

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Green Bond Asset Pool

Your Nature Partners
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Overall Evaluation of the Green Bond

Your Nature Partners (Your Nature) commissioned ISS ESG to assist with its Green Bond by assessing three core elements to determine the sustainability quality of the Bond:

1. Your Nature’s Green Bond processes – benchmarked against the International Capital Market Association’s (ICMA) Green Bond Principles (GBPs).
2. The asset pool – whether the project aligned with ISS ESG’s issue-specific key performance indicators (KPIs) (See Annex 1) based on a due diligence process conducted with the issuer.

ISS ESG ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ¹
Part 1: Performance against GBPs	The issuer has defined a formal concept for its Green Bonds regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the ICMA GBPs. However, the issuer did not publicly publish a separate Green Bond Framework to accompany this issuance.	Positive
Part 2: Sustainability quality of the asset	The overall sustainability quality of the asset pool in terms of sustainability benefits, risk avoidance and minimization is good against ISS ESG Green Bond KPIs and based on information provided by the issuer. The only project is eco-tourism infrastructures. The asset is located in Belgium, a highly regulated and developed country. Legislative frameworks in this country set minimum standards, which reduce environmental and social risks.	Positive
Part 3: Issuer sustainability performance	<i>Not applicable for this issuance as the company issuing, Your Nature Partners, only operates one eco-resort, for which sustainability quality has been assessed under the part 2 of this report, and which is still in construction phase. The issuer commissioned ISS ESG to conduct a Corporate Rating within 12 months, once the eco-resort will be in operation. The Corporate Rating will be communicated by Your Nature Partners.</i>	Not applicable

¹ ISS ESG’s evaluation will remain valid until any modification of the asset pool by the issuer. The controversy check of the underlying assets was conducted on the 03.12.2019.

Contribution of the Green Bond to the UN SDGs

Based on the assessment of the sustainability quality of the green bond asset pool and using a proprietary methodology, ISS ESG assessed the contribution of Your Nature’s green bond 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):



Each of the bond’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
Eco-tourism infrastructure	Significant contribution	
	Limited contribution	

ISS ESG SPO ASSESSMENT

PART I: GREEN BOND PRINCIPLES

1. Use of Proceeds

The net proceeds of the contemplated green bond will be exclusively used to finance and/or refinance, in whole or in part, eco-tourism infrastructures. Those infrastructures aim to positively contribute to:

- Biodiversity preservation
- Clean energy
- Responsible consumption of resources
- Local and sustainable employment

The issuer is a pure player in eco-tourism infrastructure construction and operation.

Opinion: ISS ESG considers the Use of Proceeds description provided by Your Nature as aligned with the GBPS. Environmental and social benefits are described. However, no Green Bond Framework is publicly available.

2. Process for Project Evaluation and Selection

The proceeds of the contemplated bond will be fully allocated to Your Nature's eco-resort located in Belgium. Precise eligibility criteria, including environmental and social aspects, have been defined by the issuer in collaboration with local environmental associations and specialized consulting firms at the planning stage of the project. Internally, relevant experts from the Treasury and Management departments are in charge to ensure that the project complies with eligible criteria defined.

In case of potential ESG controversy, the issuer commits to communicate controversial cases via its monthly newsletter².

Opinion: ISS ESG considers the description of the Process for Project Evaluation and Selection description provided by Your Nature is aligned with the GBPs as it defines responsibilities and includes relevant stakeholders in the process. However, no Green Bond Framework is publicly available and eligibility criteria are not publicly displayed.

3. Management of Proceeds

The proceeds of the issuance will be tracked to ensure that the amount collected is not higher than the amount allocated to the project. The allocation will be direct after collection of the proceeds of the bond.

Opinion: ISS ESG finds the Management of Proceeds proposed by Your Nature aligned with the GBPs as all proceeds are to be directly allocated to the project.

² This newsletter can be requested under the following link: <https://ournature.be/fr/contactez-nous/>

4. Reporting

The issuer commits to report the allocated proceeds of the bond in its first bi-annual subsequent financial report. This report will include the state of allocation of the proceeds, as well as updates on the advancement of the project and impact metrics.

Opinion: *ISS ESG finds that the reporting proposed by Your Nature is aligned with the GBPs in terms of allocation reporting as all proceeds will be allocated directly.*

PART II: SUSTAINABILITY QUALITY OF THE ASSET POOL

Eco-tourism infrastructure

As a Use of Proceeds category, eco-tourism infrastructure has a significant contribution to the SDG 11 “Sustainable cities and communities” and a limited contribution to SDG 12 “Responsible consumption and production”.

Additionally, when considering the deeper ESG management, eco-tourism infrastructure can be associated to other SDGs.

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	ASSOCIATION WITH THE SDGS
1. Site selection	
<ul style="list-style-type: none"> ✓ The asset is not located in key biodiversity area (Ramsar sites, IUCN Categories I-IV, UNESCO World Heritage Natural Sites). 	
<ul style="list-style-type: none"> ✓ The project is located within a maximum of 1 km from a modality of public transport. 	
2. Environmental construction standards	
<ul style="list-style-type: none"> ✓ The project provides for sustainable construction standards (e.g. third party certified materials, noise reduction, consideration of birds breeding period). 	 
3. Environmental standards during operations	
<ul style="list-style-type: none"> ✓ The project provides for sustainable operation practices (e.g. rainwater harvesting, use of renewable energy produced on site only, clean transportation, local procurement of food, waste treatment and disposal) 	 
<ul style="list-style-type: none"> ✓ The project provides for measures to raise customers awareness regarding environmentally appropriate behaviours (e.g. saving energy and water, avoiding and recycling waste). 	 
4. Social standards during operations	
<ul style="list-style-type: none"> ✓ The project provides for measures to ensure operational safety (e.g. emergency exits, fire sprinklers, fire alarm systems) according to national legislation. 	 

5. Sustainability labels / Certificates

- ✓ The project obtained a BREEAM “Very Good”, DGNB „Silver / Gold“, LEED “Gold”, HQE „excellent“ certificate or equivalent certification.



Controversy assessment

A controversy assessment on the included project revealed a controversy on potential biodiversity degradation related to road construction and tree logging.

The methodology for the asset evaluation can be found in Annex 1.

PART III: CORPORATE RATING OF YOUR NATURE PARTNERS

Not applicable for this issuance.

The company issuing, Your Nature Partners, only operates one eco-resort, for which sustainability quality has been assessed under the part II of this report, and which is still in construction phase. The issuer commissioned ISS ESG to conduct a Corporate Rating within 12 months, once the eco-resort will be in operation. The Corporate Rating will be communicated by Your Nature Partners.

DISCLAIMER

1. Validity of the SPO: For Your Nature'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.
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ANNEX 1: Methodology

ISS ESG Green Bond 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 Your Nature’s Green Bond.

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.

To review the KPIs used in this SPO, please contact Federico Pezzolato (details on the following page) 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 Your Nature (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 Your Nature’s Green Bond contributes to related SDGs and has a positive association with their respective sub-targets.

The contribution assessment is split into two Levels:

1. **Level 1:** Contribution and/or obstruction of the Use of Proceeds categories to be financed through the bond to the UN SDGs
2. **Level 2:** Association of the assets’ ESG performance with further SDGs

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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