

REPUBLIC OF FIJI GREEN BOND

SECOND-PARTY OPINION BY SUSTAINALYTICS

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1. INTRODUCTION

The Republic of Fiji (“Fiji”) has developed a Green Bond Framework under which it intends to issue Green Bonds, using the proceeds of such issuances to finance projects and programmes that will contribute to climate change mitigation and adaptation, sustainable land use and biodiversity protection.

Under Fiji’s Green Bond Framework, the use of proceeds falls within the following Eligible Sectors:

- Renewable Energy and Energy Efficiency;
- Resilience to Climate Change for Highly Vulnerable Areas and Sectors;
- Clean and Resilient Transport;
- Reducing Pollution and Greenhouse Gas Emissions;
- Water Efficiency and Wastewater Management;
- Sustainable Management of Natural Resources; and
- Eco-efficiency.

Fiji has engaged Sustainalytics to provide a second opinion on its Green Bond Framework and the framework’s environmental credentials. As part of this engagement, Sustainalytics requested and reviewed a broad set of documentation in order to understand the planned use of proceeds, as well as other aspects of the Fiji’s Green Bond Framework. Sustainalytics also reviewed relevant public documents and other non-public information. Following this engagement, some elements of Fiji’s Green Bond Framework were clarified to ensure an alignment with the level of disclosure expected by ICMA’s Green Bond Principles (GBP) 2017.¹

This document contains Sustainalytics’ opinion on Fiji’s Green Bond Framework and should be read in conjunction with that framework.

¹ The Green Bond Principles 2017, dated 2 June 2017, issued by the International Capital Market Association (ICMA):
<https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/SocialBondsBrochure-JUNE2017.pdf>

2. SUSTAINALYTICS' OPINION

Section 1: Sustainalytics' Opinion on Fiji's Green Bond Framework

Sustainalytics is of the opinion that the Republic of Fiji's Green Bond Framework is credible and transparent and aligns with the four pillars of the Green Bond Principles 2017. Some key considerations of the framework include:

- Eligible projects for the use of proceeds are aligned with those recognized by ICMA's Green Bond Principles, and are expected to have clear positive environmental impacts. For an assessment of the expected impact of the use of proceeds, please see Section 3.
- Proceeds from the Green Bonds are also expected to contribute to:
 - Improving the country's preparedness and resilience to weather related events, and reduce vulnerabilities through adaptation to climate change.
 - Achieving Fiji's Paris Agreement commitments to combat climate change, increase the share of renewable energy to 100% by 2030, and reduce CO₂ emissions by 10% through energy efficiency improvement projects;
 - Achieving Fiji's Green Growth Framework and Fiji's 5-Year and 20-Year National Development Plan; and
 - UN Sustainable Development Goals (SDGs) – specifically SDGs 1, 2, 6, 7, 9 and 13.
- The Green Bond Framework's process for project evaluation and selection is executed through a Green Bond Steering Committee chaired by the Director of Climate Change within Fiji's Ministry of Economy. Sustainalytics considers that the oversight from the Ministry of the Economy is likely to strengthen the impact of the use of proceeds, more so since Fiji has opted for a cross-ministries collaborative approach to confirm and conclude the eligibility of the projects.
- Sustainalytics has reviewed Fiji's documents, including a Climate Vulnerability Assessment report which confirms that the country has identified, and seeks to address, risks posed by climate change through the country's resilience strategy. Moreover, the socio-economic impact in the aftermath of the Cyclone Winston in 2015 prompted the Government of Fiji to reshape its national policy regarding disaster risk management procedures and resilient reconstruction efforts. Fiji developed a National Adaptation Planning (NAP) and a Disaster Recovery Framework in order to improve its adaptation planning over the long term and to build resilience to climate-related weather events. Sustainalytics is of the opinion that Fiji's use of proceeds towards climate-science capacity building, climate-adapted research and improved infrastructure will improve the country's preparedness and resilience to weather related events, and reduce vulnerabilities through adaptation to climate change.
- Sustainalytics recommends that Fiji should specify a minimum performance improvement threshold and strive to achieve that level of improvement for projects financed with the proceeds of the bonds in order to ensure that impacts are meaningful. Sustainalytics recognizes that, with

respect to investments in energy efficiency, best practice in the Green Bond market is to invest in technologies that ensure a minimum of 20-30% performance improvement in energy efficiency.

- Sustainalytics recommends that the Government of Fiji implement a granular impact reporting framework that details impact indicators, and includes an annual impact disclosure with respect to the defined indicators. Sustainalytics also recommends the Government of Fiji to define impact indicators for each proposed Eligible Project category.

Alignment with ICMA’s Green Bond Principles 2017: Sustainalytics has determined that the Republic of Fiji’s Green Bond Framework aligns to the four pillars of the Green Bond Principles 2017. For detailed information please refer to Appendix 1: Green Bond/Green Bond Programme External Review Form.

Section 2: Assessment of Fiji’s Environmental Mandate and Risk Mitigation Strategy

Contribution of Fiji’s Green Bond to Fiji’s Environmental Commitments

Sustainalytics is of the opinion that projects financed by the green bond will result in positive environmental and climate impacts that will also help Fiji to meet its international commitments.

Fiji’s geographical location in a climate-induced disaster-prone region²³ creates a strong incentive for the country to implement a strategic transition plan that will make Fiji more resilient in the face of climate change. The Republic of Fiji displays a bold commitment to tackle climate change with a national target to approach 100% renewable energy share of national energy mix by 2030, up from around 60% in 2013. Fiji further demonstrates a clear engagement for sustainable development by assuming the COP23 Presidency with a clear mandate to help climate vulnerable countries build resilience in the face of climate change and enable better access to climate adaption financing.

In order to meet its commitments, the Republic of Fiji developed a national sustainability strategy called the “Green Growth Framework”, as well as a “National 5-Year and 20-Year Development Plan – Transforming Fiji” (2017), both based on the commitments of the UN’s Framework Convention of Climate Change (UNFCCC). Fiji’s sustainability strategy is based around the sustainable management of the country’s natural resources and it includes a cohesive set of sectoral policies combining the areas of: (1) agriculture; (2) land use; (3) forestry; (4) fisheries; and (5) water.

Sustainalytics is of the opinion that formalizing commitments through national strategies and time-bound targets is indicative of the priority a country assigns to achieving results. Based on the above commitments, Fiji’s Green Bond contributes to meeting its international climate commitments, and to improving the country’s preparedness and resilience to weather related events.

Well positioned to mitigate environmental and social risks

² <http://newsroom.unfccc.int/cop-23-bonn/how-fiji-is-impacted-by-climate-change/>

³ http://www.sprep.org/attachments/Climate_Change/Fiji-National-Climate-Change-Policy.pdf

Sustainalytics recognizes that infrastructure development projects may have associated negative environmental and or social impacts, including the disruption of ecosystems due to land use change or development (such as bird strikes from wind turbines or marine dredging), air pollution and water pollution. To avoid adverse effects on the environment and people, the issuer has confirmed that in order to be financed through green bond proceeds, all projects should be in full compliance with the laws and regulations of Fiji including, but not limited to, the *Environmental Management Act, 2005* and regulations made under that Act, administered by the Department of Environment within the Ministry of Environment, the Fiji Code of Environmental Practice (COEP) and the Town Planning Act 1946. Sustainalytics is of the opinion that Fiji has established relevant mandates in order to safeguard against potential environmental and social risks and is well positioned to manage such risks.

Section 3: Impact of Use of Proceeds

Sustainalytics has reviewed Fiji's documents, including a Climate Vulnerability Assessment report and its National Adaptation Planning (NAP) Process, which confirm that the country has identified, and seeks to address, risks posed by climate change through the country's resilience strategy. Sustainalytics is of the opinion that Fiji's use of proceeds towards climate-science capacity building, climate-adapted research and improved infrastructure will improve the country's preparedness and resilience to weather related events, and reduce vulnerabilities through adaptation to climate change.

Impacts of Financing Climate Change Resilience Projects in Highly Vulnerable Areas and Sectors

Sustainalytics believes that the proceeds of the Green Bond will generate significant impact in the area of agriculture protection and water management. The Government of Fiji has committed to rehabilitate and extend the country's sugarcane farm drainage systems so as to increase crops' resilience and reduce farm flooding risks. Sustainalytics estimates that the proposed installation of improved drainage mechanisms and the upgrade of the country's irrigation capacities would positively impact Fiji's agricultural infrastructure by mitigating the risks associated with reduced land arability and heat stress on soils during the dry season.⁴ Sustainalytics views positively Fiji's proposed investment in watershed management capabilities considering that such land improvements are likely to have an immediate positive impact on the soil quality, its productivity and the overall livelihood of the agriculture-dependent communities.

On the other hand, the projects targeting the installation of flood protection mechanisms are likely to increase crop resilience and reduce associated damages during the wet season. As more than 70% of Fiji's labor force is directly involved in agricultural activities,⁵ such farm equipment improvements are likely to help avoid production losses and build resilience for the farming communities.

Impact of afforestation projects

Additionally, Sustainalytics has a positive view of Fiji's proposed investments in afforestation programmes as they will help to restore the islands' ecological services capacity. The proposed afforestation

⁴ https://ec.europa.eu/jrc/sites/jrcsh/files/Irrigation_BEMP_Agriculture.pdf

⁵ <https://www.cia.gov/library/publications/the-world-factbook/geos/fj.html>

programmes will increase carbon sequestration and serve as a water regulator. The Food and Agriculture Organization of the United Nations (FAO) has observed that afforested areas positively contribute to maintaining water flows during the dry season and help prevent against landslides, soil erosion and floods in downstream areas, all of these issues being highly material for Fiji's communities and the overall economy.⁶

Sustainalytics believes that Fiji's proposed enlargement of afforested areas also has a significant potential to improve drainage networks by enhancing the natural absorption and retention capacity of soil. Fiji's extension of its watershed and drainage systems also possesses a strong potential to contribute to the quality of the river streams by helping avoid bank erosion, siltation, and sediment pollution during the wet season. Sustainalytics considers that the avoided sediment pollution also positively contributes to the good functioning of the watershed management systems and has a strong potential to complement Fiji's flood protection technologies. Sustainalytics is of the opinion that Fiji's proposed flood protection mechanisms as well as its watershed management systems are likely to reduce the magnitude of peak discharges, which in turn may reduce urban flooding risks and economic disruption risks, thus scaling down economic losses.

Impact of waste-water management projects

Fiji's location in the South Pacific Convergence Zone makes it vulnerable to water availability risks during the dry season and water contamination risks during the wet season because of heavy rainfalls.⁷ However, the Republic of Fiji has identified these seasonal risks and plans to implement a Water Catchment Management Program in order to ensure potable water availability during the dry season. Moreover, as the wastewater treatment facilities may be placed under intense pressure during the wet season, the Government of Fiji has proposed projects that target the replacement of old water collection pipes, thus reducing the risks of waterways pollution during the wet season. Sustainalytics considers that the correct collection of wastewater and storm water would reduce the prevalence of water-borne diseases spread through unsafe drinking water and unsatisfactory sanitation during extreme weather events, thus positively impacting river stream water quality and the overall health and well-being of communities.

Impact of clean and resilient transport projects

Fiji's current overreliance on fossil fuels for its inland transit along with its climate-sensitive road network infrastructure, especially following weather events, pose air quality concerns and connectivity issues for the country. Sustainalytics considers that the potential upgrading of Fiji's transportation network which would include higher climate resilient design standards are likely to increase the road network's capacity to withstand the effect of weather events (e.g., heavy rainfall driven landslides) and therefore to catalyze the islands' future post-disaster relief efforts. Moreover, any new potential investment into energy-efficient and low emission public transportation systems and technologies along with Fiji's proposed adoption of biodiesels would positively contribute to Fiji's air quality, decrease the island's current overreliance on fossil fuels for its transportation necessities, and reduce its carbon footprint.

⁶ <http://www.fao.org/docrep/010/a1598e/a1598e02.htm>

⁷ http://www.sprep.org/attachments/Climate_Change/Fiji-National-Climate-Change-Policy.pdf

Impact of financing capacity building programs

Fiji's location creates opportunity for the international community to enhance its understanding of climate-change science.⁸ However, the Republic of Fiji has indicated that its insufficient technical expertise, human resources and financial readiness represent the most material issues interfering with its efforts and commitments to mitigate the effects of normal weather events and adapt to climate-change weather events. As such, Sustainalytics considers that Fiji's proposed projects to invest in water level and rainfall telemetry instruments as well as new weather forecasting stations would directly contribute to the country's commitments to deliver quality climate change adaptation research related to sea-level rise. Moreover, new investments in early warning systems and adaptive research for agricultural and rural development will enhance the country's resilience capacities and reduce Fiji's vulnerability to weather events and climate shocks.

Importance of Resilient Reconstruction and Disaster Risk Management

Resilient reconstruction efforts represent a national priority for the Fiji government. They are structured around a series of prescriptions set out by the 'Build Back Better'⁹ principles, which address the recovery, rehabilitation and reconstruction of buildings and communities following extreme weather events. Sustainalytics believes that the projects with the most significant positive impact relate to the resilient design (roof framing layouts and shutters for glassed areas) for schools and public buildings, given that these institutions are usually treated as "shelters of last resort" by the local communities during or after extreme situations, along with the evacuation centers. Sustainalytics is of the opinion that the incorporation of backup power supplies and water tanks into these evacuation centers, as well as their proposed compliance with maximum cyclone standards (77m/s) offer a greater integration of Fiji's post-disaster recovery capacities.

Impact of Financing Renewable Energy

Pacific Island countries currently spend up to 25% of their GDP on fuel imports, despite favorable and abundant natural renewable energy sources such as sunlight and wind. Fiji's investment proposals in renewable energy technologies are likely to reduce the country's dependency on foreign energy imports and positively contribute to ensure universal access to renewable energy services by 2030.¹⁰ Sustainalytics considers that government investments in this area may have a significant impact in Fiji because of the reserved lending context in Fiji in which local banks are conservative in issuing loans for the deployment of renewable energy technologies.¹¹

Alignment with the Sustainable Development Goals (SDGs)

The Sustainable Development Goals (SDGs), spearheaded by the United Nations, were established in September 2015 and form an agenda for achieving sustainable development by the year 2030. The Republic of Fiji's Green Bonds cut across numerous SDGs with a key focus on the following SDG goals and targets:

⁸ <http://www.worldbank.org/en/news/press-release/2017/05/04/fiji-a-crucial-player-in-global-fight-against-climate-change-says-new-world-bank-resident-representative>

⁹ http://www.unisdr.org/files/53213_bbb.pdf

¹⁰ http://www.fdoe.gov.fj/images/NEPReviewWorkPlan/fiji_se4all_report.pdf

¹¹ <http://www.worldbank.org/en/news/feature/2016/05/24/fiji-growing-a-renewable-energy-industry-while-expanding-electricity-access>

Use of Proceed	SDG	SDG target
Renewable Energy and Energy Efficiency	SDG 7: Affordable and Clean Energy	7.1: By 2030, ensure universal access to affordable, reliable and modern energy services 7.A: By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology
Resilience to Climate Change for Highly Vulnerable Areas and Sectors	SDG 1: No Poverty	1.5 By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters
Clean and Resilient Transport	SDG 9: Industry Innovation and Infrastructure	9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all
Reducing Pollution and Greenhouse Gas Emissions	SDG 13: Climate Action	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning
Water Efficiency and Wastewater Management	SDG 6: Clean Water and Sanitation	6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally
Sustainable Management of Natural Resources	SDG 2: Zero Hunger	2.4 by 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality

Conclusion

Sustainalytics believes that Fiji's financing or refinancing of climate change resilience projects in agriculture will positively impact agricultural productivity and the preservation of Fiji's natural capital through the efficient use of natural resources within ecological limits. Sustainalytics considers that investments in water and wastewater collection and treatment, afforestation, new investments in capacity-building projects, as well as resilient restructuring of buildings and communities following extreme weather events will positively contribute to reducing adverse environmental impacts and improve Fiji's risk management related to climate events.

The Republic of Fiji's Green Bond Framework is aligned with the four pillars of the Green Bond Principles 2017 (see Appendix 1), which address use of proceeds, process for project evaluation and selection, management of proceeds, and reporting. Based on the above considerations, Sustainalytics is of the view that the Republic of Fiji's Green Bond Framework is robust and credible.

APPENDICES

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

Green Bond / Green Bond Programme External Review Form

Section 1. Basic Information

Issuer name: The Republic of Fiji (“Fiji”)

Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: Republic of Fiji Green Bond Framework

Review provider’s name: Sustainalytics

Completion date of this form: October 13, 2017

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 GBPs:

- | | |
|--|--|
| <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 nd 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 the Green Bond Framework (posted in a separate document) and Second Opinion Document 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):

Overall, Sustainalytics is of the opinion that the proceeds from the bond will have clear positive environmental impacts and contribute promote the transition to low carbon and climate resilient growth. Fiji's use of proceeds towards climate-science capacity building, climate-adapted research and improved infrastructure will improve the country's preparedness and resilience to weather related events, and reduce vulnerabilities through adaptation to climate change. Furthermore, funding projects in clean transportation, water, and energy sectors advances the Sustainable Development Goals (SDGs).

Use of proceeds categories as per GBP:

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

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

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

The Green Bond Framework's process for project evaluation and selection is executed through a Green Bond Steering Committee chaired by the Director of Climate Change within Fiji's Ministry of Economy. Sustainalytics considers that the oversight from the Ministry of the Economy is likely to strengthen the impact of the use of proceeds, more so since Fiji has opted for a cross-ministries collaborative approach to confirm and conclude the eligibility of the projects.

Sustainalytics is of the opinion that the process to select projects for funding through bond proceeds is robust.

Evaluation and selection

- | | |
|--|---|
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <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 type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input checked="" type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

The Ministry of Economy will open a designated 'ring-fenced' sub-account to receive proceeds from Green Bond issuances and will be responsible for tracking Eligible Expenditures. The Green Bond may raise funds in multiple tranches to minimize the debt obligations and match Eligible Expenditure allocations. For any excess cash balances in the sub-account, Fiji may apply its usual liquidity management practices (such as investing in short term money markets) for any unspent portions of proceeds. Sustainalytics is of the opinion that management of proceeds is in line with industry norms.

Tracking of proceeds:

- | |
|---|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in a systematic 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 checked="" type="checkbox"/> Allocation to a portfolio of disbursements |

- Disclosure of portfolio balance of unallocated proceeds Other (please specify):

4. REPORTING

Overall comment on section (if applicable):

The Reserve Bank of Fiji will establish a page on their website, will include, among other things:

- 1) Key information about Fiji's Green Bond Program and Framework, including project selection criteria;
- 2) Progress status reports on the selection and implementation of the projects that are part of the Green Bonds portfolio (e.g. information on allocations of funds, including a list of the projects to which Green Bond proceeds have been allocated; remaining balance of unallocated Green Bond proceeds at the reporting period end; brief description of the projects; amounts allocated per project; activities, and impact); and
- 3) Monitoring of compliance with governance, environmental and social aspects as well as any safeguard and risk assessment documentation.

Use of proceeds reporting:

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

Information reported:

- Allocated amounts GB financed share of total investment
 Other (please specify):

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):

Frequency:

- Annual Semi-annual
 Other (please specify): At least on an annual basis. Frequency to be determined depending on the sector – until the maturity of the bond.

Information reported (expected or ex-post):

- GHG Emissions / Savings
- Energy Savings
- Other ESG indicators (please specify):
Improvements in air quality, recycling efficiency, etc.

Means of Disclosure

- Information published in financial report
- Information published in sustainability report
- Information published in ad hoc documents
- Other (please specify): *The Reserve Bank of Fiji website*
- Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):
Allocation of proceeds

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.)

<http://www.rbf.gov.fj/>

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

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

Review provider(s):

Date of publication:

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

- (i) **Consultant Review:** An issuer can seek advice from consultants and/or institutions with recognized expertise in environmental sustainability or other aspects of the issuance of a Green Bond, such as the establishment/review of an issuer's Green Bond framework. "Second opinions" may fall into this category.
- (ii) **Verification:** An issuer can have its Green Bond, associated Green Bond framework, or underlying assets independently verified by qualified parties, such as auditors. In contrast to certification, verification may focus on alignment with internal standards or claims made by the issuer. Evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria.
- (iii) **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against an external green assessment standard. An assessment standard defines criteria, and alignment with such criteria is tested by qualified third parties / certifiers.
- (iv) **Rating:** An issuer can have its Green Bond or associated Green Bond framework rated by qualified third parties, such as specialised research providers or rating agencies. Green Bond ratings are separate from an issuer's ESG rating as they typically apply to individual securities or Green Bond frameworks / programmes.

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The client is fully responsible for certifying and ensuring its commitments' compliance, implementation and monitoring.

SUSTAINALYTICS

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