

EthiFinance

Second Party Opinions by EthiFinance (FAQ)



What remains?

We keep the existing performance assessment with two basic modules:

1. Evaluation of the issuer / lender in an extended form as "ESG Maturity"
2. Evaluation of the framework according to market standards, such as the Green or Social Bond Principles with additional disclosure of the sustainability impact

As usual, we guarantee the highest quality and excellent customer service.

What's new?

The process of further development has always been based on the needs of our clients and the requirements of the market.

In the EthiFinance Group

- methodology and assessment process will be more accurate, standardised and convenient for our clients. ESG information for the assessment can be collected easily by using a database.
- the SPO will be given a new design and an improved structure, with the assessment results presented more clearly and concisely.
- the components of the SPO will be extended to include the following modules:

Assessment of ESG Maturity

The new module is an extended version of the basic module two "Assessment of the issuer" of the familiar imug rating methodology. It supports the positioning of sustainable corporate governance vis-à-vis investors and consists of a

- 1) determination of the company's ESG performance in the form of a database-supported score evaluating the management of the following areas: Corporate Governance, Social, Environmental and External Stakeholders,
- 2) optimised assessment of ESG risk management in line with current market requirements in the field of sustainability,
- 3) examination of the compliance of the emissions project with the sustainability strategy,
- 4) review of involvement in controversial business activities and practices.

Evaluation of the framework

Impact assessment: The sustainability impact of the financed projects will be presented more clearly and visually in future. A multi-level categorisation enables transparent tracking of the assessment.

What services can I expect?

As part of a European rating agency, we are expanding our expertise in the field of sustainability and our human resources. This increases flexibility for our customers across the entire portfolio, also in the segment Second Party Opinions. We continue to offer the following services:

- SPOs for use-of-proceeds financing in accordance with the Green/Social Bond Principles, Green/Social Loan Principles, Sustainability Bond Guidelines
- SPOs for linked financing in accordance with the Sustainability-Linked Bond/Loan Principles (SLBP/SLLP)
- SPOs in accordance with the Climate Bonds Standard of the Climate Bonds Initiative (CBI)
- Expert opinion on the verification of post-issuance reporting
- Verification of the sustainability performance targets (KPIs & SPTs) for your sustainability-linked loan or bond (in accordance with the requirements of the SLBP/SLLP)
- Preparation of SPOs in German and/or English, in future also in French and/or Spanish

Will the usual contact persons remain?

In future, the SPOs will be created by project teams whose expertise covers all relevant economic sectors. Product Lead Christina Tyca will remain your personal contact for the D-A-CH region. You are also welcome to work with contacts in France or Spain – we will be happy to put you in touch.

Will the usual support remain?

Excellent customer service remains our top priority. The project teams are available to answer any questions you may have. We support you with detailed documentation, resources and checklists in every phase of the SPO project.

How is the usual quality promise ensured?

The improved methodology takes into account current developments in the market and updates to current standards. With project teams consisting of at least two analysts, we ensure the best possible review of the market requirements, the evaluation process and the final SPO (dual control principle). The final SPOs from the project teams are then subjected to internal quality control. In addition, our quality management has been re-certified by an external testing centre in accordance with ISO 9001:2015.

Is independence still guaranteed?

The EthiFinance Group operates independently of political, religious, non-governmental or sectarian organisations and any form of company, association, government organisation or natural or legal person.

Will my contracts remain in place?

Yes, contracts that have already been concluded will remain in place and will be implemented according to the agreed project plan.