

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Green Commercial Paper
Asset Pool

Alpine Securitization Ltd
13 November 2020

VERIFICATION PARAMETERS

Type(s) of instruments contemplated	<ul style="list-style-type: none">• Green Commercial Paper
Relevant standards	<ul style="list-style-type: none">• ICMA Green Bond Principles
Scope of verification	<ul style="list-style-type: none">• Alpine Securitization Ltd Green Finance Framework (as of 05.2020)• Alpine Securitization Ltd Green Commercial Paper Portfolio (as of 09.2020)
Lifecycle	<ul style="list-style-type: none">• Pre-issuance verification
Validity	<ul style="list-style-type: none">• For a single issuance after SPO publication

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Overall Evaluation of the Green Commercial Paper

Alpine Securitization Ltd (“Alpine”) commissioned ISS ESG to assist with its Green Commercial Paper by assessing three core elements to determine the sustainability quality of the instrument:

1. Credit Suisse¹'s sustainability performance, according to the ISS ESG Corporate Rating.
2. Alpine’s Green Finance Framework (May 2020 version)– benchmarked against the International Capital Market Association's (ICMA) Green Bond Principles (GBPs).
3. The green commercial paper’s asset pool – whether the projects contributes positively to the UN SDGs and perform against ISS ESG’s issue-specific key performance indicators (KPIs) (See Annex 2).

ISS ESG ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ²
Part 1: Issuer sustainability performance	Alpine Securitization Ltd is a member of Credit Suisse AG’s consolidated group, and therefore falls under Credit Suisse AG’s ESG Performance Rating. ISS ESG was previously mandated by Credit Suisse for a SPO on their green finance framework in May 2020. Credit Suisse’s ESG performance is available within their SPO, which is available on: https://www.isscorporatesolutions.com/solutions/esg-solutions/second-party-opinion/	-
Part 2: Alignment with GBPs	The issuer has defined a formal concept for its green commercial paper regarding use of proceeds and processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the ICMA GBPs.	Positive
Part 3: Sustainability quality of the green commercial paper	<p>The overall sustainability quality of the asset pool in terms of sustainability benefits, risk avoidance and minimisation was assessed by ISS ESG Green Bond KPIs. The Green Bond KPIs contain a clear description of eligible asset category: Solar P.V. and wind energy.</p> <p>The asset pool contributes positively to SDGs 7 “Affordable and clean energy”, 11 “Sustainable cities and communities” and 13 “Climate action”. The environmental and social risks associated to the assets are overall managed appropriately.</p>	Positive

¹ Alpine Securitization Ltd is a member of Credit Suisse AG’s consolidated group.

² ISS ESG’s evaluation is based on Alpine Securitization Ltd Green Finance Framework (May 2020 version), on the analysed green commercial paper asset pool as received in September 2020. ISS ESG underwent a controversy screening of the asset pool on the 30.09.2020.

ISS ESG SPO ASSESSMENT

PART I: ASSESSMENT OF THE ISSUER'S ESG PERFORMANCE

Alpine Securitization Ltd is a member of Credit Suisse AG's consolidated group, and therefore falls under Credit Suisse AG's ESG Performance Rating.

ISS ESG was previously mandated by Credit Suisse for an SPO on their green finance framework in May 2020. Credit Suisse's ESG performance is available within their SPO, which is available on ISS Corporate Solutions' website:

<https://www.isscorporatesolutions.com/solutions/esg-solutions/second-party-opinion/>

PART II: ALIGNMENT WITH THE GREEN BOND PRINCIPLES

1. Use of Proceeds

Proceeds from any specified issuance of Alpine green commercial paper notes will be allocated to finance or refinance, in part or in full, new and existing projects and assets with a clear and defined environmental benefit meeting the following eligibility criteria [which is generally consistent with the Green Bond Principles] (“Eligible Projects”).

CATEGORY	ASSETS INCLUDED IN THE GREEN COMMERCIAL PAPER	VOLUME AND SHARE OF ASSETS
Renewable Energy (<i>Solar and Wind</i>)	✓	USD 265m (100%)
Energy Efficiency	✗	USD 0m (0%)
Low Carbon Buildings	✗	USD 0m (0%)
Conservation Finance	✗	USD 0m (0%)
Clean Transportation	✗	USD 0m (0%)
Sustainable Waste Management	✗	USD 0m (0%)
Circular Economy	✗	USD 0m (0%)
Total		USD 265m

The proceeds will be used for financing or refinancing of Eligible Projects. Alpine aims to allocate the majority of proceeds on the day of issue, and all proceeds will be allocated after 12 months.

Opinion: ISS ESG considers the Use of Proceeds description provided by Alpine’s Green Finance Framework to be aligned with the GBPs. However, regarding the category “Conservation Finance”, due care needs to be applied in selection in order to avoid negative social and environmental impacts according to ISS ESG’s KPIs.

2. Process for Project Evaluation and Selection

The SP Finance Conduit Team, as manager of Alpine, will be responsible for determining which projects qualify as an Eligible Project. The SP Finance Conduit Team will verify the suitability and eligibility of such investments in collaboration with internal experts and stakeholders [and using criteria that is generally consistent with the Green Bond Principles].

Eligible Projects will be evaluated using financial and risk-based analyses as well as strategic considerations to determine which ones should be allocated to any specified issuance of Alpine green commercial paper.

The SP Finance Conduit team expects the majority of proceeds to be allocated to the financing of Eligible Projects on date of issue, and all proceeds will be allocated to Eligible Projects after 12 months. The SP Finance Conduit Team has formal risk management policies, procedures and systems in place to identify, assess and mitigate risks related to the Eligible Projects.

Opinion: *ISS ESG finds that the process for project evaluation and selection align with the GBPs. Involving internal experts and stakeholders in the process reflects good governance.*

3. Management of Proceeds

Alpine intends to allocate the proceeds from green commercial paper to Eligible Projects.

Alpine expects the majority of proceeds to be allocated to the financing of Eligible Projects on date of issue, and all proceeds will be allocated to Eligible Projects after 12 months. Any unallocated proceeds will be earmarked and held as cash or cash-equivalents pending investment in Eligible Projects.

Opinion: *ISS ESG finds that the management of proceeds align with the GBPs. Earmarking and unallocated proceeds being held as cash or cash-equivalents and allocated after 12 months reflects good market practice.*

4. Reporting

Alpine will include additional information in its monthly servicer report. This will include:

- Total amount of proceeds allocated to Eligible Projects
- The remaining balance of any unallocated funds from any outstanding issuance of Alpine's green commercial paper

Opinion: *ISS ESG finds that the reporting process align with the GBPs. Proceeds allocation reporting and transparency on the remaining balance of any unallocated funds reflects good market practice. However, the monthly servicer report will not be published publicly.*

PART III: SUSTAINABILITY QUALITY OF THE ISSUANCE

A. CONTRIBUTION OF THE GREEN COMMERCIAL PAPER TO THE UN SDGs

Based on the assessment of the sustainability quality of the green commercial paper and using a proprietary methodology, ISS ESG assessed the contribution of Alpine’s green commercial paper to the Sustainable Development Goals defined by the United Nations (UN SDGs).

This assessment is displayed on 5-point scale (see Annex 2 for methodology):

Significant Obstruction	Limited Obstruction	No Net Impact	Limited Contribution	Significant Contribution
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Each of the green commercial paper’s Use of Proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS	
Solar P.V.	Significant contribution		
Wind Energy	Significant contribution		

B. MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS ASSOCIATED WITH THE GREEN COMMERCIAL PAPER

Solar P.V.

As a Use of Proceeds category, Solar P.V. has a significant contribution to the SDG 7 “Affordable and clean energy” and SDG 13 “Climate action”. The table below presents the findings of an ISS ESG assessment of the assets (re-) financed against ISS ESG KPIs.

ASSESSMENT AGAINST ISS ESG KPI

Site selection

- ✓ 100% of assets are not located in key biodiversity areas (Ramsar sites, IUCN protected areas I-IV).

Supply chain standards

- ✓ 61% of assets provide for high labour and health and safety standards in the supply chain of solar modules. No information was available for the rest of the assets.

Environmental aspects of solar panels

- ✓ 98% of assets provide for high environmental standards regarding take-back and recycling of solar modules at end-of-life stage (e.g. in line with WEEE requirements). No information was available for the rest of the assets.
- ✓ 86% of assets provide for high standards regarding the reduction or elimination of toxic substances within solar panels (e.g. in line with RoHS requirements or other relevant standards). No information was available for the rest of the assets.
- ✓ 100% of assets feature a conversion efficiency of at least 15%.

Working conditions during construction and maintenance work

- ✓ 100% of assets are located in the United States. The United States has ratified most of the ILO Core convention requirements on high labour and health and safety standards for construction and maintenance work (e.g. ILO core conventions). Nevertheless, the United States has not ratified Status of child labour practices and minimum age of employment. Additionally, no information was available whether the issuer has policies covering child labour practices and minimum age of employment.

Controversy assessment

A controversy assessment was conducted on the assets and revealed no controversy that can be attributed to the issuer.

Wind Energy

As a Use of Proceeds category, wind energy has a significant contribution to the SDG 7 “Affordable energy and clean energy” and SDG 13 “Climate action”.

The table below presents the findings of an ISS ESG assessment of the assets (re-) financed against KPIs and the association with SDGs based on a mapping methodology.

ASSESSMENT AGAINST ISS ESG KPI

Site selection

- ✓ 100% of assets are not located in key biodiversity areas (Ramsar sites, IUCN protected areas I-IV). Some of the assets are located in brownfields.
- 100% of assets did not undergo a throughout environmental impact assessment at the planning stage. The assets exclusively underwent an environmental site assessment.
- ✓ 100% of assets feature community dialogue as an integral part of the planning process (e.g. sound information of communities). Additionally, the assets follow Emergency Planning and Community Right-to-Know Act.

Environmental aspects of construction and operation

- 100% of assets do not meet high environmental standards during the construction phase (e.g. noise mitigation, minimisation of environmental impact during construction work).
- 100% of assets do not provide for measures to protect habitat and wildlife during operation of the power plant (e.g. measures to protect birds and bats).

Working conditions during construction and maintenance work

- ✓ 100% of assets are located in the United States. The United States has ratified most of the ILO Core convention requirements on high labour and health and safety standards for construction and maintenance work (e.g. ILO core conventions). Nevertheless, the United States has not ratified Status of child labour practices and minimum age of employment. Additionally, no information was available whether the issuer has policies covering child labour practices and minimum age of employment.

Controversies

A controversy assessment was conducted on the assets and revealed one controversy. One wind farm is being investigated by the U.S. Justice Department’s Environmental and Natural Resources Division in connection with the death of a federally protected golden eagle and multiple bats, of which one was an endangered species, but they have since been delisted from the endangered species list. The company sent information and complied with the request from the Justice Department and have not had any further communication in the last two years. The company confirmed there is no ongoing action with the Justice Department.

DISCLAIMER

1. Validity of the SPO: For Alpine's first issuance following the SPO release date.
2. ISS ESG uses a scientifically based rating concept to analyse and evaluate the environmental and social performance of companies and countries. In doing so, we adhere to the highest quality standards which are customary in responsibility research worldwide. In addition, we create a Second Party Opinion (SPO) on bonds based on data from the issuer.
3. We would, however, point out that we do not warrant that the information presented in this SPO is complete, accurate or up to date. Any liability on the part of ISS ESG in connection with the use of these SPO, the information provided in them and the use thereof shall be excluded. In particular, we point out that the verification of the compliance with the selection criteria is based solely on random samples and documents submitted by the issuer.
4. All statements of opinion and value judgements given by us do not in any way constitute purchase or investment recommendations. In particular, the SPO is no assessment of the economic profitability and credit worthiness of a bond but refers exclusively to the social and environmental criteria mentioned above.
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ANNEX 1: Methodology

ISS ESG Green KPIs

The ISS ESG Green Bond KPIs serves as a structure for evaluating the sustainability quality – i.e. the social and environmental added value – of the use of proceeds of Alpine’s green commercial paper.

It comprises firstly the definition of the use of proceeds category offering added social and/or environmental value, and secondly the specific sustainability criteria by means of which this added value and therefore the sustainability performance of the assets can be clearly identified and described.

The sustainability criteria are complemented by specific indicators, which enable quantitative measurement of the sustainability performance of the assets and which can also be used for reporting. If a majority of assets fulfill the requirement of an indicator, this indicator is then assessed positively. Those indicators may be tailor-made to capture the context-specific environmental and social risks.

To review the KPIs used in this SPO, please contact Federico Pezzolato (details below) who will send them directly to you.

Asset evaluation methodology

ISS ESG evaluates whether the assets included in the asset pool match the eligible project category and criteria listed in the Green Bond KPIs.

All percentages refer to the amount of assets within one category (e.g. wind power). Additionally, the assessment “no or limited information is available” either indicates that no information was made available to ISS ESG or that the information provided did not fulfil the requirements of the ISS ESG Green Bond KPIs.

The evaluation was carried out using information and documents provided to ISS ESG on a confidential basis by Alpine (e.g. Due Diligence Reports). Further, national legislation and standards, depending on the asset location, were drawn on to complement the information provided by the issuer.

Assessment of the contribution and association to the SDG

The 17 Sustainable Development Goals (SDGs) were endorsed in September 2015 by the United Nations and provide a benchmark for key opportunities and challenges toward a more sustainable future. Using a proprietary method, ISS ESG identifies the extent to which Alpine’s green commercial paper contributes to related SDGs.

ANNEX 2: Quality management processes

SCOPE

Alpine commissioned ISS ESG to compile a green commercial paper SPO. The Second Party Opinion process includes verifying whether the Green Finance Framework aligns with the Green Bond Principles and to assess the sustainability credentials of its green commercial paper, as well as the issuer's sustainability strategy.

CRITERIA

Relevant Standards for this Second Party Opinion

- ICMA Green Bond Principles
- ISS ESG KPI set:
- Solar P.V.
- Wind Energy

ISSUER'S RESPONSIBILITY

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

- Framework
- Asset pool
- Documentation of ESG risks management at the asset level

ISS ESG'S VERIFICATION PROCESS

ISS ESG is one of the world's leading independent environmental, social and governance (ESG) research, analysis and rating houses. The company has been actively involved in the sustainable capital markets for over 25 years. Since 2014, ISS ESG 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.

ISS ESG has conducted this independent Second Party Opinion of the green commercial paper to be issued by Alpine based on ISS ESG methodology and in line with the ICMA Green Bond Principles.

The engagement with Alpine took place in September/ October 2020.

ISS ESG'S BUSINESS PRACTICES

ISS has conducted this verification in strict compliance with the ISS Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behaviour 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.

About ISS ESG SPO

ISS ESG is one of the world's leading rating agencies in the field of sustainable investment. The agency analyses companies and countries regarding their environmental and social performance.

As part of our Sustainable (Green & Social) Bond Services, we provide support for companies and institutions issuing sustainable bonds, advise them on the selection of categories of projects to be financed and help them to define ambitious criteria.

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 issuer 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.isscorporatesolutions.com/solutions/esg-solutions/green-bond-services/>

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