


LIMAK CIMENTO SANAYİ VE TİCARET ANONİM ŞİRKETİ

Second-Party Opinion – Sustainability-Linked Finance Framework

Excellent 

Good

Aligned

Not Aligned

Pillar	Alignment	Key Drivers
KPI Selection	Excellent	<ul style="list-style-type: none"> Sustainable Fitch considers the KPI selected by LIMAK CIMENTO SANAYİ VE TİCARET ANONİM ŞİRKETİ (Limak Cement) to be relevant and material to the company's business and sustainability strategy, and to the cement sector. We view the selected KPI as core, as it addresses the cement sector's key environmental topic, ie Scopes 1 and 2 emissions. Limak Cement's KPI selection is strengthened by the framework's clear and robust calculation methodology for the KPI, which references recognised international and industry standards. We positively view the disclosure of the historical data series for the selected KPI, which provides greater transparency for investors.
Performance Targets	Excellent	<ul style="list-style-type: none"> The chosen sustainability performance target (SPT) indicates an improvement in KPI performance compared to a business-as-usual scenario. The selected SPT is approved by the Science Based Targets initiative (SBTi). We consider the SPT as ambitious. The SPT was internally benchmarked, which we view positively.
Instrument Features	Good	<ul style="list-style-type: none"> The documentation for each instrument issued under Limak Cement's framework will define the financial and structural characteristics, including step-up and step-down interest rates. The framework requires recalculation and updates to KPI and SPT following structural changes, which ensures they remain relevant and reflective of Limak Cement's overall carbon footprint, thereby enhancing the instrument's structural integrity and impact. We view this positively.
Reporting	Excellent	<ul style="list-style-type: none"> Limak Cement has committed to reporting on the KPI on a semi-annual basis, providing good transparency on its performance against the SPT, which aligns with market best practice.
Verification	Good	<ul style="list-style-type: none"> Limak Cement has committed to obtaining an annual external review on its KPI's progress against the SPT by a third party with relevant field expertise, which aligns with standard market practice.

Framework Type	Sustainability-Linked	
Alignment	✓	Sustainability-Linked Bond Principles 2024 (ICMA)
	✓	Sustainability-Linked Loan Principles 2023 (LMA/LSTA/APLMA)
Date assigned	12 May 2025	
See Appendix B for definitions.		

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KPI and Target Summary

Base Number Date	Current Number Date	Target Number Date	Benefit	Penalty	SDG
KPI: GHG emissions intensity per cementitious product (kgCO₂/tonne of cementitious product)					
758 31 December 2023	Not available	570 31 December 2030	To be specified in each instrument's documentation	To be specified in each instrument's documentation	 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE  13 CLIMATE ACTION

Note: KPI – key performance indicator.

Source: Limak Cement sustainability-linked finance framework 2025

Framework Highlights

We consider transactions under this framework to be aligned with the ICMA Sustainability-Linked Bond Principles and the LMA, LSTA and APLMA Sustainability-Linked Loan Principles.

Limak Cement's sustainability-linked finance framework is aligned with the aforementioned principles and guidelines. The framework incorporates all the relevant principles of the voluntary guidance, including KPI selection, SPT calibration, instrument characteristics, reporting and verification. This framework extends to include its subsidiaries as well.

Limak Cement's inaugural sustainability-linked finance framework facilitates the issuance of various types of sustainability-linked instruments, potentially including senior bonds, subordinated bonds, medium-term notes, promissory notes, commercial papers and loans, among others.

The instrument characteristics may include a step-up or step-down interest rate or a higher repayment amount. The company indicated within its framework that the instrument characteristics will be provided in ad hoc documents directly related to each instrument.

The instruments' characteristics are contingent upon Limak Cement achieving its SPT. The SPT is based on the selected KPI. The KPI focuses on reducing the GHG emissions intensity, measured in kgCO₂ per tonne of cementitious product. This KPI and its positive trajectory, in our view, will contribute to the decarbonisation of the cement production process, which is known for its significant environmental impact.

The cement sector is one of the most challenging industries to decarbonise and is a hard-to-abate sector. Decarbonising the cement industry is essential to reducing the environmental impact of society's economic activities, as it accounts for 8% of human-made GHG emissions.

The selected KPI underscores Limak Cement's dedication to sustainability and its proactive approach to managing environmental impacts within its operational framework. Additionally, it will support its decarbonisation strategy to reach net-zero emissions across its value chain by 2050.

The SPT linked to the selected KPI was verified by the SBTi, which we view positively; it aims to achieve 570kgCO₂/tonne of cementitious product by 2030.

We anticipate that the sustainability commitments outlined in the SPT will directly contribute to climate change mitigation and advance the UN Sustainable Development Goals (SDGs), specifically SDGs 9 (industry, innovation and infrastructure) and 13 (climate action).

Source: Sustainable Fitch, Limak Cement sustainability-linked finance framework 2025, decarbonisation roadmap 2025, sustainability report 2023



Entity Highlights

Limak Cement is a privately owned company and a subsidiary of Limak Holding A.S. (Limak Group), based in Türkiye. It is the second-largest cement manufacturer in the country, with an annual clinker production capacity of 9.6 million tonnes and a cement production capacity of 17.7 million tonnes, exporting to 15 countries. The company is vertically integrated, participating in the extraction of raw materials and the production of final products across 11 cement factories and 28 ready-mix concrete factories in Türkiye, Mozambique and the Ivory Coast.

Limak Cement's sustainability strategy focuses on key ESG issues identified in its materiality assessment, emphasising areas critical to industrial sectors, particularly the cement sector, such as climate change and energy, workforce health and safety, and corporate governance.

The company previously developed a detailed decarbonisation roadmap to achieve net-zero Scopes 1 and 2 emissions by 2050, following the CEMBUREAU decarbonisation roadmap. This encompasses all its products, including clinker, cement and concrete, and outlines targets for 2030, 2040 and 2050, with specific pathways to reach them.

In its decarbonisation roadmap, the company aims to achieve a GHG emissions intensity of 57kgCO₂/t clinker by 2050; clinker is responsible for more than 90% of cement's GHG emissions, making it the main contributor to cement's carbon footprint. Limak Cement aims to achieve this primarily through carbon capture, utilisation and storage (CCUS), use of alternative fuels, use of alternative raw materials, and to a lesser extent use of renewable energy.

It has interim targets to lead the way to this long-term target, of GHG emissions intensity per tonne of clinker produced of 692kgCO₂/t clinker by 2030 and a 2040 target of 259kgCO₂/t clinker, which would subsequently lead to reduced GHG emissions intensity of cement production.

Limak Cement also aims to reduce the clinker-to-cement ratio to 71% by 2030, 66% by 2040 and 60% by 2050, compared to 82.64% in 2021, which would also contribute to the reduction of the GHG emissions intensity of cement production.

Limak Cement published its updated GHG emissions targets in March 2025; the targets have been validated by the SBTi, which we view positively. The new SBTi-validated targets have been incorporated into the company's sustainability-linked finance framework.

The selected KPI underscores Limak Cement's proactive approach to addressing the inherent environmental impact of the industry within its operational framework. We anticipate that instruments under this framework will direct the company's resources toward supporting its ambitious long-term environmental targets set by the company.

Source: Sustainable Fitch, Limak Cement sustainability-linked finance framework 2025, decarbonisation roadmap 2025, sustainability report 2023



KPI Selection

Alignment: Excellent

Company Material

Sustainable Fitch's View

KPI: GHG emissions intensity per cementitious product (kgCO₂/tonne of cementitious product)

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| <ul style="list-style-type: none"> • This KPI includes Scope 1 GHG emissions from clinker and cement production (mainly limestone calcination and fuels combustion) as well as location-based Scope 2 GHG emissions (from the power consumption from an interconnected grid), measured in kilograms per tonne of cementitious product produced. The KPI encompasses land-related emissions and removals from bioenergy feedstocks. • To collect data and to calculate these emissions, Limak Cement adheres to the following standard, protocol and methodology: <ul style="list-style-type: none"> – Defra Environmental Reporting Guidelines, including streamlined energy and carbon reporting guidance, 2019; – International Energy Agency CO₂ Emissions from Fuel Combustion; – Intergovernmental Panel on Climate Change Guidelines for National GHG Inventories, 2006; – ISO 14064-1; – The GHG Protocol: A Corporate Accounting and Reporting Standard (Revised Edition); – The GHG Protocol: Scope 2 Guidance; and – World Business Council for Sustainable Development: The Cement CO₂ and Energy Protocol. • As part of Limak Cement's action to reduce its impact on climate change, the company is conducting studies to decrease its emissions resulting from production and exploring production methods that produce fewer carbon emissions in its factories. Limak Group is one of the leading participants in the cement industry, so the company is committed to propelling its decarbonisation efforts by deploying capex as part of the decarbonisation capex plan and ultimately contributing to Turkiye's 2053 long-term climate strategy and aligning with Turkiye's low-carbon pathways for the cement sector. • Therefore, this KPI is material for Limak Cement's decarbonisation effort and for contributing to the reduction of CO₂ emissions from the cement sector, whose emissions intensity has been broadly flat while being the second-largest industrial CO₂ emitter according to the International Energy Agency. • This KPI gives a particular focus on addressing Scopes 1 and 2 emissions, which are the most material and relevant Scopes of emissions for the cement industry as much of the emissions take place in relation to the cement production process. In 2022 and 2023, Limak Cement's Scope 3 emissions only accounted for about 11.3% and 9.4%, respectively, of its total emissions. Moreover, this KPI is listed as a core KPI in the ICMA Sustainability-Linked Bond Principles' Illustrative KPIs Registry for the Construction Materials – Cement sub-sector. • KPI performance will be reported semi-annually in the annual, sustainability report and/or any other sustainability-linked progress report. Limak Cement will engage an external assurance provider to provide a limited assurance regarding such KPI performance information. | <ul style="list-style-type: none"> • We view the selected KPI, which focuses on reducing the GHG emissions intensity of Limak Cement's cementitious product manufacturing, as relevant, core and material for the company's business and sustainability strategy and the cement sector. • This KPI is also registered as core for the cement sector in the ICMA KPI registry, underlying its relevance and materiality for the sector. • Cement and its products are primarily made from clinker, with the clinker-to-cement ratio typically exceeding 90%. The production of one tonne of clinker typically emits about one tonne of GHG emissions, which makes cement manufacturing a highly carbon-intensive process contributing to about 8% of human-made total GHG emissions, based on 2022 data. • The cement sector is also a hard-to-abate sector due to the challenges linked to the decarbonisation of the clinker and cement manufacturing processes, making efforts to reduce their carbon footprint key for climate change mitigation. • In 2023, Limak Cement's Scope 1 emissions represented over 82% of its total emissions, a typical ratio for cement companies. Consequently, the selected KPI, which aims to reduce cement's Scopes 1 and 2 emission intensity (with absolute Scopes 1 and 2 emissions accounting for over 86% of Limak Cement's total GHG emissions in 2023), is relevant, core and material to both the company and the cement industry. • The selected KPI is measurable and quantifiable. Limak Cement is using recognised market standards, protocols and methodologies, such as the GHG Protocol, to collect and calculate the data, which we view positively. This approach will provide investors with a clear understanding of the KPI and its anticipated development. • The company adheres to market best practices by providing historical disclosure for the selected KPI for three years from the 2023 target baseline, at 763kgCO₂/t cementitious product in 2021, 762kgCO₂/t in 2022 and 758kgCO₂/t in 2023. • Limak Cement's framework does include technical verification of the baseline and historical data for the selected KPI, which enhances the KPI's credibility and aligns with market best practice. |
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Source: Limak Cement sustainability-linked finance framework 2025

Source: Sustainable Fitch



Performance Targets

Alignment: Excellent

Company Material	Sustainable Fitch's View
SPT: Achieving 570kgCO₂/tonne of cementitious product (24.8% reduction) in GHG emissions intensity by 2030 from a 2023 baseline.	
<ul style="list-style-type: none">• Limak Cement has taken concrete steps to commit to its 2050 net-zero target through the SBTi. In line with its decarbonisation roadmap, the 2030 GHG emissions intensity target was validated by the SBTi, in March 2025, as being in line with a 1.5°C commitment.• Measures to achieve the SPT include the following.<ul style="list-style-type: none">– Alternative fuel use: Limak Cement is reducing fossil fuel use and turning to alternative fuels to reduce GHG emissions. Limak Cement's alternative fuel portfolio generally consists of sources such as fuels derived from industrial resources, end-of-life tyres, bilge and sludge waste. Limak Cement plans to add alternative fuel types consisting of biomass and household waste to the portfolio.– Alternative raw material utilisation: Limak Cement reduces carbon emissions and natural resource consumption by increasing the use of alternative raw materials, thus creating a sustainable production cycle.– Clinker substitution: Limak Cement aims to optimise clinker substitution in cement production by incorporating calcined clay, carbonated materials and other pozzolanic materials, thereby increasing the use of supplementary cementitious materials.– Renewable energy: Limak Cement will activate various renewable energy systems in facilities and rapidly increase this utilisation rate over time.– CCUS: The application of CCUS technologies in clinker production processes stands out as a necessity.• The use of alternative raw material sources containing calcined calcium oxide may play an important role in reducing process emissions given 60% of total emissions from clinker production are generated during the calcination process.• However, the difficulties in the supply of such materials and the structural limitations of the process do not make it possible to completely eliminate process-related CO₂ emissions. The contribution of CCUS technologies in achieving the SPT is relatively small compared to the aforementioned measures as such technologies become increasingly relevant for the 2050 target.• In addition to above, a family of new cement products (including Limak CEM PLUS+, ECO PLUS+ and ECO2 PLUS+) have been developed, which supports the reduction of the carbon footprint thanks to its mineral additive content. These cement products, produced in its Balıkesir, Ankara and Kilis factories, are used in high-concrete-class products.• Limak Cement believes that all necessary prerequisites are in place, though unforeseen circumstances and/or factors outside of Limak Cement's control may negatively affect Limak Cement's ability to achieve the SPT. Such risks include (but are not limited to):<ul style="list-style-type: none">– supply chain risks: limited availability and inconsistent supply of necessary resources in relation to alternative fuel use, alternative raw material utilisation and clinker substitution;– regulatory risks: changes in environmental regulations, legislation and/or product quality standards;– renewable energy capacity constraints from distribution network;– technological limitations of CCUS: given the emerging nature of the technology with limited commercial deployment, deployment may not be economically viable without subsidies or carbon pricing incentives until 2030; and– global economic uncertainty such as fluctuations in market conditions, inflation, exchange rates and/or changes in cement demand.	<ul style="list-style-type: none">• This SPT demonstrates a high ambition compared to the baseline year. The company aims to reduce its cementitious product's emission intensity by 24.8% by 2030. This would require an annual reduction of about 3.1%.• The company managed to decrease its emissions intensity by 0.131% between 2021 and 2022, and by 0.525% in the following year; we believe that the target is ambitious based on this development over the past three years.• This SPT has been validated by the SBTi, aligning with market best practices. This SPT is aligned with the company's net-zero GHG emissions target by 2050, which is also verified by the SBTi; we view this positively.• The SPT's verification date is end-December 2030. The verification date could occur at a different stage of the instruments' tenure depending on the issuance and maturity date of each instrument.• We view setting a mid-term verification date for a sustainability-linked instrument as best practice, as it allows for effective KPI progress monitoring and enhances transparency, demonstrating the company's commitment to sustainability targets.• This timing also allows the company to incur any financial and/or structural penalties linked to this event if Limak Cement fails to achieve the SPT, as specified in each instruments' documentation.
Source: Limak Cement sustainability-linked finance framework 2025	Source: Sustainable Fitch, based on Limak Cement sustainability-linked finance framework 2025, decarbonisation roadmap 2025, sustainability report 2023



Instrument Features

Alignment: Good

Company Material	Sustainable Fitch's View
<ul style="list-style-type: none"> The financial and structural characteristics of the sustainability-linked finance instruments, including the impact of Limak Cement's KPI performance compared to the applicable SPT, will be specified in the relevant transaction documentation (eg offering circular, terms and conditions, final terms, facility agreement). The financial and/or structural characteristics of Limak Cement's sustainability-linked financing instruments may vary depending on whether or not the selected KPI reaches the predefined SPT. This may include coupon step-down(s), coupon step-up(s) and/or a higher repayment amount in the case of bonds, or margin adjustments in the case of loans. The relevant transaction documentation might state that the selected SPT subject to recalculation based on specific circumstances, such as changes in the calculation methodology, major events having a material impact on Limak Cement's structure and/or occurrence of certain events outside Limak Cement's control, will not result in the financial penalty being triggered. With regard to sustainability-linked loans, annual SPT setting and test dates will be covered in relevant loan documentation (eg the loan agreement). The SPT or the baseline may be recalculated or redefined in good faith by Limak Cement and applied to outstanding sustainability-linked finance instruments to reflect material changes. Significant recalculations of the SPT and/or baseline may be performed on the condition that an external assurance provider independently confirms that the revised SPT and/or the baseline are consistent with, or more ambitious and material than, the initial SPT and/or the baseline. Instances of material changes may include the following. <ul style="list-style-type: none"> Changes in Limak Cement's perimeter (eg acquisition; merger; demerger; consolidation or other form of restructuring and/or reorganisation with similar effect; spin-off; disposal; or sale of assets). Organic changes to the organisation will not trigger a recalculation or update of the baseline. Changes to the calculation methodology of the KPI to reflect changes in the market practice, the relevant market standards, which, individually or in the aggregate, have a significant impact on the level of the SPT or the KPI baseline. Methodology changes include updated assumptions and/or calculation methods. This also covers updates in emission factors, where the update is not related to an actual change in conditions such as annual updates of electricity grid factors. Changes or amendments to any applicable laws, regulations, rules, guidelines and policies relating to the business of Limak Cement. Recalculation will also be triggered by the discovery of a significant error or multiple cumulative errors, or in case of changes in Limak Cement's ability to calculate its SPT and/or baseline, for instance as a result of the outcome of an external assurance exercise, changes to data accessibility or data quality. 	<ul style="list-style-type: none"> The financial and/or structural characteristics will be defined in the documentation of each instrument issued under the framework, including any penalties in case Limak Cement fails to achieve the specified SPT such as step-up interest rate and premium on principal amount. The framework specifies that Limak Cement will recalculate and accordingly update its KPI and SPT in case of structural changes to its business model, such as M&A. We view this positively, as it ensures that the KPI and SPT remain relevant to Limak Cement and continue to reflect and address the whole company's carbon footprint. This strengthens the instrument's structural integrity and impact.
Source: Limak Cement sustainability-linked finance framework 2025	Source: Sustainable Fitch

Reporting

Alignment: Excellent

Company Material	Sustainable Fitch's View
<ul style="list-style-type: none"> Limak Cement will communicate semi-annually on the relevant KPI, providing up-to-date information and reporting available on its corporate website through: <ul style="list-style-type: none"> Limak Cement's annual, sustainability report and/or any other sustainability-linked progress report covering the performance of the selected KPI, including recalculation statements where relevant, covered by an assurance statement of an auditor, if required by applicable agreements; qualitative and/or quantitative explanation for the main contributing factors (eg, M&A activities) behind the evolution of the KPI performance; 	<ul style="list-style-type: none"> Limak Cement has committed to providing semi-annual reporting until the maturity of any sustainability-linked finance instrument. This includes semi-annual reporting on the performance of the selected KPI against the SPT, verified by an external auditor on an annual basis. The semi-annual disclosure offers key stakeholders timely insights into the company's progress concerning the SPT and its overall sustainable development. This is in line with market best practice and aligns with the ICMA Sustainability-Linked Bond Principles, ensuring the provision of up-to-date information on the performance of the selected KPI, which we view as positive.



Reporting

Alignment: Excellent

Company Material	Sustainable Fitch's View
<ul style="list-style-type: none">– illustration of the positive sustainability impacts of the performance improvement;– any information in relation to any change to the levels of the KPI used as a baseline, to the baseline date, and/or of the SPT in the event of any recalculation made in accordance with the terms and conditions of the sustainability-linked finance instruments; and– updates on new or proposed regulations from regulatory bodies relevant to the KPI and the SPT. <ul style="list-style-type: none">• In case of a sustainability-linked loan, Limak Cement will communicate to lenders on KPI(s) performance in relation to the SPT(s) in line with the agreements in place for each specific sustainability-linked finance instrument.	<ul style="list-style-type: none">• Limak Cement's decision to make reporting publicly available on its corporate website demonstrates strong transparency for investors and other stakeholders interested in any potential instruments issued under this framework.
Source: Limak Cement sustainability-linked finance framework 2025	Source: Sustainable Fitch

Verification

Alignment: Good

Company Material	Sustainable Fitch's View
<ul style="list-style-type: none">• Limak Cement obtained an independent second-party opinion from Sustainable Fitch to review the alignment of this framework with the ICMA Sustainability Linked Bond Principles 2024 and the LMA, LSTA and APLMA Sustainability-Linked Loan Principles 2023, including the following:<ul style="list-style-type: none">– an assessment of the relevance, robustness and reliability of the selected KPI(s);– the rationale and level of ambition of the proposed SPT(s);– the relevance and reliability of selected benchmarks and baselines; and– the credibility of the strategy outlined to achieve them, based on scenario analyses, where relevant.• The second-party opinion will be made available on Limak Cement's website.• A limited assurance report by an external assurance provider on the KPI information in the annual and/or sustainability report and/or any other sustainability-linked progress report. The verification will be conducted by a qualified reviewer with relevant expertise, with limited assurance.	<ul style="list-style-type: none">• Limak Cement has committed to obtaining an external review on the performance of the KPI relative to its SPT annually, following standard market practice.• Limak Cement has committed to mandating an independent third party with relevant expertise, which strengthens the external review.
Source: Limak Cement sustainability-linked finance framework 2025	Source: Sustainable Fitch



Relevant UN Sustainable Development Goals

- 9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.
- 9.5: Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending.
- 13.2: Integrate climate change measures into national policies, strategies and planning.



Source: Sustainable Fitch, UN



Appendix A: Principles and Guidelines

Type of Instrument: Sustainability-Linked

Five Pillars

1) KPI	Yes
2) Sustainability Performance Target (SPT)	Yes
3) Characteristics	Yes
4) Reporting	Yes
5) Verification	Yes

Structure of the Instrument

A step-up structure	Yes
A variable redemption structure	Yes

Independent External Review Provider

Second-party opinion	Yes
Verification	Yes
Certification	No
Scoring/rating	No
Other	n.a.

1) KPI

KPIs/List of KPIs

KPI #1	Achieving 570kgCO ₂ /tonne of cementitious product (24.8% reduction) in GHG emissions intensity by 2030 from a 2023 baseline.
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KPIs/Definition, Scope and Parameters

Clear definition of each selected KPI	Yes
Clear calculation methodology	Yes
Other	n.a.

KPIs/Relevance, Robustness and Reliability of the Selected KPIs

Credentials that the selected KPIs are relevant, core and material to the issuer's sustainability and business strategy	Yes
Credentials that the KPIs are measurable or quantifiable on a consistent methodological basis	Yes
Evidence that the KPIs are externally verifiable	Yes
Evidence that the KPIs can be benchmarked	Yes
Other	n.a.

2) Sustainability Performance Target (SPT)

SPTs/Rationale and Level of Ambition

Evidence that the SPTs represent a material improvement	Yes
Evidence that SPTs are consistent with the issuer's sustainability and business strategy	Yes
Credentials on the relevance and reliability of selected benchmarks and baselines	Yes
Credentials that the SPTs are determined on a predefined timeline	Yes
Other	n.a.

Type of Instrument: Sustainability-Linked (Cont.)



SPTs/Benchmarking Approach

Issuer's own performance	Yes
Issuer's peers	No
Reference to the science	Yes
Other	n.a.

SPTs/Additional Disclosure

Framework includes description of potential recalculations or adjustments	Yes
Issuer's strategy to achieve the SPTs	Yes
Identification of key factors that may affect the achievement of the SPTs	Yes

3) Characteristics

Instrument Characteristics/Financial impact

Variation of the coupon	Yes
Other	n.a.

Instrument Characteristics/Structural Impact

Other	n.a.
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4) Reporting

Reporting/Information Reported

Performance of the selected KPIs	Yes
Level of ambition of the SPTs	Yes
Verification assurance report	Yes
Other	n.a.

Reporting/Frequency

Annual	Yes
Semi-annual	No
Other	n.a.

Reporting/Means of Disclosure

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

Reporting/Level of Assurance on Reporting

Limited assurance	Yes
Reasonable assurance	No
Other	n.a.

5) Verification

Verification (Post-Issuance)/Information Reported

Limited assurance	Yes
Reasonable assurance	No
Other	n.a.

Type of Instrument: Sustainability-Linked (Cont.)



Verification (Post-Issuance)/Frequency

Annual	Yes
Semi-annual	No
Other	n.a.

Verification (Post-Issuance)/Material Change

Perimeter	Yes
SPTs calibration	Yes
KPI methodology	Yes

Source: Sustainable Fitch, ICMA, LMA, LSTA and APLMA



Appendix B: Definitions

Term	Definition
Debt types	
Green	Proceeds will be used for green projects and/or environmental-related activities as identified in the instrument documents. The instrument may be aligned with the ICMA Green Bond Principles or other principles, guidelines or taxonomies.
Social	Proceeds will be used for social projects and/or social-related activities as identified in the instrument documents. The instrument may be aligned with the ICMA Social Bond Principles or other principles, guidelines or taxonomies.
Sustainability	Proceeds will be used for a mix of green and social projects and/or environmental and social-related activities as identified in the instrument documents. The instrument may be aligned with the ICMA Sustainability Bond Guidelines or other principles, guidelines, taxonomies.
Sustainability-Linked	Financial and/or structural features are linked to the achievement of pre-defined sustainability objectives. Such features may be aligned with the ICMA Sustainability-Linked Bond Principles or other principles, guidelines or taxonomies. The instrument is often referred to as an SLB (sustainability-linked bond) or SLL (sustainability-linked loan).
Conventional	Proceeds are not destined for any green, social or sustainability project or activity, and the financial or structural features are not linked to any sustainability objective.
Other	Any other type of financing instrument or a combination of the above instruments.
Standards	
ICMA	International Capital Market Association. In the Second-Party Opinion we refer to alignment with the ICMA Bond Principles: a series of principles and guidelines for green, social, sustainability and sustainability-linked bonds.
LMA, LSTA and APLMA	Loan Market Association (LMA), Loan Syndications and Trading Association (LSTA) and Asia Pacific Loan Market Association (APLMA). In the Second-Party Opinion we refer to alignment with the Sustainable Finance Loan Principles: a series of principles and guidelines for green, social and sustainability-linked loans.
EU Green Bond Standard	A set of voluntary standards created by the EU to “enhance the effectiveness, transparency, accountability, comparability and credibility of the green bond market”.

Source: Sustainable Fitch, ICMA, UN, EU Technical Expert Group

Appendix C: Second-Party Opinion Methodology

Second-Party Opinion

Second-Party Opinions (SPOs) are a way for issuers to obtain an independent external review on their green, social, sustainability and sustainability-linked instruments.

As per the ICMA Guidelines for External Reviewers, an SPO entails an assessment of the alignment of the issuer's green, social, sustainability or sustainability-linked bond or loan issuance, framework and programme with the relevant principles. For these purposes, "alignment" should refer to all core components of the relevant principles.

Sustainable Fitch analysts vary analysis based on the type of instruments, to consider whether there are defined uses of proceeds or KPIs and sustainability performance targets. The analysis is done on a standalone basis, separate to the entity.

Analytical Process

Analysis considers all available relevant information (ESG and financial). The reports transparently display the sources of information analysed for each section and provide a line-by-line commentary on the sub-factors analysed. The ESG analysts working on an SPO will also engage directly with the issuer to acquire any additional relevant information not already in the public domain or in instrument-related documentation.

An important part of the analysis is the assessment of the E and S aspects of the use of proceeds. In addition to the alignment with ICMA Principle and Guidelines, the analysis may also refer to major taxonomies (e.g. the EU taxonomy for E aspects, and the UN Sustainable Development Goals for S aspects).

Once the analyst has completed the analysis, with commentary for the related ESG Opinions, it is submitted to the approval committee, which reviews it for accuracy and consistency. Based on issuer preference and mandate, an SPO can be monitored (annually or more frequently, if new information becomes available) or on a point-in-time basis.

Scale and Definitions

ESG Framework	
Excellent	Sustainable finance framework and/or debt instrument structure is fully aligned to all relevant core international principles and guidelines. Practices inherent to the structure meet excellent levels of rigour and transparency in all respects and are well in excess of the standards commonly followed by the market.
Good	Sustainable finance framework and/or debt instrument structure is fully aligned to all relevant core international principles and guidelines. Practices inherent to the structure meet good levels of rigour and transparency; in some instances, they go beyond the standards commonly followed by the market.
Aligned	Sustainable finance framework and/or debt instrument structure is aligned to all relevant core international principles and guidelines. Practices inherent to the structure meet the minimum standards in terms of rigour and transparency commonly followed by the market.
Not Aligned	Sustainable finance framework and/or debt instrument structure is not aligned to relevant core international principles and guidelines. Practices inherent to the structure fall short of common market practice.

Source: Sustainable Fitch



SOLICITATION STATUS

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