

Second-Party Opinion

Aster Group Framework for Sustainable Finance



Evaluation Summary

Sustainalytics is of the opinion that the Aster Group Framework for Sustainable Finance is credible and impactful and aligns with the Green Bond Principles 2018 (GBP), Social Bond Principles 2020 (SBP), Sustainability Bond Guidelines 2018 (SBG) and Green Loan Principles 2020 (GLP). This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds – Affordable Housing and Green Buildings – are aligned with those recognized by the GBP, SBP and GLP. Sustainalytics considers that the eligible categories will lead to positive environmental or social impacts and advance the UN Sustainable Development Goals, specifically SDG 9 and 11.



PROJECT EVALUATION / SELECTION Aster Group Limited intends to rely on its internal Group Asset and Investment Panel for project evaluation and selection. Sustainalytics notes that the composition of this panel includes senior management representatives from different departments and considers the project selection process in line with market practice.



MANAGEMENT OF PROCEEDS Aster Group Limited intends to maintain a separate record for proceeds raised from financings under this Framework. Net proceeds are intended to be allocated towards refinancing of existing projects with a lookback period of three years or financing new projects within two years from date of issuance with unallocated proceeds managed in accordance with the Company's treasury management policy. This is in line with market practice.



REPORTING Aster Group Limited intends to report on the allocation of proceeds on an annual basis until full allocation. In addition, Aster Group Limited is committed to reporting on relevant impact metrics. Sustainalytics views Aster Group Limited's allocation and impact reporting as aligned with market practice.

Evaluation date	December 18, 2020
Issuer Location	Wiltshire, United Kingdom

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Introduction

Aster Group Limited (“Aster”, or the “Company”) as a developer of affordable housing projects manages over 32,000 homes in the United Kingdom. The Company reported property assets of over £1.7 billion (US\$2.3 billion) and employed over 1,200 people as of 31 March 2020.¹

Aster has developed the Framework for Sustainable Finance (the “Framework”) under which it intends to issue financing through sustainability bonds and loans and use the proceeds to finance or refinance, in whole or in part, existing or future projects that will increase the supply of affordable housing for populations in the United Kingdom. The Framework defines eligibility criteria in two areas:

1. Affordable Housing
2. Green Buildings

Aster engaged Sustainalytics to review the Framework for Sustainable Finance, dated October 2020, and provide a Second-Party Opinion on the Framework’s environmental and social credentials and its alignment with the GBP,² SBP,³ SBG⁴ and GLP.⁵ This Framework has been published in a separate document.⁶

Scope of work and limitations of Sustainalytics Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent⁷ opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Green Bond Principles 2018, Social Bond Principles 2020, and Sustainability Bond Guidelines 2018, as administered by ICMA, and the Green Loan Principles 2020 as administered by the Loan Market Association; and
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.6, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of Aster’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. Aster representatives have confirmed (1) they understand it is the sole responsibility of Aster to ensure that the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Framework and should be read in conjunction with that Framework.

¹ Aster website, About Us, accessed December 2020, Aster confirms to Sustainalytics that figure is the same in March 2020, at: <https://www.aster.co.uk/corporate/about-us>

² The Green Bond Principles as administered by the International Capital Markets Association and are available at: <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/>

³ The Social Bond Principles as administered by the International Capital Markets Association and are available at: <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/social-bond-principles-sbp/>

⁴ The Sustainability Bond Guidelines are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/sustainability-bond-guidelines-sbg/>

⁵ The Green Loan Principles are administered by the Loan Market Association and are available at: https://www.lma.eu.com/application/files/9115/4452/5458/741_LM_Green_Loan_Principles_Booklet_V8.pdf

⁶ The Framework for Sustainable Finance is available on Aster Group Limited’s website at: <https://www.aster.co.uk/corporate/about-us/investor-relations>

⁷ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Aster.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

In addition, the Second-Party Opinion opines on the intended allocation of proceeds but does not guarantee the realised allocation of the bond proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Aster has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Framework for Sustainable Finance

Sustainalytics is of the opinion that the Framework for Sustainable Finance is credible, impactful and aligns with the four core components of the GBP, SBP and GLP. Sustainalytics highlights the following elements of Aster's Sustainability Bond Framework:

- Use of Proceeds:
 - The eligible categories – Affordable Housing and Green Buildings – are aligned with those recognized by the GBP, SBP, and GLP.
 - Within Affordable Housing, Aster is considering investments in affordable housing projects in the UK through construction of new projects as well as modernization of existing projects. These projects could be provided on rent or sold through a shared-ownership model subject to affordability criteria as defined by the Ministry of Housing Communities and Local Government (the "Ministry").
 - For projects on rent, the Ministry defines thresholds for affordable and social rent that take into consideration key factors such as local market rent, household income, and relative value of the property.⁸
 - For projects under the shared-ownership structure, the Ministry defines a household income threshold that takes into consideration factors such as median local income and first-time house ownership.
 - Investments are intended for a target population that is identified in the social housing registry maintained by the Ministry. The registry includes a list of all households that are eligible for support under schemes mentioned above ranked based on current housing status and affordability amongst other parameters.
 - Sustainalytics considers the above definitions and criteria prescribed by the Ministry to be credible and considers investments in this category to be aligned with market practice.
 - Within the Green Buildings category, the Company contemplates investments in affordable housing projects (as defined above) that have obtained an Environmental Impact Rating (EIR) and an Environmental Performance Certificate (EPC) label of B or above. These investments are part of the Company's Energy Plan, which aims to reduce its carbon footprint (for more details please refer to Section 2 of the Second-Party Opinion). Sustainalytics considers the certification scheme to be credible and the thresholds prescribed by the Framework to be aligned with market practice.

⁸ The Ministry website, The Policy statement on rents for social housing at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/781746/Policy_Statement.pdf

- Project Evaluation and Selection:
 - Aster intends to rely on its Group Asset and Investment Panel that includes senior representatives from key departments such as treasury, sustainability, property investment etc. for evaluating and selecting projects.
 - Based on the above, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - The Treasury department at Aster intends to maintain a separate record for proceeds raised from issuances under the Framework and will allocate them to eligible projects identified by the Group Asset and Investment Panel.
 - Net proceeds are intended to be allocated for refinancing projects financed within three years from the date of issuance.
 - Aster intends to allocate all proceeds within the first two years from the date of issuance.
 - The Framework provides for unallocated net proceeds to be invested in liquid instruments in line with the Company's treasury management policy.
 - Based on well-defined processes for managing proceeds including disclosures related to lookback and allocation periods and temporary allocation of proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - Aster intends to report on allocations made from issuances under the Framework as well as their impact on an annual basis.
 - Within allocation reporting, the Company commits to including details such as total amount allocated to eligible projects, the share of net proceeds used for financing vs. refinancing, and the balance of unallocated proceeds.
 - Within impact reporting, the Company intends on reporting on key quantitative and qualitative impact metrics such as average rent vs. market rent, share of new lettings to low-income groups, EPC rating of homes etc.
 - Based on a commitment to allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment with Sustainability Bond Guidelines 2018

Sustainalytics has determined that the Framework for Sustainable Finance aligns to the four core components of the Green Bond Principles (2018) and Social Bond Principles (2020). For detailed information please refer to Appendix 1: Sustainability Bond/ Sustainability Bond Programme External Review Form.

Section 2: Sustainability Performance of Aster

Contribution of Framework to Aster Group Limited's sustainability strategy

Sustainalytics is of the opinion that Aster demonstrates a strong commitment to sustainability with a focus on two key environmental and social areas: (i) providing affordable housing, (ii) developing residential buildings with positive environmental characteristics.

Aster's sustainability approach is to generate social impact by promoting affordable housing in the form of shared ownership and social renting while minimizing associated environmental impact. The Company develops and maintains affordable housing projects for people in the UK. As of 31 March 2020, Aster owns and manages 32,039 buildings, where 98% by revenue are related to affordable housing.⁹ Further, for rented properties, the Company's rents are on average 64% of market rates, lower than the limits prescribed by regulation.¹⁰

In 2020, the Company introduced Streamlined Energy and Carbon Reporting (SECR)¹¹, which are government guidelines on disclosure of emissions data, and commits to defining carbon reduction targets during 2021. These targets are to be achieved partially by achieving to improve the energy performance of the entire housing stock having a performance certificate (EPC) rating of C by 2025. Currently, 84% of houses meet this requirement and investments highlighted in the Framework are expected to contribute towards this target.

⁹ Aster Annual Report 2020, at: www.aster.co.uk/corporate/about-us/our-reports

¹⁰ Figure provided to Sustainalytics by Aster

¹¹ Guidance for Streamlined Energy and Carbon Reporting (SECR), at: <https://www.gov.uk/government/publications/academy-trust-financial-management-good-practice-guides/streamlined-energy-and-carbon-reporting>

Partially through its Special Purpose Vehicle called Aster Solar, the Company has also installed photovoltaic power on some of its least energy efficient buildings. This is relevant to the target mentioned above, but also makes the homes more affordable, reducing resident energy bills by £100-200 (US \$130-270) annually.

Sustainalytics is of the opinion that the Framework for Sustainable Finance is aligned with the company's overall sustainability strategy and initiatives and will further the Company's action on its key environmental priorities.

Well-positioned to address common environmental and social risks associated with the projects

While Sustainalytics recognizes that the use of proceeds from the Framework will be directed towards eligible projects that are recognized by the GBP, SBP, and GLP to have positive environmental and social impact, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks associated with the eligible projects, could include health and safety, land use and biodiversity issues, waste generated in construction, and increased inequalities.

Sustainalytics is of the opinion that Aster is able to manage and mitigate potential risks through implementation of the following:

- Aster has implemented an environmental management system externally certified to ISO 14001 standards since 2010. Sustainalytics considers ISO 14001 to be a robust standard for the management of environmental practices.
- Aster has a Health and Safety Policy,¹² that includes equipment standards, incident reporting, dedicated Safety Managers and regular policy reviews. Sub-contractors have the same requirements. Governed by the Safety at Work act of 1974.¹³
- The Company relies on an Environmental Sustainability Policy that was developed by the Head of Sustainability and Energy and is currently managed by the Group Operations Director. The policy lays down Aster's key environmental priorities including energy, fuel, and water efficiency, pollution prevention, and limiting impact on local biodiversity. Sustainalytics acknowledges that the policy enables tracking of these issues at a senior management level and encourages the Company to incorporate quantitative targets and action plans to achieve the same.¹⁴
- The Company has policies to ensure that waste is properly sorted, and that site drainage is managed appropriately and in compliance with local laws.¹⁵
- The Company follows the National Policy Framework, which prescribes thresholds for affordable housing in the UK. Eligible projects financed under the Framework are intended to be developed for target population of low-income individuals identified as in need of housing support by the social housing registry maintained by the Ministry.

Based on these policies, standards and assessments, Sustainalytics is of the opinion that Aster has implemented adequate measures and is well-positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

Both use of proceeds categories are aligned with those recognized by GBP, SBP or GLP. Sustainalytics has focused on each one below where the impact is specifically relevant in the local context.

The importance of affordable housing

In spite of the UK having the highest share of social housing in the OECD,¹⁶ there is still a significant housing shortage in the UK. An estimated 8.4 million people in England are living in unaffordable, insecure, overcrowded or otherwise unsuitable homes.¹⁷ Over 1.1 million people are on the waiting list for affordable

¹² Aster Group Health and Safety Policy, December 2019, provided to Sustainalytics by Aster Group

¹³ Health and Safety at Work etc. Act 1974, at: <https://www.legislation.gov.uk/ukpga/1974/37/contents>

¹⁴ Aster website, Environmental Sustainability Policy, at: <https://s3.eu-west-1.amazonaws.com/aster.co.uk/IMAGES/Footer/Policies/Aster-Group-Environmental-Sustainability-Policy.pdf>

¹⁵ Aster Group Environmental Management System, provided by Aster Group

¹⁶ Affordable Housing Database - OECD, at: <http://www.oecd.org/housing/data/affordable-housing-database/>

¹⁷ "Local authority housing statistics: Year ending March 2018, England", The Ministry of Housing, Communities and Local Government, at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/773079/Local_Authority_Housing_Statistics_England_year_ending_March_2018.pdf

(including social and intermediate) housing¹⁷ while only 37,825 such homes were constructed last year.¹⁸ Lack of affordable housing further leads to negative social outcomes across multiple dimensions as families and individuals are compelled to make trade-offs between spending on rent and on other essentials such as food, healthcare, and transportation.

The national government has set a goal of building 300,000 houses annually,¹⁹ with a part of this goal dedicated to affordable housing. Specifically, the Affordable Homes Programme²⁰ aims to provide 180,000 new shared ownership and discounted rent properties between 2021 and 2026.

In England and Wales, “social housing” is defined by the Housing and Regeneration Act 2008²¹, and a part of the purpose of this law is to provide affordable rents or affordable routes to home ownership. One of these is the shared ownership scheme, which is targeted for people whose needs are not adequately served by the commercial housing market. This scheme allows them to buy parts of properties, and rent the remainder. Even including the cost of renting the remaining share of the property, the overall housing costs of shared ownership are considerably more affordable than those of other first-time buyers.²²

In this context, Aster’s projects for the development and provision of social and affordable housing directly supports the UK’s housing targets. Sustainalytics considers this use of proceeds category robust considering the clear eligibility criteria for beneficiaries to ensure affordable housing is provided to those in need.

The Importance of green buildings

Emissions of greenhouse gases from buildings account for 34% of total UK emissions,²³ which is slightly lower than the European average of 36%.²⁴ Half of the UK emissions from buildings are direct emissions from burning gas for heating, and the other half from electricity usage.²³ According to the Climate Change Committee, a UK government advisory body, the 2 solutions to this are to increase energy efficiency of the buildings themselves, and increase low-carbon heating options.

In 2018 the UK government launched the Clean Growth Strategy (CGS),²⁵ which includes having 100% of UK homes to be certified EPC C or above by 2030. In April-June 2019, 95% of new domestic properties and 38% of existing properties in England and Wales had a rating of C and above.²⁶ For energy efficiency of buildings, the UK has improved by 1.6% a year between 2000 and 2017 according to ODEX, an energy efficiency index, which is better than the EU average of 1.2%.²⁷

Sustainalytics is of the opinion that the assets that may be funded with green financing proceeds are impactful and could contribute to reducing buildings’ energy consumption and increasing energy efficiency, as well as assisting the UK in meeting energy savings and national GHG emissions targets.

¹⁸ “Building more social housing Third Report of Session 2019–21”, House of Commons - Housing, Communities and Local Government Committee, at: <https://publications.parliament.uk/pa/cm5801/cmselect/cmcomloc/173/173.pdf>

¹⁹ “Planning for the future, White paper August 2020”, Ministry of Housing, Communities and Local Government, at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/907647/MHCLG-Planning-Consultation.pdf

²⁰ Press release (Affordable Homes Programme 2021 to 2026), Ministry of Housing, Communities and Local Government, at: <https://www.gov.uk/government/news/jenrick-unveils-huge-12-billion-boost-for-affordable-homes>

²¹ “Housing and Regeneration Act 2008”, at: <http://www.legislation.gov.uk/ukpga/2008/17/part/2/chapter/1/crossheading/social-housing>

²² “Increase home ownership at the lower end of the distribution”, London School of Economics, at:

http://sticerd.lse.ac.uk/case/_new/research/inequalities_and_Poverty/policy-toolkit/housing-home-ownership.asp

²³ “Factsheet: Buildings”, Committee on Climate Change, at: <https://www.theccc.org.uk/wp-content/uploads/2014/08/Fact-sheet-buildings-updated-July-2015.pdf>

²⁴ “A Climate Neutral Building Stock”, EURIMA, at: https://www.eurima.org/uploads/ModuleXtender/Publications/182/Climate_Neutral_Building_Stock_position_paper_11_2019.pdf

²⁵ “Clean Growth Strategy: executive summary”, Department for Business, Energy and Industrial Strategy, <https://www.gov.uk/government/publications/clean-growth-strategy/clean-growth-strategy-executive-summary>

²⁶ “Energy Performance of Buildings Certificates Statistical Release” Q2 2019: England and Wales, the Ministry website at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/821898/EPB_Cert_Statistics_Release_Q2_2019.pdf

²⁷ “United Kingdom Profile”, Odyssee-Mure Databases, at: <https://www.odyssee-mure.eu/publications/efficiency-trends-policies-profiles/united-kingdom.html#buildings>

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. This sustainability bond advances the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Affordable Housing	11. Sustainable Cities and Communities	11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums
Green Buildings	9. Industry, Innovation, and Infrastructure	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

Conclusion

Aster has developed the Framework for Sustainable Finance under which it intends to issue sustainability financing instruments and use the proceeds to finance green buildings and affordable housing projects. Sustainalytics considers that the projects funded by the sustainability bond proceeds are expected to provide positive environmental and social impact.

The Framework for Sustainable Finance outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that the Aster Framework for Sustainable Finance is aligned with the overall sustainability strategy of the company and that the use of proceeds categories will contribute to the advancement of the UN SDGs 9 and 11. Additionally, Sustainalytics is of the opinion that Aster has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the net proceeds.

Based on the above, Sustainalytics is confident that Aster Group Limited is well-positioned to issue sustainability bonds and that that Framework for Sustainable Finance is robust, transparent, and in alignment with the four core components of the Green Bond Principles (2018), Social Bond Principles (2020), Sustainability Bond Guidelines (2018) and Green Loan Principles (2020).

Appendix

Appendix 1: Sustainability Bond / Sustainability Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	Aster Group Limited
Sustainability Bond ISIN or Issuer Sustainability Bond Framework Name, if applicable:	Framework for Sustainable Finance
Review provider's name:	Sustainalytics
Completion date of this form:	December 18, 2020
Publication date of review publication:	January 11, 2021

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 GBP and SBP:

- | | |
|--|--|
| <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 Evaluation Summary 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)*:

The eligible categories for the use of proceeds – Affordable Housing, Green Buildings – are aligned with those recognized by the GBP, SBP and GLP. Sustainalytics considers that the eligible categories will lead to positive environmental or social impacts and advance the UN Sustainable Development Goals, specifically SDG 9 and 11.

Use of proceeds categories as per GBP:

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

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

Use of proceeds categories as per SBP:

- | | |
|---|---|
| <input type="checkbox"/> Affordable basic infrastructure | <input type="checkbox"/> Access to essential services |
| <input checked="" type="checkbox"/> Affordable housing | <input type="checkbox"/> Employment generation (through SME financing and microfinance) |
| <input type="checkbox"/> Food security | <input type="checkbox"/> Socioeconomic advancement and empowerment |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with SBP categories, or other eligible areas not yet stated in SBP | <input type="checkbox"/> Other (please specify): |

If applicable please specify the social taxonomy, if other than SBP:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

Aster Group Limited intends on relying on its internal Group Asset and Investment Panel for project evaluation and selection. Sustainalytics notes that the composition of this panel includes senior management representatives from different departments and considers the project selection process in line with market practice.

Evaluation and selection

- | | |
|---|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's social and green objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Sustainability Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (please specify): |

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 (please specify): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

Aster Group Limited intends on maintaining a separate record for proceeds raised from financings under this Framework. Net proceeds are intended to be allocated towards refinancing of existing projects with a lookback period of three years or financing new projects within two years from date of issuance with unallocated proceeds managed in accordance with the Company's treasury management policy. This is in line with market practice.

Tracking of proceeds:

- | |
|---|
| <input checked="" type="checkbox"/> Sustainability Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other (please specify): |

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 type="checkbox"/> Allocation to a portfolio of disbursements |
| <input type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (please specify): |

4. REPORTING

Overall comment on section (if applicable):

Aster Group Limited intends to report on the allocation of proceeds on an annual basis until full allocation. In addition, Aster Group Limited is committed to reporting on relevant impact metrics. Sustainalytics views Aster Group Limited's allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (please specify): |

Information reported:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Allocated amounts | <input checked="" type="checkbox"/> Sustainability Bond financed share of total investment |
| <input type="checkbox"/> Other (please specify): | |

Frequency:

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): | |

Impact reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (please specify): |

Information reported (expected or ex-post):

- | | |
|---|---|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input checked="" type="checkbox"/> Energy Savings |
| <input type="checkbox"/> Decrease in water use | <input checked="" type="checkbox"/> Number of beneficiaries |
| <input checked="" type="checkbox"/> Target populations | <input type="checkbox"/> Other ESG indicators (please specify): |

Frequency:

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): | |

Means of Disclosure

- | | |
|---|--|
| <input type="checkbox"/> Information published in financial report | <input checked="" type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents | <input type="checkbox"/> Other (please specify): |
| <input type="checkbox"/> Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review): | |

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.)

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- | | |
|--|--|
| <input type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification / Audit | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Review provider(s):

Date of publication:

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

- i. Second-Party Opinion: An institution with sustainability expertise that is independent from the issuer may provide a Second-Party Opinion. The institution should be independent from the issuer's adviser for its Sustainability Bond framework, or appropriate procedures such as information barriers will have been implemented within the institution to ensure the independence of the Second-Party Opinion. It normally entails an assessment of the alignment with the Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy, and/or processes relating to sustainability and an evaluation of the environmental and social features of the type of Projects intended for the Use of Proceeds.
- ii. Verification: An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or sustainability criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally or socially sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Sustainability Bond proceeds, statement of environmental or social impact or alignment of reporting with the Principles may also be termed verification.
- iii. Certification: An issuer can have its Sustainability Bond or associated Sustainability Bond framework or Use of Proceeds certified against a recognised external sustainability standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
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data, process relative to the Principles, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material sustainability risks.

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