

EXTERNAL REVIEW

Stonewater Sustainability Bond Report

Environmental, Social & Governance (ESG) Report 2021/22
Stonewater Ltd.

08 July 2022

VERIFICATION PARAMETERS

Type of reporting	<ul style="list-style-type: none"> • Sustainability Bond Annual Allocation and Impact
Relevant standard(s)	<ul style="list-style-type: none"> • Harmonized Framework for Impact Reporting (HFIR), updated June 2022, administered by International Capital Market Association (ICMA) • Harmonized Framework for Impact Reporting for Social Bonds (HFIRSB), updated June 2022, administered by the International Capital Market Association • Green Bond Principles (GBPs), Social Bond Principles (SBP), and Sustainability Bond Guidelines (SBG) administered by ICMA. Green Loan Principles (GLP) and Social Loan Principles (SLP), administered by the Loan Market Association (LMA)
Scope of verification	<ul style="list-style-type: none"> • Environmental, Social & Governance (ESG) Report 2021/22 (as of 31.03.2022) • Stonewater’s Sustainable Finance Framework (June 2021 version)
Lifecycle	Post-issuance verification
Validity	As long as no material changes are undertaken by the issuer to its Environmental, Social & Governance (ESG) Report 2021/22

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SCOPE OF WORK

Stonewater Ltd ('the Issuer') commissioned ISS ESG to provide an External Review¹ on its Environmental, Social & Governance (ESG) Report 2021/22 by assessing:

1. The alignment of Stonewater's Environmental, Social & Governance (ESG) Report 2021/22 with the commitments set forth in Stonewater's Sustainable Finance Framework (June 2021 version)².
2. Stonewater's Environmental, Social & Governance (ESG) Report 2021/22 - benchmarked against Harmonized Framework for Impact Reporting (HFIR), updated June 2021 and Working Towards a Harmonized Framework for Impact Reporting for Social Bonds (WTHFIR), updated June 2020, administered by the International Capital Market Association.
3. The disclosure of proceeds allocation and soundness of reporting indicators³ - whether the impact metrics align with best market practices and are relevant to the Sustainability Bond issued.

¹ ISS ESG does not provide limited or reasonable assurance on the information presented in Stonewater's Environmental, Social & Governance (ESG) Report 2021/22. ISS ESG solely conducted a review of the use of proceeds' allocation and impact reporting against ICMA's Harmonized Framework for Impact Reporting, updated June 2022, and Working Towards a Harmonized Framework for Impact Reporting for Social Bonds, updated June 202, administered by the International Capital Market Association and the criteria outlined in the underlying Framework. ISS ESG bases its assessment solely on the information provided in the allocation and impact reporting. The issuer is responsible for the preparation of the report including the application of methods and internal control procedures designed to ensure that the subject matter information is free from material misstatement.

² The Framework was assessed by ISS ESG as aligned with the International Capital Market Association's Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines, and the Loan Market Association's Green Loan Principles and Social Loan Principles as of 16 June 2021.

³ ISS ESG bases its assessment on the information provided in the allocation reporting. The Issuer is responsible for the preparation of the report including the application of methods and procedures designed to ensure that the subject matter information is free from material misstatement.

ISS ESG ASSESSMENT SUMMARY

REVIEW SECTION	SUMMARY	EVALUATION
<p>Part 1.</p> <p>Alignment with the Issuer's commitments set forth in the Framework</p>	<p>ISS ESG finds that Stonewater's Environmental, Social & Governance (ESG) Report 2021/22 meets the Issuer's commitments set forth in the Sustainable Finance Framework.</p> <p>In July 2021 Stonewater, a Social Housing Provider in UK, established a £1.0bn EMTN (Euro Medium Term Note) programme and Stonewater Funding PLC issued its first Sustainability Bond from this program in September 2021, maturing in September 2036.</p> <p>The proceeds have been used to (re)finance existing and new projects in the categories of Affordable Housing and Green Buildings, in accordance with the eligibility criteria defined in the Framework. The Issuer meets reporting criteria as set forth in the Framework.</p>	Aligned
<p>Part 2.</p> <p>Assessment against ICMA's Harmonized Framework for Impact Reporting and Working Towards a Harmonized Framework for Impact Reporting for Social Bonds</p>	<p>ISS ESG finds that the Environmental, Social & Governance (ESG) Report 2021/22 is in line with ICMA's Harmonized Framework for Impact Reporting and Working Towards a Harmonized Framework for Impact Reporting for Social Bonds where applicable. The Issuer follows core principles and where applicable, key recommendations.</p> <p>The Sustainability Bond was issued in September 2021 and matures in September 2036. The Issuer reports within one year from issuance after full allocation of the proceeds, gross £250m.</p> <p>The Issuer uses output and outcome metrics relevant to the projects/assets financed and referred to existing indicator lists and catalogues. The Issuer reports a £321m portfolio of eligible assets/projects, which comply with Stonewater's Sustainable Finance Framework. In addition, the Issuer reports on the number of assets/projects that the bond proceeds have been allocated to. The allocation is split 50% each between Affordable Housing and Green Buildings.</p>	Aligned
<p>Part 3.</p> <p>Disclosure of proceeds allocation and soundness of reporting indicators</p>	<p>ISS ESG finds that the allocation of the bond's proceeds has been disclosed, with a detailed breakdown across different eligible asset categories as proposed in the Framework⁴.</p> <p>Stonewater's Environmental, Social & Governance (ESG) Report 2021/22 has adopted an appropriate methodology to report the impact generated by providing comprehensive disclosure on data sourcing, calculations methodologies and granularity reflecting best market practices.</p>	Positive

ISS ESG EXTERNAL REVIEW ASSESSMENT

PART I: ALIGNMENT WITH COMMITMENTS SET FORTH IN THE SUSTAINABLE FINANCE FRAMEWORK⁵

The following table presents ISS ESG's assessment of the Environmental, Social & Governance (ESG) Report 2021/22 against the commitments set forth in Stonewater's Sustainable Finance Framework, which are based on the core requirements of the Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines as well as best market practices.

GBP/SBP/SBG	ISS ESG'S OPINION	ALIGNMENT
1. Use of Proceeds	<p>Stonewater follows the Use of Proceeds' description provided in its Sustainable Finance Framework. The report is in line with the commitments set forth e.g., the Use of Proceeds Eligible Categories, Affordable Housing, and Green Building and the corresponding descriptions, respectively the construction of new and re-financing of existing social and affordable housing units in the UK and the construction of new, renovation of existing and re-financing of existing homes with EPC Rating of A or B, improving unit EPC ratings by two notches or a minimum EPC rating of A or B.</p> <p>The Issuer's social and green asset categories align with the eligible categories and are in accordance with the eligibility criteria as proposed by Stonewater's Sustainable Finance Framework. Environmental and social benefits in either category level are described and quantified.</p> <p>The Issuer commits to use the net proceeds for projects 36 months before or 12 months after the issuance date, for projects described as "new". The Use of Proceeds categories aligns with the Issuer's broader sustainability strategy.</p>	✓
2. Process for Project Evaluation and Selection	<p>Stonewater confirms to follow the Process for Project Evaluation and Selection description as described in its Sustainable Finance Framework.</p> <p>The projects selected are categorized and described in a structured and appropriate manner.</p> <p>The issuer confirms compliance with the Eligibility Criteria. Stonewater has identified a £321m portfolio of qualifying assets, which comply with Stonewater's Sustainable Finance Framework. These assets are split 50% each between Affordable Housing and Green Buildings.</p> <p>Stonewater delegates overall accountability for the performance of the Sustainable Finance Framework to the Executive Directors Group ("EDG"). Specific accountability for the implementation and maintenance of policies and subsequent reporting rests with the</p>	✓

⁵ ISS ESG assessed the Sustainable Finance Framework as aligned with the GBP, SBP and SBG (June 2021 version) as of 16.06.2021.

	<p>Executive Director – Homes and the Executive Director – Finance, who jointly will ensure compliance with all obligations of the framework.</p> <p>ESG risks associated with the project categories are identified and managed through an appropriate process.</p>	
3. Management of Proceeds	<p>Stonewater confirms to follow the Management of Proceeds description as described in its Sustainable Finance Framework.</p> <p>The proceeds received, gross £250m are fully allocated to eligible project categories, representing 78% of total eligible assets in the portfolio. Stonewater confirms the tracking of proceeds in an appropriate manner and attested to a formal internal process, as outlined in the underlying Framework. Pending the full allocation to the eligible project portfolio, Stonewater used unallocated funds for debt repayments and its treasury liquidity portfolio, in alignment with the Sustainable Finance Framework.</p>	✓
4. Reporting	<p>ISS ESG considers that Stonewater’s Impact Report is coherent with the Reporting description provided by its Sustainable Finance Framework.</p> <p>The sections ‘Allocation of proceeds reporting’ and ‘Impact Reporting’ of the Environmental, Social & Governance (ESG) Report 2021/22 comply with the pre-issuance commitment expressed in the Framework. The report is intended to be publicly available.</p> <p><i>Further analysis of this section is available in Part III of this report.</i></p>	✓
5. Verification	<p>SPO-Provider ISS ESG has provided a Second Party Opinion (SPO) on Stonewater’s Sustainable Finance Framework.</p>	

PART II: ASSESSMENT AGAINST ICMA'S HARMONIZED FRAMEWORK FOR IMPACT REPORTING AND HARMONIZED FRAMEWORK FOR IMPACT REPORTING FOR SOCIAL BONDS

Reporting is a core component of the GBP and SBP and transparency is of particular value in communicating the expected and/or achieved impact of projects in the form of an annual reporting. Sustainability Bond issuers are required to report on both the use of the Sustainability Bond proceeds, as well as the environmental and social impacts or co-benefits at least on an annual basis until full allocation. ICMA's HFIR and HFIRSB has been chosen as benchmark for this analysis as it represents the most widely adopted standards for annual Allocation and Impact Reporting.

The table below presents the findings of ISS ESG's assessment of Environmental, Social & Governance (ESG) Report 2021/22 against ICMA's HFIR and WTHFIR.

CORE PRINCIPLES ICMA HFIR	Environmental, Social & Governance (ESG) Report 2021/22	ASSESSMENT
Reporting on an annual basis	Stonewater has reported within one year from issuance and confirmed that all the proceeds have been fully allocated. The report will be available on Stonewater's website. The Sustainability Bond was issued in September 2021 and matures in September 2036.	✓
Illustrating the environmental impacts	The assessment and measurement of the social and environmental impacts generated by Stonewater's Sustainability Bond cover the following areas: <ol style="list-style-type: none"> Number of Affordable Homes, new and existing Average rents charged relative to private sector rents Asset values per cut-off date for existing projects financed through the Bond proceeds Total financial expenditure for new projects financed through the Bond proceeds Number of Green Buildings, new and existing Distribution of EPC Ratings of existing homes Change of EPC Ratings of existing homes in 2022 vs 2021 Distribution of EPC Ratings of new homes 	✓
Transparency on the currency	All Sustainability Bond-related cash-flows are reported in one currency when allocating the green bond proceeds and reporting on the projects.	✓
ICMA HFIRSB	Environmental, Social & Governance (ESG) Report 2021/22	ASSESSMENT
Formal internal process to track proceeds	Stonewater confirms the project selection and management of proceeds to be in line with the criteria set forth in the underlying Framework.	✓

<p>Allocation of the proceeds to social project categories</p>	<p>In accordance with the criteria established in Stonewater’s Sustainable Finance Framework and in accordance with the ICMA Social Bond Principles Stonewater has allocated 50% of the available net proceeds to new and/or existing eligible social assets/projects within the category Affordable Housing</p>	<p>✓</p>
<p>Target Population(s) identified</p>	<p>Stonewater’s target population covers all people in England who are unable to afford to rent homes in the private housing rental market, by addressing the general public. Since 2015, Stonewater has delivered nearly 5,000 new Affordable homes. These have predominantly been General Needs (Social rent) homes (which represent 67.6% of Stonewater’s Affordable Housing stock).</p>	<p>✓</p>
<p>Output, outcome and/or impact of projects at project or portfolio level</p>	<p>The Issuer provided information on the output by providing the number of new and existing affordable housing units financed with the bond proceeds during the reporting period.</p> <p>The Issuer provides an indication on the outcome by providing a detailed listing of average monthly Private Sector Rent compared to the Average monthly Stonewater Rent as of March 2022.</p> <p>68% of Stonewater’s homes are General Needs (social rent) homes. When considering the 10 largest areas in the General Needs (Social rent) category, the average discount to the private sector rental market is 40.4%.</p>	<p>✓</p>
<p>Illustration of the social impacts</p>	<p>In addition to the environmental impact as highlighted above the assessment and measurement of the social impacts generated by Stonewater’s Sustainability Bond covered the following areas:</p> <ul style="list-style-type: none"> ➔ Affordable Housing Units (re)financed ➔ Total number of Units of Housing Stock per Category <ul style="list-style-type: none"> • General Need (Social rent) • Affordable • Shared Ownership • Supported Housing • Housing for Older People • Other <ul style="list-style-type: none"> ➔ Average rental discount compared to the average monthly Private Sector Rent ONS 	<p>✓</p>
<p>The issuer uses output, outcome, and/or impact metrics relevant to the projects and referred to existing indicator lists and catalogues</p>	<p>The issuer referred to existing indicator lists and catalogs from the Annex A of the WHFIR: Number of Affordable Housing units, Rental costs compared to private rent figures per the Office for National Statistics.</p>	<p>✓</p>

RECOMMENDATIONS ICMA HFIR	Environmental, Social & Governance (ESG) Report 2021/22	ASSESSMENT
<p>Define and disclose process for Project Evaluation and Selection</p>	<p>The Issuer is confirmed to be following a transparent process for selection and evaluation of Eligible Green Projects. Projects (re)financed and/or refinanced through the Sustainability Bond issued under the Sustainable Finance Framework were evaluated and selected in compliance with the Eligibility Criteria as laid out in the Framework.</p> <p>Stonewater has identified a £321m portfolio of qualifying assets, which comply with Stonewater’s Sustainable Finance Framework. The allocation is split 50% each between Affordable Housing and Green Buildings.</p> <p>Affordable Housing:</p> <ul style="list-style-type: none"> • New Buildings used for Social Housing: £66.3m (Sustainable Bond proceeds allocated: £54.2m) • Existing Buildings used for social Housing: £94.3m (£69.7m) <p>Green Buildings:</p> <ul style="list-style-type: none"> • New Buildings used for Social Housing: £65.2m (£48.5m) • Existing Buildings used for social Housing: £95.3m (£77.7m) 	<p style="text-align: center;">✓</p>
<p>Disclose total amount of proceeds allocated to eligible criteria.</p>	<p>A total of £250m has been raised through the Issuer’s Sustainability Bond. The entirety of the proceeds have been allocated to qualifying assets.</p>	<p style="text-align: center;">✓</p>
<p>Formal internal process for the allocation of proceeds and to report on the allocation of proceeds.</p>	<p>The Issuer confirms to have a formal internal process in place for the allocation of proceeds to eligible assets.</p>	<p style="text-align: center;">✓</p>
<p>Report at project or portfolio level</p>	<p>The Environmental, Social & Governance (ESG) Report 2021/22 includes the portfolio of eligible assets, per type within categories Affordable Housing and Green Buildings per project description, Data source, Sustainability metric, Asset/Project name, number of Housing units, financial line item and Valuation.</p>	<p style="text-align: center;">✓</p>
<p>Describe the approach to impact reporting</p>	<p>The Issuer identifies the specific eligible assets/projects and clearly defines, for each asset/project, the total allocated proceeds.</p>	<p style="text-align: center;">✓</p>

Report the estimated lifetime results and/or project economic life (in years)	The Issuer reports on actual figures per 31 March 2022 using the latest available asset value of the building for existing buildings and the total construction expenditure for new buildings.	N/A
Ex-post verification of specific projects	The issuer does not include specific ex-post verification of its projects.	N/A
Report on at least a limited number of sector specific core indicators	<p>The Issuer reports on sector-specific core indicators as outlined in the underlying Framework and proposed by ICMA for the respective green and social categories:</p> <p>Green Buildings:</p> <ul style="list-style-type: none"> • Latest available EPC certificates and Rating Distribution • Energy consumption • CO2 emission reduction <p>Affordable Housing:</p> <ul style="list-style-type: none"> • Number of Housing units • Rent levels compared to private rent figures per the Office for National Statistics 	✓
If there is no single commonly used standard, issuers may follow and disclose their own calculation methodologies	The Issuer reports on actual figures per 31 March 2022 using the latest available asset value of the building for existing buildings and the total construction expenditure for new buildings. For its impact measurement, the Issuer reports on actual figures.	N/A
Disclosure on the conversion approach (if applicable)	The Issuer does not make use of unit conversion.	N/A
Projects with partial eligibility	The Issuer confirms full eligibility of the assets/projects financed through the bond proceeds.	N/A
When the expected impacts of different project components may not be reported separately, issuers may use (and disclose) the attribution approach	The impact of Stonewater's assets/projects is reported separately per category and sub-category.	N/A
ICMA HFIRSB		
Disbursement reporting	The bond settled on 10 September 2021. The Issuer confirms immediate disbursement of proceeds for refinancing existing Affordable Housing and Green Buildings. For the new Affordable Housing and Green Buildings, pending the full	✓

	allocation to the eligible project portfolio, Stonewater used unallocated funds for debt repayments and its treasury liquidity portfolio. Proceeds were disbursed as and when new buildings were completed.	
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ISS ESG OPINION

ISS ESG finds that Stonewater follows Harmonized Framework for Impact Reporting and Working Towards a Harmonized Framework for Impact Reporting for Social Bonds core principles and key recommendations. The Issuer provides transparent reporting and meets criteria on frequency, core requirements, and reporting indicators, aligned with best practices. The Issuer discloses transparently allocation of proceeds to eligible assets/projects and provides output and outcome metrics relevant to the assets/projects, referring to existing indicator lists and catalogues.

PART III: DISCLOSURE OF PROCEEDS ALLOCATION AND SOUNDNESS OF THE IMPACT REPORTING INDICATORS

Use of Proceeds Allocation

Use of Proceeds allocation reporting is key to put the impacts into perspective with the number of investments allocated to the respective Use of Proceeds categories.

The Use of Proceeds allocation reporting occurred within one year from the issuance, after full allocation of the proceeds. The Use of Proceeds allocation reporting occurred within the regular annual cycle from the issuance.

Pending the full allocation to the eligible project portfolio, Stonewater used unallocated funds for debt repayments and its treasury liquidity portfolio, in alignment with Stonewater's Sustainable Finance Framework.

Proceeds allocated to Eligible Projects/Assets

The eligible assets are broken down at project category level, by type of project, and at a portfolio level. The Issuer has provided details about the type of projects included in the portfolio.

The Issuer holds records of the evolution of the portfolio during the period and reports on actuals per 31 March 2022.

ISS ESG finds that the allocation report section of the Environmental, Social & Governance (ESG) Report 2021/22 of Stonewater aligns with best-market practices by providing information on:

- The number of projects/assets (re-)financed
- The total amount of gross proceeds in £
- The breakdown of proceeds allocated to the different green projects in £
- A detailed description of the eligible green and social projects in the portfolio



Impact Reporting Indicators

The table below presents an independent assessment conducted by ISS ESG. The issuer reports and discloses on the output, outcome, and/or impact of projects/assets using impact indicators.

ELEMENT	ASSESSMENT
<p>Relevance</p>	<p>The impact indicator chosen by the issuer for this bond is the following:</p> <p>Green Buildings:</p> <ul style="list-style-type: none"> • Latest available EPC certificates and Rating Distribution • Energy consumption • CO2 emission reduction <p>Affordable Housing:</p> <ul style="list-style-type: none"> • Number of Housing units • Rent levels compared to private rent figures per the Office for National Statistics <p>This indicator is qualitative and material to the Use of Proceeds categories financed through the Sustainability Bond and in line with the suggested reporting indicators for Green Building Projects and Affordable Housing projects.</p>
<p>Data sourcing and methodologies of quantitative assessment</p>	<p>The Issuer provides information on Data Sources respectively per project Category:</p> <ul style="list-style-type: none"> • Green Buildings: Government Agency • Affordable Housing: Office for National Statistics <p>The Issuer reports on actual figures per 31 March 2022.</p>
<p>Baseline selection</p>	<p>The reporting indicators have not been benchmarked against a specific baseline.</p> <p>The Issuer compares EPC level performance to prior year.</p>
<p>Scale and granularity</p>	<p>The impact data is presented at project category level.</p>

High-level mapping of the impact indicators with the UN Sustainable Development Goals

Based on the project categories financed and refinanced by the bonds as disclosed in the Issuer’s Environmental, Social & Governance (ESG) Report 2021/22, the impact indicator(s) adopted by Stonewater for its Sustainability Bond can be mapped to the following SDGs, according to the ICMA “Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals”⁶.

IMPACT INDICATORS	SUSTAINABLE DEVELOPMENT GOALS
<p>Green Buildings:</p> <ul style="list-style-type: none"> • Lates available EPC certificates and Rating Distribution • Energy consumption • CO2 emission reduction 	
<p>Affordable Housing:</p> <ul style="list-style-type: none"> • Number of Housing units • Rent levels compared to private rent figures per the Office for National Statistics 	

ISS ESG OPINION

ISS ESG finds that the allocation of the Bond’s proceeds has been disclosed, with a detailed breakdown across different eligible project categories/asset categories as proposed in the Framework. The Environmental, Social & Governance (ESG) Report 2021/22 has adopted an appropriate methodology to report the impact generated by providing comprehensive disclosure on data sourcing, calculations methodologies, and granularity reflecting best market practices. In addition, ISS ESG finds that the impact reporting indicators, align with best market practices being listed in ICMA’s recommended metrics.

⁶ [ICMA’s Mapping-SDGs-to-Green-Social-and-Sustainability-Bonds](#)

DISCLAIMER

1. Validity of the External Review: As long as no material changes are undertaken by the issuer to its Environmental, Social & Governance (ESG) Report 2021/22
2. ISS ESG uses a proprietary methodology to assess the post-issuance reports. In doing so, we adhere to standardized procedures to ensure consistent quality of responsibility research worldwide. In addition, we conduct External Reviews solely based on data provided by the issuer.
3. We would, however, point out that we do not warrant that the information presented in this External Review is complete, accurate, or up to date. Any liability on the part of ISS ESG in connection with the use of this External Review, the information provided in them, and the use thereof shall be excluded. In particular, we point out that the verification of the compliance with the selection criteria is based solely on random samples and documents submitted by the issuer.
4. All statements of opinion and value judgments given by us do not in any way constitute purchase or investment recommendations. In particular, the External Review is no assessment of the economic profitability and creditworthiness of a bond but refers exclusively to the social and environmental criteria mentioned above.
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ANNEX: Methodology

ISS ESG Review of the post-issuance Reports

The external review of post-issuance reports provides the Issuer with an independent opinion on the soundness of its post-issuance report and of its alignment with recognized market guidelines and it provides investors with independent information regarding the reliability of the report produced. On the basis of the information provided by the Issuer, ISS ESG assesses the alignment of the report with recognized market guidelines, the metrics chosen by the Issuer and the soundness of process and methodology of reporting. The analysis of the metrics adopted is based on specific sets of indicators developed by ISS ESG referring to common market guidelines.

High-level mapping to the SDG

The 17 Sustainable Development Goals (SDGs) were endorsed in September 2015 by the United Nations and provide a benchmark for key opportunities and challenges toward a more sustainable future. Using a proprietary method based on ICMA's Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals, ISS ESG identifies the extent to which the issuers reporting and project categories contribute to related SDGs.

ANNEX 2: Quality management processes

SCOPE

Stonewater Limited commissioned ISS ESG to compile an External Review on its Bond Report. The External Review process includes verifying whether the Bond Report aligns with the Issuer's Green, Social and Sustainability Bond Framework and the respective market standards, i.e. the Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines and assessing the robustness and completeness of the reporting methodologies.

CRITERIA

Relevant Standards for this External Review:

- ICMA Green Bond Principles
- ICMA Social Bond Principles
- ICMA Sustainability Bond Guidelines
- ICMA Harmonized Framework for Impact Reporting
- ICMA Harmonized Framework for Impact Reporting for Social Bonds

ISSUER'S RESPONSIBILITY

Issuer's responsibility was to provide information and documentation on:

- Annual Report
- Framework
- Asset pool/ Eligibility criteria/ Portfolio
- Methodologies, and assumptions for data gathering and calculation computation

ISS ESG'S VERIFICATION PROCESS

ISS ESG has conducted this independent External Review by following the ICMA Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews, and its methodology, considering, when relevant, the ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

The engagement with Stonewater took place from May 2022 to July 2022.

ISS ESG'S BUSINESS PRACTICES

ISS has conducted this verification in strict compliance with the ISS Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behaviour and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

About ISS ESG External Review

ISS ESG is one of the world's leading rating agencies in the field of sustainable investment. The agency analyses companies and countries regarding their environmental and social performance.

As part of our Sustainable (Green & Social) Bond Services, we provide support for companies and institutions issuing sustainable bonds, advise them on the selection of categories of projects to be financed and help them to define ambitious criteria.

We assess alignment with external principles (e.g. the ICMA Green / Green Bond Principles, Social Bond Principles and Sustainable Bond Guidelines), analyse the sustainability quality of the assets and review the sustainability performance of the issuer themselves. Following these three steps, we draw up an independent External Review so that investors are as well informed as possible about the quality of the bond/loan from a sustainability perspective.

Learn more: <https://www.isscorporatesolutions.com/solutions/esg-solutions/green-bond-services/>

For information on External Review services, contact: SPOsales@isscorporatesolutions.com

For more information on this specific Environmental, Social & Governance (ESG) Report 2021/22 External Review, please contact: SPOOperations@iss-esg.com

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