdf>

<sup>9</sup> EdgeConneX, "Sustainability Policy for the Employee Handbook" as shared confidentially with Sustainalytics.

<sup>10</sup> Masanet, E. et. al., "Recalibrating global data center energy-use estimates", (2020), at: <https://www.science.org/doi/10.1126/science.aba3758>

<sup>11</sup> David Mytton, "Data center water consumption", nature, (2021), at: <https://www.nature.com/articles/s41545-021-00101-w>

<sup>12</sup> International Energy Agency (IEA), "Data centers and Data Transmission Networks", (2020), at: <https://www.iea.org/reports/data-centres-and-data-transmission-networks>

hours.<sup>13</sup> According to the U.S. Department of Energy, data centers consume 10-50 times more energy per unit of floor space, on average, than commercial office buildings, and collectively make up approximately 2% of the country’s total electricity consumption.<sup>14</sup>

Despite the strong energy demand, data centers also offer significant potential to realize energy efficiency gains. Between 2010 and 2018, despite a six-fold increase in the computing power of data centers and a ten-fold increase in the internet traffic, the global data center energy consumption saw only a 6% increase, as a result of energy efficiency improvements.<sup>15</sup> The International Energy Agency predicts that if current trends are maintained, global data center energy consumption can remain flat through 2022, despite a projected 60% increase in service demand.<sup>16</sup>

There are continued efforts by the U.S. government to advance energy efficiency in data centers in the country. The Federal Energy Management Program’s Centre of Expertise for Energy Efficiency in Data centers provides resources and technical support for this purpose,<sup>17</sup> whereas the US Environmental Protection Agency’s ENERGY STAR certification, with its coverage of data center facilities and equipment, offers several options to encourage energy efficiency measures.<sup>18</sup>

Considering the above, Sustainalytics is of the opinion that ECX’s financing in energy efficient infrastructure projects in the U.S. can reduce the environmental footprint associated with its operations, thereby facilitating the sector’s decarbonization.

**Alignment with/contribution to SDGs**

The Sustainable Development Goals (SDGs) were set in September 2015 by the United Nations General Assembly and form an agenda for achieving sustainable development by the year 2030. The bond(s) and loan(s) issued under the EdgeConneX Green Finance Framework advances the following SDG and target:

<b>Use of Proceeds Category</b>	<b>SDG</b>	<b>SDG target</b>
Energy Efficiency	SDG 7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency

**Conclusion**

ECX has developed the EdgeConneX Green Finance Framework under which it may issue green bonds and/or loans and use the proceeds to finance projects that improve the energy efficiency of data centers. Sustainalytics considers that the projects funded by the green finance proceeds are Sustainalytics considers that the projects funded by the green finance proceeds are expected to provide positive environmental impact.

The EdgeConneX Green Finance Framework outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that the EdgeConneX Green Finance Framework is aligned with the overall sustainability strategy of the company and that the green use of proceed category will contribute to the advancement of the UN SDG 9. Additionally, Sustainalytics is of the opinion that ECX has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the proceeds.

Based on the above, Sustainalytics is confident that EdgeConneX is well-positioned to issue green bonds and that the EdgeConneX Green Finance Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2021 and Green Loan Principles 2021.

<sup>13</sup> US Department of Energy Office of Scientific and Technical Information, “United States Data Center Energy Usage Report”, (2016), at: <https://www.osti.gov/servlets/purl/1372902>

<sup>14</sup> US Department of Energy, ‘Data Centers and Servers’, at: <https://www.energy.gov/eere/buildings/data-centers-and-servers>

<sup>15</sup> Masanet, E. et. al., “Recalibrating global data center energy-use estimates”, (2020), at: <https://www.science.org/doi/10.1126/science.aba3758>

<sup>16</sup> International Energy Agency (IEA), “Data Centers and Data Transmission Networks”, (2020) at:

<https://www.iea.org/reports/tracking-data-centres-and-data-transmission-networks-2020>

<sup>17</sup> Office of Energy Efficiency and Renewable Energy, “Energy Efficiency in Data Centers”, at: <https://www.energy.gov/eere/femp/energy-efficiency-data-centers>

<sup>18</sup> US Environmental Protection Agency, “ENERGY STAR Expands Efforts to Improve Energy Efficiency of U.S. Data Centers”, at:

<https://www.epa.gov/newsreleases/energy-star-expands-efforts-improve-energy-efficiency-us-data-centers>

## Appendix

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

#### Section 1. Basic Information

Issuer name:	EdgeConneX
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	EdgeConneX Green Finance Framework
Review provider's name:	Sustainalytics
Completion date of this form:	March 18, 2022
Publication date of review publication: Original publication date <i>[please fill this out for updates]</i> :	

#### Section 2. Review overview

##### SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBP:

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

##### ROLE(S) OF REVIEW PROVIDER

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 <sup>nd</sup> opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification   | <input type="checkbox"/> Rating        |
| <input type="checkbox"/> Other <i>(please specify)</i> :                        |  |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

##### EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW *(if applicable)*

Please refer to Evaluation Summary above.

### Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

#### 1. USE OF PROCEEDS

Overall comment on section (*if applicable*):

The eligible category for the use of proceeds Energy Efficiency is aligned with those recognized by the Green Bond Principles and the Green Loan Principles. Sustainalytics considers that investments in the eligible category will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 7.

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

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

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

#### 2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

ECX's internal process in evaluating and selecting projects is overseen by its Green Finance Committee comprised of representatives from ECX's Board and the Sustainability team including the CEO, CFO, Global Sustainability Director, VP Corporate Finance and Corporate Finance Analyst. ECX's environmental and social risk management processes are applicable for all allocation decisions in the Framework. Sustainalytics considers the project selection process in line with market practice.

#### Evaluation and selection

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
|---|---|



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

#### Information on Responsibilities and Accountability

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

### 3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

ECX's Green Finance Committee will track net outstanding proceeds and allocation to eligible green assets using an internal accounting process. ECX intends to reach full allocation within 36 months of any issuance. Unallocated proceeds will be held in cash, cash equivalents and/or U.S. government securities. This is in line with market practice.

#### Tracking of proceeds:

- |   |
|---|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in an appropriate manner          |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other ( <i>please specify</i> ):   |

#### Additional disclosure:

- |   |   |
|---|---|
| <input type="checkbox"/> Allocations to future investments only                             | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements                             | <input type="checkbox"/> Allocation to a portfolio of disbursements                     |
| <input checked="" type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other ( <i>please specify</i> ):                               |

### 4. REPORTING

Overall comment on section (*if applicable*):

ECX intends to report on allocation of proceeds on an aggregated portfolio basis on an annual basis until full allocation. In addition, ECX is committed to reporting on relevant impact metrics. The reporting will be made

publicly available on ECX's website for green bonds and asset-backed securities and communicated directly with the investors for green loans. Sustainalytics views ECX's allocation and impact reporting as aligned with market practice.

**Use of proceeds reporting:**

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

**Information reported:**

- Allocated amounts
  Green Bond financed share of total investment  
 Other (*please specify*): Balance of unallocated proceeds; Breakdown of financed versus refinanced eligible green assets

**Frequency:**

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

**Impact reporting:**

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

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

- GHG Emissions / Savings
  Energy Savings  
 Decrease in water use
  Other ESG indicators (*please specify*): A description of each eligible green assets in the portfolio; Portfolio-level Design PUE and operational PUE

**Frequency**

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

**Means of Disclosure**

- Information published in financial report
  Information published in sustainability report  
 Information published in ad hoc documents
  Other (*please specify*): Information published in a separate report and made publicly available on website

- Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

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

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

**SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE**

**Type(s) of Review provided:**

- Consultancy (incl. 2<sup>nd</sup> opinion)  Certification
- Verification / Audit  Rating
- Other (*please specify*):

**Review provider(s):**

**Date of publication:**

**ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP**

- i. **Second-Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second-Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second-Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- ii. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- iii. **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. **Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

## Disclaimer

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