

**PRE-ISSUANCE CLIMATE
BOND CERTIFICATION:**

Verification Report for Pre-Issuance Certification
for the Green Bond to be Issued by Barclays



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SCOPE OF WORK

Barclays commissioned ISS Corporate Solutions (ISS-Corporate) to compile a Verifier's Report for Pre-Issuance Certification of its Green Bond by the Climate Bonds Initiative (CBI). The Climate Bonds Certification process includes verifying whether the provisions of the Climate Bonds Standards issued by the CBI are met and obtaining evidence to support the verification.

CRITERIA

Relevant CBI Standards for this Climate Bonds Certification:

- Climate Bonds Standard (Version 4.0)
- Marine Renewable Energy Sector Eligibility Criteria (Version 1.2)
- Low Carbon Buildings Sector Eligibility Criteria (Version 2.1)
- Low Carbon Transport Sector Eligibility Criteria (Version 2.2)

ISSUER'S RESPONSIBILITY

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

- Selection of nominated projects & assets
- Technical aspects of projects & assets
- Internal processes & controls
- Proposed reporting

ISS-CORPORATE'S VERIFICATION PROCESS

Since 2014, ISS Group, of which ISS-Corporate is part, has built up a reputation as a highly-reputed thought leader in the green and social bond market and has become one of the first CBI-approved verifiers.

This independent Pre-Issuance Verification of the Green Bond issued by Barclays has been conducted based on the Climate Bonds Standard V.4.0, and limited assurance procedures based on common market practices and voluntary guidelines, in accordance with relevant assurance standards such as the International Standard on Assurance Engagements, other than Audits or Reviews of Historical Financial Information (ISAE 3000).

The approach to assess whether the Issuer's Green Bond meets the criteria of the Climate Bonds Standard V.4.0. is as follows:

- The Issuer provided an overview over the assets to be included in the Green Bond asset pool and the relevant processes and documentation regarding the proceeds (e.g., use of proceeds, management of proceeds).
- The Issuer filled in a questionnaire that covers all criteria of the Climate Bonds Standard V.4.0.

- The Issuer provided background documents that elaborate further on the information mentioned in the questionnaire.
- An assessment of the CBI criteria has been carried out using the questionnaire and background documents. In case any answers were unclear, the issuer has been contacted for more details and clarification.

The engagement with Barclays took place from March to April 2024.

ISS-CORPORATE'S BUSINESS PRACTICES

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

RESTRICTION ON DISTRIBUTION AND USE OF REPORT

This Verification Report for Climate Bonds Certification including all documentation provided alongside is intended for the use of Barclays and the Climate Bonds Standard Board. The present document may be published by Barclays, CBI and ISS-Corporate. CBI and ISS-Corporate agree to publish the report with the consent of Barclays.

OPINION

Based on the limited assurance procedures conducted and evidence obtained, nothing has come to our attention that causes us to believe that, in all material respects the Issuer's Green Bond Program is not in conformance with the Climate Bonds Standard's Pre-Issuance Requirements.



MARIJA KRAMER
ISS Corporate Solutions Business
Rockville, MD, 8 April 2024

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About ISS-Corporate

Companies turn to ISS-Corporate for expertise in designing and managing governance, compensation, sustainability and cyber risk programs that align with company goals, reduce risk, and manage the needs of a diverse shareholder base by delivering best-in-class data, tools, and advisory services.

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

Learn more: <https://www.iss-corporate.com/solutions/sustainable-finance/>

For more information on SPO services, please contact: SPOsales@iss-corporate.com

Project team

Project lead

Claudia Muñoz Carmona
Associate
Sustainable Finance Research

Project supervision

Marie-Bénédicte Beaudoin
Associate Director
Head of Sustainable Finance
Research

ANNEXES

Annex 1: Detailed Findings

Annex 2: Detailed Findings Marine Renewable Energy

Annex 3: Detailed Findings Buildings

Annex 4: Detailed Findings Low Carbon Transport

ANNEX 1: DETAILED FINDINGS

1. UTILISATION OF PROCEEDS

	REQUIREMENT	FACTUAL FINDINGS	ANALYSIS AGAINST REQUIREMENTS
1.1	Documentation of nominated projects & assets assessed as eligible	Details of the eligible projects are in the Annexes. The assets are offshore wind farms, green buildings, and low carbon transportation.	✓
1.2	Net Proceeds are not greater than the Issuer's investment exposure to the Nominated Projects & Assets	The current bonds issued are worth £110m and the total verified assets are worth £350m. Barclays has a rigorous system in place to identify assets in its lending portfolio that can be eligible for Climate Bonds Certification, setting an escalation threshold with red, amber or green (RAG) escalation thresholds to ensure proper controls are in place and maintaining the size of the verified lending portfolio to be larger than its total bond issuance.	✓
1.3	No duplicate nomination of Projects & Assets to multiple Certified Climate Bonds or labelled instruments	Barclays confirms that control systems are in place to ensure assets are not nominated twice.	✓

2. PROCESS FOR EVALUATION AND SELECTION OF PROJECTS & ASSETS

	REQUIREMENT	FACTUAL FINDINGS	ANALYSIS AGAINST REQUIREMENTS
2.1. and 2.2.	Decision making process established, documented, and	See below (from 2.2.i to 2.2.vi)	

	maintained to determine the eligibility of the Nominated projects and assets, which includes without limitation:		
2.2.i	Statement on the climate-related objectives of the Bond.	Barclays’s objective for the issuance of the green bonds is to raise funds for new and existing projects which deliver environmental benefits and a more sustainable economy.	✓
2.2.ii	Climate-related objectives of the Bond in the context of the Issuer’s environmental strategy and policies.	Barclays is committed to finance Green Activities that contribute to the transition to a sustainable economy. Barclays helps economies by providing green, social, and sustainable financing.	✓
2.2.iii	Issuer’s rationale for issuing the Bond.	Barclays maintains a Green Bond issuance program to provide an opportunity to its investors to support eligible green activities.	✓
2.2.iv	Process to determine eligibility of Nominated Projects & Assets	<p>Barclays engaged the Carbon Trust to develop an asset appraisal tool to identify assets that meet the CBI criteria. Information on assets is added in the tool and compared to the criteria.</p> <p>The ESG governance forums determine which assets qualify as Eligible Assets based on internal assessments and external reviews against the eligibility criteria define in the framework.</p> <p>The assets will undergo third-party verification before entering the nominated asset pool to be used for any subsequent Certified Climate Bond issuance.</p>	✓

<p>2.2.v</p>	<p>Related eligibility criteria to identify and manage potentially material ESG risks associated with the Nominated Projects & Assets.</p>	<p>Actual, potential, and perceived ESG risks associated with the eligible assets are reviewed by an internal ESG governance forum, which includes senior representatives from Sustainable Finance, and Sustainability & ESG business lines. The risk assessment is part of the criteria to determine whether to approve an asset as eligible for the Eligible Asset Pool.</p> <p>The Nominated Projects and Assets are compliant with the CBI criteria, adhering to the Sector Criteria for Marine Renewable Energy, Low Carbon Buildings, and Low Carbon Transportation, complying with adaptation and resilience components that cover ESG risks.</p>	<p>✓</p>
<p>2.2.vi</p>	<p>Green standards or certifications referenced in the selection of Nominated Projects & Assets.</p>	<p>The assets' eligibility and selection process focuses on the Climate Bonds Criteria, and the EU Green Bond Standard label.</p>	<p>✓</p>

3. MANAGEMENT OF PROCEEDS

	REQUIREMENT	FACTUAL FINDINGS	ANALYSIS AGAINST REQUIREMENTS
<p>3.1</p>	<p>Systems, policies and processes around the management of Net Proceeds include:</p>	<p>See below (from 3.1.a to 3.1.c)</p>	
<p>3.1.a</p>	<p>Process around management of the net proceeds</p>	<p>On a monthly basis Barclays compare the issuance volumes to date with the total value of verified assets to confirm that asset volumes exceed bonds totals across the maturity horizon. Businesses</p>	<p>✓</p>




		<p>within Barclays Group are assigned limits which they cannot exceed.</p> <p>Barclays keeps a record of all the Green Bonds issued on its website, its own records, and a bond memo line. Preventative and detective measures ensure bonds are not more than the assets. Additionally, a control team is consulted before each trade to confirm the capacity.</p>	
3.1.b	Management of unallocated Net Proceeds	Barclays will invest the unallocated proceeds to cash and short-term liquid investments, in accordance with its liquidity policy. The amount and asset types invested in will be disclosed on the Barclays Group Investor Relations website.	✓
3.1.c	Earmarking process used to manage allocation of proceeds and estimate of the share of the Net Proceeds being used for financing and refinancing.	There are processes in place to ensure that net proceeds are always smaller than the nominated asset pool, and that unallocated proceeds are managed transparently and following best market practice.	✓
3.2	Where proceeds require to be ring-fenced, they must be credited to designated bank accounts. Issuer must track and monitor all payments from designated bank accounts.	Barclays confirms the prospectus does not require the proceeds to be ring-fenced. The proceeds are earmarked.	-

4. REPORTING

	REQUIREMENT	FACTUAL FINDINGS	ANALYSIS AGAINST REQUIREMENTS
4.1	Issuer prepares Green Finance Framework and makes it publicly available. The Green Finance Framework must be provided to the Climate Bonds Standard Secretariat	Barclays confirms the Green & Social Notes Framework 2024 has been provided to the CBI and will be published on the Investor Relations website. ¹	✓
4.2	Issuer's framework must include:	See below (from 4.2.i to 4.2.v)	
4.2.i	Confirmation that bonds issued under the framework are aligned with the Climate Bonds Standard and other standards	The Green & Social Notes Framework states its intention to align with the Climate Bonds Standard.	✓
4.2.ii	Summary of the use of proceeds	The Framework details the use of proceeds' eligible categories and their expected environmental benefits.	✓
4.2.iii	Description of the decision-making process for project selection	The Framework describes the process for project selection, which is responsibility of the ESG governance forum.	✓
4.2.iv	Description of the processes for managing the proceeds	The Framework describes the process for managing the proceeds. A monthly Note issuance ensures Eligible Asset balances are updated. The compliance with the Note issuance is verified by an independent assurance provider.	✓
4.2.v	Description of the processes for	The Framework describes the information that will be reported and	✓

¹ Barclays' Investor Relations website. URL: <https://home.barclays/investor-relations/fixed-income-investors/funding-and-liquidity/green-bonds/>

	reporting and external review or verification	confirms the report will be publicly available on Barclays Group Investor Relations website. The allocation and impact reporting will be externally verified by a second party opinion provider.	
4.3	Issuer’s Framework should further include, without limitation:	See below (from 4.3.i to 4.3v)	
4.3.i	Description of the relevant Sector Eligibility Criteria and any additional impact metrics	The Framework does not describe the relevant sector eligibility criteria, however, when Barclays seeks CBI certification, assets financed or refinanced will comply with the relevant standards. The details of the eligibility of the nominated assets are included in the Annexes of this verification report.	✓
4.3.ii	Summary on the approach used to manage unallocated net proceeds	The Framework details the approach used to manage unallocated net proceeds. The temporary allocation will be to cash and short-term liquid investments in accordance with Barclays’ liquidity policy.	✓
4.3.iii	Intended approach to provide Update Reports to reaffirm conformance with the Climate Bonds Standard while the Bond remains outstanding	The Framework details Barclays’ annual update reporting commitments, which are in line with the requirements of the Climate Bonds Standard.	✓
4.3.iv	List of proposed Nominated Projects & Assets associated with the Bond and the investment areas into which the Nominated Projects & Assets fall	The Green & Social Notes Framework does not mention a list of nominated assets; however, it provides the investment areas into which the Nominated Projects and Assets fall. Also, the list of proposed Projects and Assets may be found in the Annexes of	✓

		<p>this verification report, which include offshore wind farms, green buildings, and low-carbon transportation.</p>	
4.3.v	<p>An estimate of the proportion of financing and refinancing, the relevant Nominated Projects & Assets or investment areas which may be refinanced, and the expected look-back period for refinancing</p>	<p>The Green Eligible Asset Pool is 100% refinanced. The expected look-back period is of 36 months for assets originated or refinanced prior to the inclusion in the Green Eligible Asset Pool.</p>	
4.4	<p>Disclosure of as much information as possible with respect to Nominated projects and assets</p>	<p>The Issuance Document points to the Impact and Allocation reports, where there is confirmation that the Eligible Assets criteria that have been designed are compliant with the Climate Bonds Initiative's Climate Bond Standard (version 4.0) as of the date of issuance. The framework defines the investment areas into which the Nominated projects and assets fall, which are found in the annexes of this verification report.</p>	
4.5	<p>Disclosure Documentation shall include:</p>	<p>See below (from 4.5.i to 4.5v)</p>	
4.5.i	<p>Investment areas, of the Nominated Projects & Assets</p>	<p>The Issuance Document confirms the Eligible Assets criteria that have been designed to be compliant with the Climate Bonds Initiative's Climate Bond Standard (version 4.0) as of the date of issuance. Eligible Assets are those that fall within the eligible activity categories described in the Green & Social Notes Framework and were originated or refinanced up to 36 months prior to the inclusion in the Green Eligible Asset Pool.</p>	

4.5.ii	Temporary investment instruments for unallocated Net Proceeds	The Green & Social Notes Framework details how unallocated proceeds will be temporarily managed. The temporary allocation will be to cash and short-term liquid investments in accordance with Barclays' liquidity policy.	✓
4.5.iii	Verifiers engaged by the Issuer for the mandatory verification engagements	ISS-Corporate is the verifier of the pre-issuance.	✓
4.5.iv	Intended approach to providing Update Reports to reaffirm conformance with the Climate Bonds Standard while the Bond remains outstanding, including the location of the published documents	Barclays' Issuance Documents include the commitment to provide updated reporting. A second party opinion from an independent verifier will be published on Barclays investor relations website confirming the alignment of the Green & Social Note Framework to the guidelines.	✓
4.5.v	CBI Disclaimer provided in the Certification Agreement	A CBI disclaimer is included in the Issuance Document.	✓

ANNEX 2: DETAILED FINDINGS MARINE RENEWABLE ENERGY²

DETAILED FINDINGS MARINE RENEWABLE OFFSHORE

✓	<p>The marine offshore wind farm complies with the Marine Renewable Energy Criteria of the Climate Bonds Standard.</p> <p>Offshore wind farm financed under the Framework comply with the criteria and are eligible for the Climate Bonds Certification.</p> <p>Consent in place under Section 36 as a renewable energy producing asset and fossil fuel back up is limited to required functions.</p> <p>Details for the Disclosure component and Adaptation and Resilience components of the Criteria are given below.</p>
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Disclosure Component

ITEM		FACTUAL FINDINGS
1	Project location and size, including description of marine coastal ecosystem in proximity to planned installations, noting for example whether located in marine protected areas or vulnerable marine ecosystems.	<p>The project is located in the UK North Sea, with a combined potential generating capacity of up to 860 MW.</p> <p>The project area is currently not within any marine protected areas or vulnerable marine ecosystems.</p>
2	Projected lifespan of the asset/project.	40 years for specified civil works, and 25 years for all mechanical and electrical equipment. The expected completion date is July 1, 2025, with an expected operational life of 25 years.
3	Key stakeholders involved, including other users of the area and surrounding area (sea, land, or air) of the facilities.	The Issuer has provided confidential information in terms of key stakeholders involved.

² Barclays has provided ISS with detailed information on the assets to be financed on a confidential basis. A detailed report is shared with CBI for verification. However, due to confidentiality reasons, the public version of the report displays limited information on the assets to be financed.

4	Description of the project activities including details on installation, operation, and decommissioning activities.	<p>The installation process has the following parts:</p> <ol style="list-style-type: none"> 1. Scour protection 2. Wind Turbine Generator Monopiles 3. Transition pieces 4. Offshore Platform 5. Inter array cables 6. Offshore export cable and landfall 7. Onshore export cables 8. WTGs <p>The decommission plan that will occur when the project reach the end of its useful life was reviewed by the Lender Technical Advisor and found in line with expectations.</p>
5	Expected/current facility capacity and generation during and after the life of the bond.	There is a combined potential generating capacity of up to 860 MW.
6	Details of where the energy generated is being fed into, and estimated impact of the grid mix.	The Issuer has provided confidential information regarding where the energy generated is fed into and the estimated impact of the grid.
7	Projected avoided GHG emissions compared to fossil fuel counterfactual (in kgCO ² e) using recognized conversion factors.	The project will offset 1.1 million tonnes of CO ₂ emissions annually.
8	The planning standards, environmental regulations and other regulations that the project has been required to comply with.	Section 36 consent of marine licenses.

Adaptation and Resilience Component

REQUIREMENT	FACTUAL FINDINGS	ASSESSMENT
<p>1.1</p> <p>Processes are in place to assess key risks to the assets from a changing climate and its impact on marine conditions</p>	<p>The possible effects of climate change on the assets are considered in the Environmental Impact Assessment and the following documents which are standards applicable offshore wind industry:</p> <p>National Planning Policy Framework (NPPF): Offshore wind projects in the UK will adhere to National Planning Policy Framework (NPPF). The NPPF sets out how the planning system should help minimize vulnerability and provide resilience to the impacts of climate change. National Policy Statements (NPS): These are policy statements requiring an offshore wind project to account for climate change adaptation and resilience during the Environmental Impact Assessment (EIA) process among other things. The three main NPSs relevant to offshore wind include the Overarching National Policy Statement (NPS) for Energy (EN-1; DECC, 2011a), the NPS for Renewable Energy Infrastructure (EN-3, DECC, 2011b), and the NPS for Electricity Networks Infrastructure (EN-5, DECC, 2011c). When deciding to award consent the authorities revert to these NPSs to ensure the project adheres to them. Marine Policy Statement (MPS): Assets in UK waters will also adhere to the UK Marine Policy Statement. Coastal change and coastal flooding are likely to be exacerbated by climate change, with implications for activities and development on the coast. These risks are a major consideration in ensuring that proposed new developments are</p>	<p>✓</p>

		<p>resilient to climate change over their lifetime. MPS requires an account of the impacts of climate change throughout the operational life of a development including any de-commissioning period.</p> <p>The Technical Advisor (TA) confirmed that the assets have been designed using a range of suitable Met-Ocean data, which explicitly considers the impact of climate parameters such as storm surges, weather risk, lightning strikes, earthquakes, seabed scouring, and ocean temperature changes.</p> <p>The Environmental Impact Assessment process includes the identification of steps taken to mitigate onshore flood risk.</p> <p>Insurance is taken out for earthquakes, storms, and floods as main project risks.</p>	
<p>2.1</p>	<p>Processes are in place to assess improvements and impacts the assets have on the resilience of other stakeholders</p>	<p>The Issuer has stated that the Scottish Minister responded to the application for consent and Marine License confirming they are satisfied with the EIA carried out, with key work undertaken including statutory stakeholder consultations.</p> <p>The Lender Technical Advisor (LTA) noted that the project will have an ongoing obligation to apply with all conditions of the Development Consent Order (DCO) and licenses.</p>	<p>✓</p>
<p>3.1</p>	<p>An adaptation plan has been designed and is being implemented to address the</p>	<p>Conditions to Section 36 of the Marine Licences require the submission of consent plans. The LTA reviewed the consent plan submission schedule and pre-commencement consent plans, including the implementation of an</p>	<p>✓</p>

	risks identified in the assessments outlined above	Environmental Management and Monitoring Plan. The consent request was supported by a Habitats Regulations Appraisal under the Conservation regulations and reviewed as part of the Scottish Minister's approval.	
3.2	Inspections are carried out regularly and there is a maintenance regime for future inspections.	The LTA noted that the Project has monthly inspections. Maintenance and blade inspections (specifically a blade integrity management service) are covered by the operations and maintenance agreement and the Wind Turbine Generator (WTG) Service and Maintenance Agreement. It is noted that the project Health and Safety management plan has been reviewed and considered appropriate.	✓
4.1	The issuer is involved in stakeholder engagement and collaboration	The Lenders Technical Advisor (LTA) noted that an appropriate level of stakeholder engagement was undertaken during the EIA process and remains ongoing, as part of the Section 36 consent conditions.	✓
5.1	The assets or projects do not put at risk or endangered species or habitat or unduly impact ecosystem services. Where there are possible negative impacts to habitats, mitigation measures are implemented to offset the	<p>It is noted that a Habitats Regulations Appraisal (HRA) was submitted alongside the EIA for the Section 36 consent as required under the Conservation Regulations 1994.</p> <p>A Population Viability Analysis Report regarding a specific gull species was included as part of the Section 36 consent.</p>	✓

	negative impacts		
5.2	Waste is responsibly dealt with, including appropriate disposal of construction waste and oil-based lubricants, including recycling options where possible	<p>The Financial Close Technical Due Diligence Report notes that waste management is part of the scope of the Wind Turbine Generator Service and Maintenance Agreement (SMA) as part of the operations contracts. To avoid oil spills, best-market designs are used. Any oil waste or other wastes are taken to shore in secure containers and disposed of accordingly following best practice procedures.</p> <p>The borrower will operate the project in accordance with all applicable environmental laws and regulations.</p>	✓
5.3	The Issuer has recognized and listed the potential risks for accidental site contamination either from leakage of hydraulic fluid or from wreckage/debris on the seabed.	The Project is required to produce and adhere to a Construction Environment Management Plan (CEMP) and Environment Monitoring Plan (EMP) as part of the section 36 consent award. Those were reviewed by the Scottish Minister as part of the consent award and as part of the onshore planning permission grants (Aberdeen Shire Council and Moray Council). The LTA reviewed and raised no concerns about the Environmental Management Plans, including the Pollution Prevention Plan.	✓
5.4	Decommissioning of the plant is planned in a way that considers environmental impacts	<p>A condition in Section 36 consent and the marine licenses requires the project to submit a decommissioning plan for approval by the Scottish Minister before starting offshore works.</p> <p>It is noted that a decommissioning plan was submitted and, according to the LTA, the proposed approach is typical of that observed at other UK offshore wind farms.</p>	✓

5.5	Issuer has plans and processes in place to effectively manage and minimize conflict with other users of marine and coastal places.	It is noted that approval at the same time as the section 36 consent was given under the Marine Licence generating station and for the transmission asset, for the Marine and Coast Access Act (2009). This includes the vessel access and obligations to other Marine and Coastal users, the plan and technical design to manage these obligations were deemed sufficient by the Scottish Minister as approval office.	✓
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DETAILED FINDINGS MARINE RENEWABLE OFFSHORE

✓	<p>The marine wind farm complies with the Marine Renewable Criteria of the Climate Bonds Standard.</p> <p>The offshore wind transmission infrastructure and supporting facilities like grid connections and equipment financed comply with the criteria and are eligible for the Climate Bonds Certification.</p> <p>Fossil fuel backup in place is limited to restart capability and monitoring, operating, or resilience measures in the event of no power in the system.</p> <p>Details for the Disclosure component and Adaptation and Resilience components of the Criteria are given below.</p>
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Disclosure Component

ITEM		FACTUAL FINDINGS
1	Project location and size, including description of marine coastal ecosystem in proximity to planned installations, noting for example whether located in marine protected areas or vulnerable marine ecosystems.	<p>The project is located in the UK North Sea, with a transmission capacity of up to 714 MW.</p> <p>The project area is currently not within any marine protected areas or vulnerable marine ecosystems.</p>
2	The projected lifespan of the asset/project.	Up to 40 years is deemed achievable with regular maintenance.

3	Key stakeholders involved, including other users of the area and surrounding area (sea, land, or air) of the facilities.	The Issuer has provided confidential information in terms of key stakeholders involved.
4	Description of the project activities including details on installation, operation, and decommissioning activities.	<p>According to the LTA, as of May 2020, the transmission system was completely installed, energized, and post-energization commissioning complete except the DTS system. The offshore assets will be decommissioned following the Energy Act 2004.</p> <p>The power from the WTG is collected via inter-array cables at 66kV to a single offshore substation (OSS) where the voltage is stepped up to 220 kV to export to shore. The OSS is connected to the onshore substation via two 220 kV cable circuits each comprising approximately 85.5 km of three-core subsea cable and 37 km onshore 3 x 1 core cable circuit. The transmission voltage is stepped up to 400 kV. The final connection between the EA One onshore substation and the connection point to the existing transmission network is via two approximately 0.55 km 400 kV 3 x 1 core cable circuits</p>
5	Expected/current facility capacity and generation during and after the life of the bond.	There is a transmission capacity of up to 714 MW.
6	Details of where the energy generated is being fed into, and estimated impact of the grid mix.	It is fed into an onshore substation owned by National Grid.
7	Projected avoided GHG emissions compared to fossil fuel counterfactual (in kgCO ₂ e) using recognized conversion factors.	<p>N/A</p> <p>Since the project finances a transmission link.</p>
8	The planning standards, environmental regulations, and other regulations that the project has been required to comply with.	Development Consent Order (DCO), Marine Licenses

Adaptation and Resilience Component

REQUIREMENT	FACTUAL FINDINGS	ASSESSMENT
<p>1.1</p> <p>Processes are in place to assess key risks to the assets from a changing climate and its impact on marine conditions</p>	<p>The Technical Due Diligence Report notes that the maintenance plan for the assets has been centered on the summer months to avoid adverse weather leading to a run-down of asset conditions due to deferred or delayed maintenance.</p> <p>Whilst the assets have been carefully designed to take into account the risk of a changing climate, with the transmission assets being designed to withstand hostile weather conditions, the Insurance Due Diligence Report notes that the Offshore Transmission Owners (OFTO) will also take out insurance policies to cover the cost of damage to the assets from adverse weather such as lightning, earthquakes, and storm surges, ensuring the assets can be repaired and continue to operate following an adverse weather event.</p>	<p>✓</p>
<p>2.1</p> <p>Processes are in place to assess improvements and impacts the assets have on the resilience of other stakeholders</p>	<p>The Technical Due Diligence Report shows that a pre-application consultation with all the relevant parties was done and the Due Diligence Report confirmed the commitment to environmental excellence.) During the processes to obtain the project's Development Consent Order (DCO) and Marine Licenses, key work was undertaken including statutory stakeholder consultations and completion of an Environmental Impact Assessment. The OFTO will have an ongoing obligation</p>	<p>✓</p>

		to apply with all conditions of the DCO and licenses.	
3.1	An adaptation plan has been designed and is being implemented to address the risks identified in the assessments outlined above	The LTA noted that the OFTO will implement an environmental management system that is certified to ISO 14001, through which the OFTO will strive to reduce its environmental impact and ensure excellence in environmental performance for the benefit of its employees, contractors, and other stakeholders. The plan also requires Contractors to actively promote and administer a robust environmental culture.	✓
3.2	Inspections are carried out regularly and there is a maintenance regime for future inspections.	The Transmission Capital Services, owned by the OFTO, conducts the O&M strategy, and routine inspections to confirm the continued health of the transmission assets including observing pressures, temperatures, and other key measurements.	✓
4.1	The issuer is involved in stakeholder engagement and collaboration	The LTA noted that the wind farm undertook extensive pre-development consent order application statutory consultations with all relevant stakeholders and gave due regard to relevant responses received. Going forward, the OFTO has confirmed that it is committed to operating the assets with due regard to the concerns of stakeholders. A website ³ is currently available through which stakeholders can contact the project to raise any concerns or grievances.	✓
5.1	The assets or projects do not put at risk or endangered species or habitat	The recommendation report to the Secretary of State (as part of the award of the Development Consent Order) confirmed that there should be no material adverse effects of the Project	✓

³ https://www.scottishpowerrenewables.com/pages/east_anglia_one.aspx

	<p>or unduly impact ecosystem services. Where there are possible negative impacts on habitats, mitigation measures are implemented to offset the negative impacts</p>	<p>on the integrity of nearby Special Protection Areas (SPAs). This review considered the project's impact on direct habitat loss, indirect habitat loss, collision risk, disturbance/displacement, and barrier effect.</p>	
5.2	<p>Waste is responsibly dealt with, including appropriate disposal of construction waste and oil-based lubricants, including recycling options where possible</p>	<p>The Due Diligence Report notes that O&M Contractors will be contractually obliged to safely dispose of all waste when undertaking works, complying with environmental laws.</p>	✓
5.3	<p>The Issuer has recognized and listed the potential risks for accidental site contamination either from leakage of hydraulic fluid or from wreckage/debris on the seabed.</p>	<p>The Project has been designed to effectively detect leaks of hydraulic fluids via the inclusion of a SCADA system, which enables real-time monitoring of physical & and chemical parameters (and therefore leak detection).</p>	✓
5.4	<p>Decommissioning of the plant is planned in a way that considers environmental impacts</p>	<p>The LTA proposed decommissioning plan including budgeted costs follows all statutory requirements (e.g., the Energy Act and BEIS' Offshore Decommissioning Guidance). These statutory requirements oblige the OFTO to take into consideration the</p>	✓

		environmental impact of their decommissioning plans.	
5.5	Issuer has plans and processes in place to effectively manage and minimize conflict with other users of marine and coastal place.	The Legal Due Diligence Report notes that the Project has five Crossing and Proximity Agreements with stakeholders who own assets that cross the project's export cables (e.g., pipelines, and communications cables). These Crossing Agreements require the project to act with due care concerning these stakeholders' assets. The project also ensures the export cables are generally buried to a suitable depth to minimize the risk of them being caught by the anchors of ships passing through the project site (minimizing the potential for a subsequent dispute).	✓

ANNEX 3: DETAILED FINDINGS BUILDINGS⁴

DETAILED FINDINGS LOW CARBON BUILDINGS (RESIDENTIAL 1)

Portfolio Level

The Portfolio of buildings (54 residential multi-family buildings) is eligible, against the Low Carbon Trajectory methodology, as all the buildings' Energy Rating Certificates (BER) are below the weighted average emission threshold of 20.91 KgCO₂/m₂/yr.

The Portfolio of buildings (42 apartment units) is eligible, against the Proxy methodology, since each building in the issuer's portfolio satisfy the CBI-approved proxy.

DETAILED FINDINGS LOW CARBON BUILDINGS (RESIDENTIAL 2)

Portfolio Level

The Portfolio of buildings (49 residential multi-family buildings) is eligible, against the Low Carbon Trajectory methodology, as the weighted average of the emissions, 16.64 KgCO₂/m₂/yr, is below the weighted average emission threshold, 19,95 KgCO₂/m₂/yr.

DETAILED FINDINGS LOW CARBON BUILDINGS (RESIDENTIAL 3)

Portfolio Level

The Portfolio of buildings (87 residential multi-family buildings) is eligible, against the Low Carbon Trajectory methodology, as the weighted average of the emissions, 18.16 KgCO₂/m₂/yr, is below the weighted average emission threshold, 19,95 KgCO₂/m₂/yr.

DETAILED FINDINGS LOW CARBON BUILDINGS (RESIDENTIAL 4)

Portfolio Level

⁴ Barclays has provided ISS with detailed information on the assets to be financed on a confidential basis. A detailed report is shared with CBI for verification. However, due to confidentiality reasons, the public version of the report displays limited information on the assets to be financed.

The Portfolio of buildings (72 residential multi-family buildings) is eligible, against the Low Carbon Trajectory methodology, as the weighted average of the emissions, 12.17 KgCO₂/m₂/yr, is below the weighted average emission threshold, 19.95 KgCO₂/m₂/yr.

DETAILED FINDINGS LOW CARBON BUILDINGS (RESIDENTIAL 5)

Portfolio Level

The Portfolio of buildings (76 residential multi-family buildings) is eligible, against the Low Carbon Trajectory methodology, as the weighted average of the emissions, 11.25 KgCO₂/m₂/yr, is below the weighted average emission threshold, 19.95 KgCO₂/m₂/yr.

DETAILED FINDINGS LOW CARBON BUILDINGS (COMMERCIAL 1)

Portfolio Level

The Portfolio of buildings (2 commercial buildings) is eligible, against the Low Carbon Trajectory methodology, as the weighted average of the emissions, 14.48 KgCO₂/m₂/yr, is below the weighted average emission threshold, 35.26 KgCO₂/m₂/yr.

DETAILED FINDINGS LOW CARBON BUILDINGS (RESIDENTIAL 6)

Portfolio Level

The Portfolio of buildings (49 residential multi-family buildings) is eligible, against the Low Carbon Trajectory methodology, as the weighted average of the emissions, 16.47 KgCO₂/m₂/yr is below the weighted average emission threshold, 17.91 KgCO₂/m₂/yr.

DETAILED FINDINGS LOW CARBON BUILDINGS (RESIDENTIAL 7)

Portfolio Level

The Portfolio of buildings (20 residential multi-family buildings) is eligible, against the Low Carbon Trajectory methodology, as the weighted average of the emissions, 17.23 KgCO₂/m₂/yr is below the weighted average emission threshold, 17.91 KgCO₂/m₂/yr.

DETAILED FINDINGS LOW CARBON BUILDINGS (RESIDENTIAL 8)**Portfolio Level**

The Portfolio of buildings (48 residential multi-family buildings) is eligible, against the Low Carbon Trajectory methodology, as the weighted average of the emissions, 15.09 KgCO₂/m₂/yr is below the weighted average emission threshold, 17.91 KgCO₂/m₂/yr.

DETAILED FINDINGS LOW CARBON BUILDINGS (RESIDENTIAL 9)**Portfolio Level**

The Portfolio of buildings (27 residential multi-family buildings) is eligible, against the Low Carbon Trajectory methodology, as the weighted average of the emissions, 16.25 KgCO₂/m₂/yr is below the weighted average emission threshold, 17.91 KgCO₂/m₂/yr.

DETAILED FINDINGS LOW CARBON BUILDINGS (RESIDENTIAL 10)**Portfolio Level**

The Portfolio of buildings (17 residential multi-family buildings) is eligible, against the Low Carbon Trajectory methodology, as the weighted average of the emissions, 9.73 KgCO₂/m₂/yr is below the weighted average emission threshold, 17.91 KgCO₂/m₂/yr.

DETAILED FINDINGS LOW CARBON BUILDINGS (RESIDENTIAL 11)**Portfolio Level**

The Portfolio of buildings (44 residential multi-family buildings) is eligible, against the Low Carbon Trajectory methodology, as the weighted average of the emissions, 15.55 KgCO₂/m₂/yr is below the weighted average emission threshold, 17.91 KgCO₂/m₂/yr.

DETAILED FINDINGS LOW CARBON BUILDINGS (RESIDENTIAL 12)**Portfolio Level**

The Portfolio of buildings (27 residential multi-family buildings) is eligible, against the Low Carbon Trajectory methodology, as the weighted average of the emissions, 15.13 KgCO₂/m₂/yr is below the weighted average emission threshold, 17.91 KgCO₂/m₂/yr.

DETAILED FINDINGS LOW CARBON BUILDINGS (RESIDENTIAL 13)

Portfolio Level

The Portfolio of buildings (49 residential multi-family buildings) is eligible, against the Low Carbon Trajectory methodology, as the weighted average of the emissions, 15.95 KgCO₂/m₂/yr is below the weighted average emission threshold, 17.91 KgCO₂/m₂/yr.

ANNEX 4: DETAILED FINDINGS LOW CARBON TRANSPORT⁵

DETAILED FINDINGS LOW CARBON TRANSPORTATION

✓	<p>The specified assets comply with the Low Carbon Transport Criteria of the Climate Bonds Standard.</p> <p>The proceeds from the trade loans financed and refinanced electric vehicles. The vehicles met the threshold for tailpipe emissions being less than 50gCO₂/p-km⁶ (passenger-kilometer).</p> <p>The purpose of the facility is to support the manufacturing of the electric vehicles that are being manufactured directly by Volvo. The use of the trade loan will solely be for the purposes of electric vehicles as per the facility documentation. The Issuer has confirmed that no vehicles run on biofuel.</p> <p>The projects under the Framework comply with the criteria and are eligible for the Climate Bonds Certification.</p>
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⁵ Barclays has provided ISS with detailed information on the assets to be financed on a confidential basis. A detailed report is shared with CBI for verification. However, due to confidentiality reasons, the public version of the report displays limited information on the assets to be financed.

⁶ This threshold is for the 2020 issuance year until 2025.