

Sustainable Finance External Reviews And Opinions Q&A: Transaction And Framework Alignment Opinions With The Green Bond, Green Loan, And Social Bond Principles

Primary Credit Analyst: Anna Liubachyna, London; anna.liubachyna@spglobal.com

Secondary Contacts: Michael Wilkins, London, (44) 20-7176-3528; mike.wilkins@spglobal.com

Corinne B Bendersky, London, + 44 20 7176 0216; corinne.bendersky@spglobal.com

Michael T Ferguson, CFA, CPA, New York, (1) 212-438-7670; michael.ferguson@spglobal.com

Erin Boeke Burke, New York, + 1 (212) 438 1515; Erin.Boeke-Burke@spglobal.com

Lori Shapiro, New York, + 1 (212) 438 0424; lori.shapiro@spglobal.com

(Editor's note: This article supersedes "Frequently Asked Questions: Green Evaluations And Transaction Alignment With The Green Bond Principles 2018," published on July 24, 2018. See the Revisions And Updates section to see what's new in this revised version.)

Here, S&P Global Ratings responds to questions about its "Sustainable Finance External Reviews And Opinions" analytical approach and its opinions on transaction and framework alignment with the International Capital Markets Assn.'s (ICMA) Green Bond, the Loan Market Assn.'s (LMA) Green Loan, and ICMA's Social Bond Principles, collectively "the Principles." On Oct. 16, 2020, we expanded the approach to provide an opinion on social bond frameworks and how they align with the Social Bond Principles 2020 (SBP). Our approach can now also opine on the alignment of sustainability bond frameworks with the Green Bond Principles 2018 (GBP) and the SBP (collectively known as ICMA's Sustainability Bond Guidelines [SBG]). Among other questions, we address social and sustainability framework alignment opinions and how we determine the alignment of a social framework with the SBP and a sustainability framework with the GBP and/or SBP.

Q&A

Overview

What are the different analytic approaches included in sustainable finance external reviews and opinions?

A Green Transaction Evaluation gives a ranking of the relative net environmental or resilience (mitigation or adaptation, respectively) benefits of a project or projects being financed by a green financial instrument. It also considers the quality of transparency and governance of the financing transaction. Additionally, it can provide an opinion on the transaction's alignment with the GBP and/or Green Loan Principles, 2018 (GLP)--referred to as a Transaction Alignment Opinion.

We also provide a Green Framework Alignment Opinion as a stand-alone opinion on a seeker of finance's green financing framework's alignment with the GBP and/or GLP. Finally, the analysis can provide a combination of a Green Transaction Evaluation (which may include a Transaction Alignment Opinion) and a Framework Alignment Opinion.

Similar to the Green Framework Alignment Opinion, we can now opine on the alignment of social and sustainability bond frameworks with the SBP and SBP and/or GBP (collectively the SBG), respectively. The addition of these two framework alignment opinions now gives S&P Global Ratings the ability to opine on a range of sustainable debt frameworks. A Framework Alignment Opinion is independent of a transaction-level alignment opinion and evaluation. Having the former does not necessarily imply that all transactions issued under a framework would automatically be aligned with the Principles.

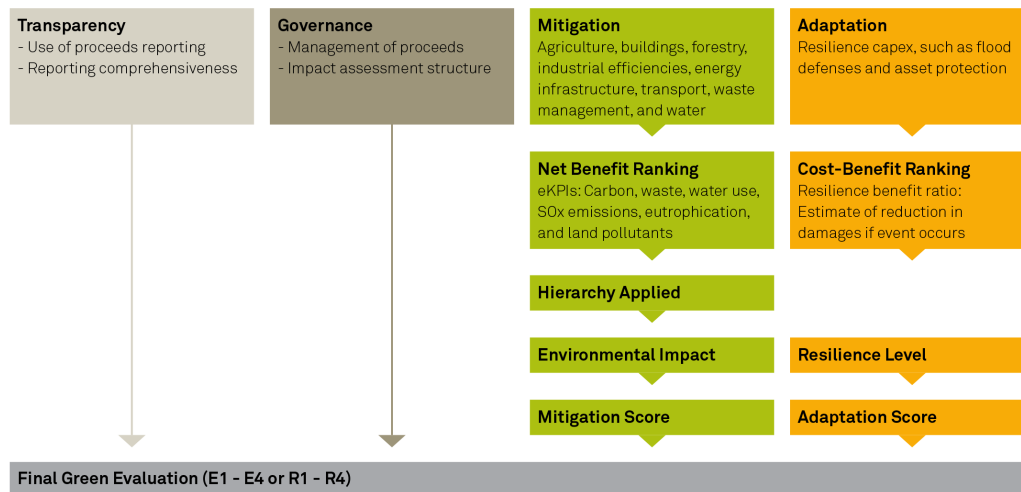
What is a Green Transaction Evaluation?

S&P Global Ratings' Green Transaction Evaluation is an external review that comprises a point-in-time assessment of the environmental credentials of a financing transaction or portfolio. It includes a ranking of its relative net environmental benefit along with an assessment of its governance and transparency provisions (see "Sustainable Finance External Reviews And Opinions," published Oct. 16, 2020). The evaluation of a transaction involves the assessment of transparency, governance, and the relative net environmental impact, or mitigation, on a scale of 0- 100. It then combines these three elements to provide a final Green Transaction Evaluation score from 0- 100, and from E1- E4, which is 0- 100 in quartiles. For transactions funding resilience projects instead of mitigation projects, we assess the resilience benefit and provide an adaptation score on a scale of 0- 100, and R1- R4. A higher number, such as 100, E1, or R1, indicates a higher net environmental impact or resilience benefit, respectively, over the funded assets' life relative to the environmental contribution of other green financings (see chart).

As a point-in-time assessment, a Green Transaction Evaluation partly based on an estimate of a project's expected lifetime net environmental impact if it performs to the industry average. S&P Global Ratings does not maintain ongoing surveillance on a Green Transaction Evaluation. A Green Transaction Evaluation is not a credit rating.

Chart 1

Green Evaluation Analytical Approach



eKPIs--Environmental key performance indicators.
Copyright © 2020 by Standard & Poor's Financial Services LLC. All rights reserved.

What transaction types can be evaluated under the Green Transaction Evaluation?

We do not limit Green Transaction Evaluations to issuer self-labeled green bonds. We can also evaluate unlabeled bonds, equity transactions, bank loans, private placements, project financed debt, hybrids, portfolios, asset-backed securities, and other financial transactions. Informing our evaluation are the cash flow management processes and environmental measures in the offering documents or other reports, committed to by the issuer.

Fundamentals

What are the Green Bond and Social Bond Principles?

The four core components of the GBP are use of proceeds, process for project evaluation and selection, management of proceeds, and reporting.

ICMA, which acts as the secretariat to the GBP and the SBP Executive Committee, describes both principles as "voluntary process guidelines that recommend transparency and disclosure and promote integrity in the development of the green (social) bond market by clarifying the approach for issuance of a green (social) bond." (Green Bond Principles, June 2018; Social Bond Principles, June 2020.)

The four core components of the GBP 2018 and SBP 2020 are:

- Use of proceeds;
- Process for project evaluation and selection;
- Management of proceeds; and
- Reporting.

What is a green bond?

Here, we use the term green bond to refer to a bond that an issuer has self-labeled green, based on its view that it has voluntarily complied with the GBP's recommended four components. In cases where an issuer labels a bond as green using a rationale or set of principles other than the GBP, we would not offer a GBP alignment opinion.

What is a social bond?

Similar to green bonds, we use the term social bond to refer to a bond that an issuer has self-labeled social, based on its view that it has voluntarily complied with the SBP's recommended four components. In cases where an issuer labels a bond as social using a rationale or set of principles other than the SBP, we would not offer an SBP alignment opinion.

What is a sustainability bond?

We define a sustainability bond according to ICMA's SBG, June 2018, as "bonds where the proceeds will be exclusively applied to finance or refinance a combination of both green and social projects. Sustainability bonds are aligned with the four core components of both the GBP and SBP."

What are the GLP?

The GLP build on and refer to the GBP and aim to promote consistency across financial markets. They are administered by the LMA. The GLP are voluntary, recommended guidelines that "set out a clear framework, enabling all market participants to clearly understand the characteristics of a green loan, based around the [the same] four core components [as the GBP]...." (Green Loan Principles, December 2018).

What is a green loan?

According to the GLP, "green loans are any type of loan instrument made available exclusively to finance or refinance, in whole or in part, new and/or existing eligible green projects." Green loans must align with the four components of the GLP.

Our Green Transaction Evaluation, The GBP, And The GLP

Does a Green Transaction Evaluation of an issuer's self-labeled green bond constitute an external review under the GBP or GLP?

Yes. We believe our Green Transaction Evaluation can provide both a score and a second-party opinion, both of which are referred to as forms of external reviews under the GBP and the GLP. However, our Green Transaction Evaluation is not a verification, certification, audit, or credit rating.

Does the Green Transaction Evaluation constitute verification or certification of a self-labeled green bond under the GBP or GLP?

No. Our Green Transaction Evaluation does not constitute a verification, certification, audit, or rating. Our Green Transaction Evaluation of a transaction provides an independent external review of a particular financing transaction, at a point in time, based on our analytical approach. The report might or might not provide a second-party opinion on a transaction's alignment with the GBP or GLP.

We provide second-party opinions on transaction alignment with the GBP or the GLP only when the issuer requests, and when some, if not all, of the projects the transaction finances fall within the scope of our Green Transaction Evaluation analytical approach (see table 1).

Do all elements of the Green Transaction Evaluation analytical approach contribute to S&P Global Ratings' Transaction Alignment Opinion?

No. We base our alignment opinion on our assessment of transparency and governance. Our mitigation and adaptation scores do not contribute to our alignment opinion.

Table 1

Carbon, Water, Waste, And Land Use Hierarchies

Sector	Technology
Carbon	
Tier 1: Systemic decarbonization	Green energy: Wind power
	Green energy: Solar power
	Green energy: Small hydro
	Green energy: Large hydro (excluding tropical areas)
	Energy efficiency: Energy management and control
Tier 2: Significant decarbonization of key sectors through low-carbon solutions	Green transport without fossil fuel combustion
	Green buildings –new build
Tier 3: Decarbonization by alleviating emissions in carbon-intensive industries	Energy efficient projects (industrial efficiencies and energy star products)
	Green transport with fossil fuel combustion
	Green buildings refurbishment
Tier 4: Decarbonization technologies with significant environmental hazards	Nuclear power
	Green energy: Large hydro in tropical areas
Tier 5: Improvement of fossil fuel-based activities' environmental efficiency	Fossil fuel power plants: Coal to natural gas
	Fossil fuel power plants: Cleaner fuel production
	Fossil fuel power plants: Cleaner use of coal
Water	
Tier 1: System enhancements	Recycling wastewater to supply potable municipal water

	Recycling wastewater to supply non-potable water for agricultural uses
	Recycling wastewater to supply non-potable water for other industries
	Wastewater treatment with no energy recovery
	Wastewater treatment with energy recovery
Tier 2: Marginal system enhancements	Reducing water losses in the water distribution network
Tier 3: System enhancements with significant negative impacts	Water desalination to supply potable municipal water
Tier 4: Demand-side improvements	Conservation measure in residential buildings
	Conservation measure in commercial buildings
	Conservation measure in industrial buildings
	Smart metering in residential buildings
Waste	
Tier 1: Waste reduction	Reduction in food loss
Tier 2: Waste management with material reuse	Aerobic composting with fertilizer reuse
Tier 3: Waste management for energy recovery	Anaerobic digestion
	Gasification/pyrolysis with waste feedback
	Waste to energy
Tier 4: Waste management improvements	Hazardous waste management
Land	
Tier 1: Maintenance of natural state	Land restoration to natural state
	Forest protection and restoration
Tier 2: Low human intervention	Low tillage
	Forestry expansion for non-timber forest products
	Forestry protection
Tier 3: Alternative farming	Sustainable fertilizers
	Organic farming
	Drought-resistant crops
	Rotational grazing
Tier 4: Improvements in conventional agriculture and forestry	System of rice intensification
	Precision agriculture and livestock
	Sustainable forest management for timber production
Tier 5: Intensive land use	Plantation forestry
	Crop-based products (biofuels)
	Land restoration to agriculture
Source: S&P Global Ratings.	

In what way is the transparency and governance assessment aligned with the GBP and GLP?

We provide second-party opinions on GBP and GLP transaction alignment only when the issuer requests.

In our assessment of a transaction's transparency and governance for a Green Transaction Evaluation, we consider whether:

- The net proceeds have been or are expected to be committed to eligible green projects.
- The issuer has used and disclosed or is expected to use and disclose clear criteria in allocating funds to select environmentally beneficial projects.
- The proceeds have or are expected to be tracked (potentially with the use of subaccounts) and the issuer will seek verification of their proceeds allocation by either an auditor or an independent third party.
- The issuer has or is expected to report on the funded projects' environmental impact and the use of proceeds, and how often it expects to do this.

In our view, these categories align with the GBP and GLP.

What is an eligible green project?

Green taxonomies vary around the globe. In China, for instance, efficiency upgrades to coal-fired power stations are considered green. Although the GBP and GLP do not exclude issuer self-labeled green bonds from funding fossil-fuel-related projects, some issuers or borrowers (or investors) might believe that anything fossil-fuel-related should be excluded from consideration as a green investment.

In the context of performing a Green Transaction Evaluation on a transaction, we refer to the issuer's definition of what constitutes a green use of proceeds, as long as we believe the project (or a discrete component thereof) falls within the scope of our published approach. Pursuant to our transparency and governance scoring, we consider (among other things) the strategies, criteria, policies, and financing covenants in place that provide comfort that the proceeds have been, or will be, applied to eligible green projects (as defined by the issuer).

How does the transparency and governance scoring differ from those under the GBP and GLP?

Our Green Transaction Evaluation is a score that addresses the relative environmental impact of a financing based on our analytical approach.

The GBP and GLP provide a framework of recommended processes and measures that an issuer may use as the basis for self-labeling its bond or loan as green.

Our Green Transaction Evaluation is an external review that provides an assessment of the relative environmental impact of a financing based on our analytical approach, which is aligned with both the GBP and GLP. The evaluation includes a transparency and a governance score, both on a scale of 0-100. We determine these scores based on a set of questions we have developed, a subset of which covers the four components the GBP and GLP require.

The weightings we apply to derive our transparency and governance scores on a scale of 0-100 are our own. Some of the factors we consider in our scoring that we believe advance governance objectives and enhance overall transparency relative to current market standards include:

- Disclosure of the methodology used to calculate estimated or actual environmental impact. We believe disclosing each metric's methodology enables investors to better understand and have confidence in the environmental impact that a financing will have.
- Intention to follow local environmental regulations. We believe this is important in achieving impact and avoiding adverse consequences.
- The depth of the environmental metrics to be reported on. We believe it is appropriate to rank issuers that provide more in-depth environmental metrics higher than those who provide less detailed information.
- Intention to meet established standards such as Leadership in Energy and Environmental Design, known as LEED, or the Building Research Establishment Environmental Assessment Method, known as BREAM. We

believe attaining such a certification with established standards provides additional comfort with respect to the environmental impact.

Transaction Alignment Opinion

What kind of transaction would be aligned with the GBP and GLP as part of a Green Transaction Evaluation?

A transaction must meet several conditions within the Green Transaction Evaluation analytic approach for S&P Global Ratings to consider a green bond aligned with the GBP or GLP.

First, all net proceeds must be allocated to eligible green projects as described above.

Second, the bond or loan must meet the basics of the four components of the GBP or GLP, indicating a commitment to:

- Use the net bond proceeds for eligible green projects as stated above,
- Use clear criteria in selecting projects for funding,
- Manage and track proceeds, and
- Commit to regular reporting of environmental impact and use of proceeds.

Third, under our approach to assessing alignment, we believe that a bond or loan must receive a governance score of 58 or more and a minimum transparency score of 42 or more.

If all three conditions are satisfied, S&P Global Ratings might view an issuer self-labeled green bond or loan as being aligned with the GBP or GLP.

A transaction could conceivably score adequately from a numeric standpoint on our scale from 0-100 but not meet the basics of the four components of the GBP or GLP. In this case, the green bond or loan would not be aligned with the GBP or GLP, in our view.

If a transaction scores E1 on the Green Transaction Evaluation scale, does it indicate alignment with the GBP or GLP?

Not necessarily, for several reasons.

Under our analytical approach, we derive the final Green Transaction Evaluation on a scale of 0-100 by weighting the transparency score by 15%, the governance score by 25%, and the mitigation score by 60%. With an excellent mitigation score of 90-100, a bond could achieve an E1 (an overall score of 75-100) yet have a weak transparency score (below 40) and an average governance score (below 60) that did not align with the four components of the GBP or GLP.

Under our analytical approach, a portion of a financing transaction could score E1, although allocating some of the funds to ineligible (**non-green**) projects would negatively affect our scores. To be aligned with the GBP or GLP, all transaction proceeds must be disbursed to eligible green projects.

Could an E4 bond or loan be aligned with the GBP or GLP?

Yes. Under our approach, despite excellent transparency and governance scores, the mitigation score or net environmental impact of the technology could limit the final Green Transaction Evaluation to the lower quartile, or E4. Our mitigation scores cap the final Green Transaction Evaluation, no matter how good the transparency and governance. As an example, a fossil fuel plant efficiency upgrade could have transparency and governance scores well above the minimum levels for GBP or GLP alignment, but our environmental impact assessment would limit the final Green Transaction Evaluation score. The GBP and GLP do not preclude an issuer from self-labeling a transaction funding a fossil fuel plant efficiency upgrade as green.

Can a transaction be viewed as aligned with the GBP or GLP if the Green Transaction Evaluation mitigation or adaptation assessment covers less than the entire green bond or loan?

Yes, a Green Transaction Evaluation could apply to only a portion of an issuer's self-labeled green bond or loan, and the transaction could still be eligible for an alignment opinion if the entire transaction's transparency and governance meets our conditions for alignment, as outlined above.

An issuer might have communicated their intention to allocate all proceeds to green projects (as defined by the issuer), but we might not be in a position to provide a Green Transaction Evaluation for the entire transaction if some of the green projects do not fall within the scope of our analytical approach.

Our Green Transaction Evaluation reports identify the proportion of the financing that we can evaluate using our methodology. The related reports also clearly state the proportion of a financing the issuer has allocated or intends to allocate to green projects. For example, let's consider an issuer that intends to allocate proceeds of a \$150 million bond as follows: \$100 million of proceeds to a wind energy project (covered by our methodology) and \$50 million to a sustainable fishing project (not yet covered by our analytical approach). In our report, we would note that the Green Transaction Evaluation applies to 66% of the \$150 million transaction in the report, and that all proceeds are funding green projects (thus meeting our first condition for alignment).

Can a Green Transaction Evaluation of a refinancing be considered aligned with the GBP or GLP?

The GBP provides that "Green bonds are any type of bond instrument where the proceeds will be exclusively applied to finance or re-finance, in part or in full, new and/or existing eligible green projects ... and which are aligned with the four core components of the GBP." Green loans apply the same approach for a refinancing.

Based on this definition, we believe that a refinancing may be eligible for an alignment opinion with the GBP or GLP if it meets the three conditions outlined above.

Will S&P Global Ratings publish Transaction Alignment Opinions?

If requested by the seeker of finance, we might include a Transaction Alignment Opinion in our Green Transaction Evaluation reports. Green Transaction Evaluation reports are point-in-time evaluations and become public only at the seeker of finance's request.

Green, Social, And Sustainability Framework Alignment Opinions

Can S&P Global Ratings provide an alignment opinion of a green, social, and sustainability financing framework with the GBP and/or GLP, SBP, and SBG, respectively?

Yes, S&P Global Ratings offers a stand-alone second-party opinion on green, social, and sustainability financing frameworks' alignment with the Principles.

What are green, social, and sustainability frameworks?

These sustainable financing frameworks are documents created by an issuer or borrower that articulate the entity's proposed use of proceeds from a green bond or loan, social bond, or sustainability bond and how they support environmental and/or social benefits. A framework typically includes information on the eligible categories (per the GBP, GLP, and SBP) under which the projects being financed or refinanced fit, as well as information about the transaction's governance and transparency.

What does a Green, Social, or Sustainability Framework Alignment Opinion involve?

In our framework alignment opinions, we provide a second-party opinion about whether a sustainable financing framework aligns with the four components of the Principles and where, in our view, the framework goes beyond the Principles' requirements.

For S&P Global Ratings to consider a sustainable debt framework aligned with the Principles, it must first state that all net proceeds of any instrument issued under the framework will be allocated to eligible green or social projects.

Second, the framework must meet the four components of the respective set of principles, indicating a commitment to:

- Use the net bond proceeds for eligible green or social projects;
- Use clear criteria in selecting projects for funding;
- Manage and track proceeds; and
- Commit to regular reporting of environmental impact and use of proceeds.

In addition to GBP, GLP, or SBP alignment, S&P Global Ratings' framework alignment opinion provides:

- An identification of alignment/misalignment between the framework and the Principles.
- A description of the seeker of finance's sustainability objectives, as articulated in its sustainable debt framework.
- A mapping with the Sustainable Development Goals. This is based on ICMA's mapping and the information articulated solely in a framework.
- A description of additional features of the framework that follow the recommended aspects of the respective set of Principles.

Do all elements of the Green Transaction Evaluation analytical approach contribute to the framework alignment opinion?

No. We base our Green Framework Alignment Opinion on our assessment of whether the framework satisfies all the requirements of the GBP or GLP. A Green Framework Alignment Opinion does not include a mitigation or resilience assessment nor a final numerical score.

Why is the methodology different for a Transaction Alignment Opinion than it is for a green financing framework alignment opinion?

A green financing framework covers all green bonds, loans, and financial instruments issued by a seeker of finance according to the criteria and principles established in the green financing framework. These include the eligibility criteria for green projects, the process for proceeds management, and the types of environmental indicators reported, among others. Green financial transactions, in turn are often an application of the framework for a specific issuance and include the specific projects being financed. As such, we structure the analysis of our Green Framework Alignment Opinion differently to reflect the various details in green financing frameworks relative to individual transactions and do not link eligible projects to our various hierarchies.

Does the Green Transaction Evaluation satisfy the Climate Bonds Initiative certification standard?

No. There are several reasons for this:

- Some green projects might be considered green under the GBP and fall within the scope of our Green Transaction Evaluation approach but are excluded from CBI certification standards, such as nuclear and fossil fuel projects.
- Green Transaction Evaluations and alignment opinions are not certifications.
- CBI certification requires reporting until all proceeds of the transaction are disbursed. The Green Transaction Evaluation is a point-in-time evaluation on actual or expected allocation of proceeds.

Revisions And Updates

On Oct. 16, 2020, we changed the name of this article to "Sustainable Finance External Reviews And Opinions Q&A: Transaction And Framework Alignment Opinions With The Green Bond, Green Loan, And Social Bond Principles" from "Green Evaluation: Transaction And Framework Alignment Opinions With The Green Bond and Green Loan Principles" to incorporate our new second-party opinion on a social and/or sustainability framework's alignment with ICMA's SBP and/or the GBPs, respectively (collectively SBG).

This article was previously updated on June 5, 2020, to include transaction alignment with the Green Loan Principles (2018) and to take into account expanded application of the Green Transaction Evaluation to a green framework and its alignment with the GBP and the GLP.

Related Research

- Sustainable Finance External Reviews And Opinions, Oct. 16, 2020
- Led By Green Bonds, The Sustainable Debt Market Looks To Surge Ahead, Feb 13, 2020
- Could Agriculture And Forestry Be The New Frontier For Green Bonds? Dec. 4, 2019
- Infrastructure Seeks A Circular Solution To Sustainability, Dec. 4, 2019
- Sink Or Swim: The Importance Of Adaptation Projects Rises With Climate Risks, Dec. 3, 2019
- How Do Labeled Green Bonds Measure Up? Nov 8, 2017
- Evaluating The Environmental Impact Of Projects Aimed At Adapting To Climate Change, Nov. 10, 2016

This report does not constitute a rating action.

Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P) receives compensation for the provision of the Sustainable Finance External Reviews and Opinions product (Product). S&P may also receive compensation for rating the transactions covered by the Product or for rating the issuer of the transactions covered by the Product. The purchaser of the Product may be the issuer.

The Product is not a credit rating, and do not consider credit quality or factor into our credit ratings. The Product does not consider, state or imply the likelihood of completion of any projects covered by a given financing, or the completion of a proposed financing. The Product encompasses Framework Alignment Opinions and Transaction Evaluations. Types of Framework Alignment Opinions include: (i) Green Framework Alignment Opinion: a Green Framework Alignment Opinion provides a second opinion on alignment of a green financing framework with the published "Green Bond Principles" and/or "Green Loan Principles"; (ii) Social Framework Alignment Opinions: a Social Framework Alignment Opinion provides a second opinion on alignment of a social financing framework with the published "Social Bond Principles"; and (iii) Social Framework Alignment Opinions: a Social Framework Alignment Opinion provides a second opinion on alignment of a social financing framework with the published "Social Bond Principles." Transaction Evaluations include Green Transaction Evaluations: a Green Transaction Evaluation provides a relative green impact score on instruments targeted at financing environmentally beneficial projects and may also include a second opinion on alignment of the instrument with the published "Green Bond Principles" and/or "Green Loan Principles." The Product is a statement of opinion and is neither a verification nor a certification. The Product is a point in time evaluation reflecting the information provided to us at the time that the Product was created and published, and is not surveilled. The Product is not a research report and is not intended as such. S&P's credit ratings, opinions, analyses, rating acknowledgment decisions, any views reflected in the Product and the output of the Product are not investment advice, recommendations regarding credit decisions, recommendations to purchase, hold, or sell any securities or to make any investment decisions, an offer to buy or sell or the solicitation of an offer to buy or sell any security, endorsements of the suitability of any security, endorsements of the accuracy of any data or conclusions provided in the Product, or independent verification of any information relied upon in the credit rating process. The Product and any associated presentations do not take into account any user's financial objectives, financial situation, needs or means, and should not be relied upon by users for making any investment decisions. The output of the Product is not a substitute for a user's independent judgment and expertise. The output of the Product is not professional financial, tax or legal advice, and users should obtain independent, professional advice as it is determined necessary by users.

While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Product. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for reliance of use of information in the Product, or for the security or maintenance of any information transmitted via the Internet, or for the accuracy of the information in the Product. The Product is provided on an "AS IS" basis. S&P PARTIES MAKE NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, INCLUDED BUT NOT LIMITED TO, THE ACCURACY, RESULTS, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE WITH RESPECT TO THE PRODUCT, OR FOR THE SECURITY OF THE WEBSITE FROM WHICH THE PRODUCT IS ACCESSED.

S&P Parties have no responsibility to maintain or update the Product or to supply any corrections, updates or releases in connection therewith. S&P Parties have no liability for the accuracy, timeliness, reliability, performance, continued availability, completeness or delays, omissions, or interruptions in the delivery of the Product.

To the extent permitted by law, in no event shall the S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence, loss of data, cost of substitute materials, cost of capital, or claims of any third party) in connection with any use of the Product even if advised of the possibility of such damages.

S&P maintains a separation between commercial and analytic activities. S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

For PRC only: Any "Sustainable Finance External Reviews and Opinions" or "assessment" assigned by S&P Global Ratings: (a) does not constitute a credit rating, rating, social financing framework evaluation or evaluation as required under any relevant PRC laws or regulations, and (b) cannot be used within the PRC for any regulatory purpose or for any other purpose which is not permitted under relevant PRC laws or regulations. For the purpose of this section, "PRC" refers to the mainland of the People's Republic of China, excluding Hong Kong, Macau and Taiwan.

Copyright © 2020 by Standard & Poor's Financial Services LLC. All rights reserved. [spglobal.com/ratings](https://www.spglobal.com/ratings)