



Mercedes-Benz Group Green Finance Second Opinion

28 March 2023

Executive Summary

Mercedes-Benz Group is an automotive company, headquartered in Stuttgart, Germany, and listed on the Frankfurt and Stuttgart stock exchanges. In 2022, it sold 2.5 million cars and vans (around 14% of these were electric or hybrid), which generated revenues of EUR 150 billion.

Under its framework, Mercedes-Benz Group will finance or refinance the research and development, production, and customer financing/leasing of electric vehicles. A focus on research and development and manufacturing, which can include battery production, is expected in the short-term. Electric transport solutions are vital to transition to a low-carbon and climate resilient future, though entail substantial lifecycle emissions (e.g. relating to raw material sourcing and battery production, and which depend on the electricity mix in the grid and factors such as vehicle size, weight, and power). It should also be noted that the largest amount of carbon savings come from switching from individual modes of transport (e.g. private cars) to mass transit.

Asset-backed securities may be issued under the framework.

While the proceeds of asset-backed securities will be allocated to projects and investments satisfying the framework's eligibility criteria, the underlying collateral (e.g. retail loans and leases) can and very likely will relate to non-electric vehicles.

We rate the framework **CICERO Dark Green** and give it a governance score of **Excellent**. The Dark Green shading reflects the eligibility criteria's exclusive focus on electric vehicles, given the importance of electric transport in a 2050 future, and Mercedes-Benz Group's climate governance, which includes long-term climate targets and relevant intermediary targets.

Strengths

Mercedes-Benz Group has committed to clear climate targets, with a long-term target of having a fleet of new vehicles that are net carbon-neutral over the vehicles' entire lifecycle, by 2039. Lifecycle considerations are important, even in the context of transitioning to electric vehicles: for example, in its 2021 green finance investor report, Mercedes-Benz Group notes that the emissions attributable to resources extraction and production are twice as high for its EQA model than an equivalent internal combustion engine model.¹ It is therefore a strength that Mercedes-Benz Group also has intermediary targets extending to lifecycle emissions (e.g. aiming to procure net carbon-neutral production materials by 2039) and that, since 2022, its own production plants are CO₂-neutral (among other measures,

¹ This finance investor report was published by Daimler AG and related to Daimler AG's 2020 green finance framework. Mercedes-Benz Group is the legal successor of Daimler AG.

SHADES OF GREEN



°CICERO
Dark Green

GOVERNANCE ASSESSMENT



GREEN BOND AND LOAN PRINCIPLES

Based on this review, this framework is found to be aligned with the principles.



this entails the use of purchased renewable energy and offsetting). Mercedes Benz Group continues to invest in combustion engines and hybrid technologies (though it notes that, by 2026, investments in combustion engine vehicles and hybrids will be reduced by around 80% compared to 2019 levels) and offsets can be used to achieve its CO₂ neutrality targets.

The framework's evaluation process includes consideration of important climate risks. According to the framework, Mercedes-Benz Group's green finance committee will consider potential lock-in effects, rebound effects, and life-cycle aspects, while physical risk is considered as part of Mercedes-Benz Group's risks management process.

Pitfalls

In respect of manufacturing, proceeds could finance capital expenditure investments that serve the production of both electric and internal combustion engine vehicles. For example, Mercedes-Benz Group can finance general investments in production lines which produce both electric and internal combustion engine vehicles, tools necessary to produce both types of cars, or investments in producing batteries also compatible with hybrids. In such instances, Mercedes Benz states it will pro-rate investments so that proceeds under the framework reflect only the share of electric vehicles served by the relevant investments. Crucially, Mercedes-Benz states that the shares of such investments directly attributable to electric vehicles must be substantial (though this has not been more specifically defined, it stated it would interpret it conservatively in project selection) and, in any event, it expects the vast majority of manufacturing investments to relate wholly to electric vehicles (e.g. production line modifications to allow for electric vehicle production).

Electric vehicles entail significant embodied emissions, particularly from sourcing raw materials and energy use in battery production. Battery production accounts for roughly 25% of an electric passenger car's total lifecycle emission in Europe,² and, according to recent studies, emissions from the production of batteries ranges from 61 to 106 kgCO_{2e}/kWh.³ Mining of lithium, cobalt and rare earth metals can have substantial adverse environmental (including because of significant water use) and social impacts. Mercedes-Benz Group's procurement and/or production of batteries will be subject to its targets in respect of supply chain and/or production emissions. According to Mercedes-Benz Group, since 2021, it has specified the Initiative for Responsible Mining Assurance (IRMA) standard as a precondition for all battery-related contracts, and requires its suppliers to use cobalt, lithium, nickel, graphite, manganese, and copper exclusively from IRMA-audited mines in newly awarded projects.

² Transport & Environment – analysis of electric car lifecycle CO₂ emissions

³ IVL - Lithium-Ion Vehicle Battery Production - 2019



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1 Mercedes-Benz Group's environmental management and green bond framework

Company description

Mercedes-Benz Group AG (“**Mercedes-Benz Group**” or the “**Company/Issuer**”) is an automotive company, headquartered in Stuttgart, Germany, and listed on the Frankfurt and Stuttgart stock exchanges. In 2022, it sold 2.5 million cars and vans (around 14% of these were electric or hybrid), which generated revenues of EUR 150 billion. Through Mercedes-Benz AG, it supplies cars and vans, while through Mercedes-Benz Mobility AG, it offers financing, leasing, car subscription and rental, fleet management, digital services for charging and payment, insurance brokerage, and mobility services.

Until February 2022, Mercedes-Benz Group was named Daimler AG. This name change coincided with a spin-off and hive-down of large parts of the Daimler Trucks and Buses segment. Daimler AG previously released a green finance framework dated June 2020 and, at the time of its 2021 green finance investor report, Daimler AG had issued two, EUR 1 billion bonds under its framework.

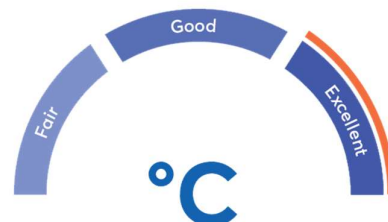
Governance assessment

Mercedes-Benz Group has a long-term climate target in place - having a fleet of new vehicles that are net carbon-neutral over the vehicles' entire lifecycle, by 2039 - and relevant intermediary targets. Since 2022, Mercedes-Benz Group's own production plants are CO₂-neutral (among other measures, this entails the use of purchased renewable energy and offsetting). Mercedes-Benz Group aims to cover more than 70% (cars) and 80% (vans) of the energy requirement in production with renewable energy sources by 2030 and should look to minimise its need for offsetting as far as possible. Current exposure to physical climate risk is considered in its operations and supply chain, while climate scenarios are used to map its future exposure. Since 2020, Mercedes-Benz Group has included the achievement of CO₂ fleet targets as a factor for determining the annual bonus for the management board and executives.

According to the framework, the evaluation process will include consideration of potential lock-in effects, rebound effects, and life-cycle aspects. This is an important commitment, given the breadth of the assets Mercedes-Benz Group can finance under the framework's eligibility criteria and the potential dual use of proceeds for capital expenditure investments that could serve the production of both electric and internal combustion engine vehicles (see Pitfalls, above).

Mercedes-Benz Group will report on both lifecycle CO₂ savings of battery electric vehicles compared to a comparable combustion-engine vehicle, and aggregated avoided CO₂ emissions from customer financing.

The overall assessment of Mercedes Benz Group's governance structure and processes gives it a rating of **Excellent**.





Sector risk exposure

Physical climate risks.

Science shows that extreme weather events are becoming more frequent and intense, that incremental climatic changes are highly likely to happen, and that their impacts are expected to grow more severe over the coming years and decades. The impacts of physical risks are uncertain in probability, magnitude, and timing. Physical climate change may impact Mercedes-Benz Group's production facilities (for example via extreme weather events or water-stress) and shipments/logistics. Mercedes-Benz Group's global supply chain will also be at increased risk, for example disruption to raw material supply.

Transition risks. The number, scope, and ambition of regulatory requirements regarding greenhouse gas emissions are expected to increase significantly in the future for the automotive sector, especially concerning vehicle fuel efficiency regulations and emissions standards, as well as regulations that apply to production facilities in the supply chain. The market size and demand for critical minerals and rare earth metals are projected to grow almost sevenfold between 2020 and 2030. This could pressure an already tightly pressed supply chain of raw materials, consequently reducing available supply and increasing prices. As technology improves and uptake increases, an overall gradual decline in government subsidies for electric vehicles is also expected. Electric vehicles rely on the concurrent development of charging infrastructure. While Mercedes-Benz Group can influence the proliferation of this infrastructure to some extent, this also relies heavily on other stakeholders.

Environmental risks. Mercedes-Benz Group has a large and complex global supply chain. Local environmental impacts such as air and noise pollution, wastewater discharge, ground pollution and other negative impacts may occur. While mining is crucial to facilitating the large-scale implementation of zero emission technologies, it involves significant risks to the local environment. Such risks include air pollution and wastewater pollution.

Social risks. Electric vehicles rely to a large extent on the sourcing of scarce resources, which brings social risk, especially in less well-regulated jurisdictions. A global presence and deep supply chain can also lead to human rights and labour risks.

Environmental strategies and policies

Mercedes-Benz group reports emissions for Scopes 1, 2, and 3. In 2022, Scope 1 and 2 emissions totaled 0.4m tons CO₂ for cars and 0.1m tons CO₂ for vans. Scope 3 emissions were 97.4m tons CO₂ for cars and 25.9m tons CO₂ for vans. Around 80% of Scope 3 emissions arose during the use phase. In 2022, the average lifecycle emissions of its cars were 47.9 tons CO₂ and 62.7 tons CO₂ for its vans.

In 2022, Mercedes-Benz Group sold 184,263 hybrid cars (approximately 3% more than 2021) and 149,227 electric cars (approximately 65% more than 2021) worldwide. It also sold 15,003 electric vans. Electric and hybrid vehicles therefore accounted for around 16% of car and 4% of van sales in 2022.



‘Ambition 2039’ sets Mercedes-Benz Group the target of having a fleet of new vehicles that are net carbon-neutral over the vehicles’ entire lifecycle, by 2039. This can include the use of offsets. As part of this target, by 2030, Mercedes-Benz Group aims to reduce lifecycle CO₂ emissions per passenger car by at least 50% (2020 baseline) and to be ‘all-electric – wherever market conditions allow’.⁴

In respect of its own operations, since 2022, Mercedes-Benz Group’s own production plants are CO₂-neutral – among other measures, this entails the use of purchased renewable energy and offsetting. As such, it has achieved its production related target to reduce absolute CO₂ emissions at its plants of 50% by 2030 (Scope 1 and 2, 2018 baseline). In respect of renewable energy generation at its locations, Mercedes-Benz Group aims to cover more than 70% (cars) and 80% (vans) of the energy requirement in production with renewable energy sources by 2030, which includes plans to expand solar and wind energy at its locations and to conclude corresponding power purchase agreements.

For supply chain emissions, Mercedes-Benz Group aims to procure net carbon-neutral production materials by 2039. It has investigated which suppliers and supply chain stages are responsible for large emissions, set quantitative intermediate targets for CO₂ emissions in its supply chain, and has included target emission values in criteria for awarding supplier contracts. Focus is on materials and components with large emissions, for example steel and aluminium. Of note for its electric vehicle production, it has signed agreements with its strategic battery cell partners for the procurement of battery cells whose production is CO₂-neutral (reducing CO₂ emissions for a cell by around 30%). According to Mercedes-Benz Group, since 2021, it has specified the Initiative for Responsible Mining Assurance (IRMA) standard as a precondition for all battery-related contracts, and requires its suppliers to use cobalt, lithium, nickel, graphite, manganese, and copper exclusively from IRMA-audited mines in newly awarded projects.

Mercedes-Benz Group considers physical climate risk within its risk management process. Current physical risk exposure is considered through location-specific natural disaster assessments, which encompass its own production and its supply chain. It has furthermore started to assess long-term physical risk exposure, using two different climate scenarios. Drought is considered in its assessments. Additionally, water-related risks are also considered as part of five-yearly environmental risk assessments undertaken at site level.

Mercedes-Benz Group publishes an annual Sustainability Report, prepared in accordance with the GRI. It also reports in accordance with the TCFD recommendations and to the CDP in respect of climate change and water security. Since 2020, Mercedes-Benz Group has included the achievement of CO₂ fleet targets as a factor for determining the annual bonus for the management board and executives.

Green finance framework

Based on this review, this framework is found to be aligned with the Green Bond Principles and the Green Loan Principles. For details on the issuer’s framework, please refer to the green finance framework dated March 2023.

Use of proceeds

For a description of the framework’s use of proceeds criteria, and an assessment of the categories’ environmental impacts and risks, please refer to section 2.

Selection

⁴ According to Mercedes-Benz Group, this refers to, for example, a lack of coherent policies promoting the build-up of charging infrastructure, and relevant fiscal and non-fiscal incentives. Mercedes-Benz Group is optimistic that market conditions in all its markets will allow this target to be met.



Mercedes-Benz Group has established a green finance committee which is responsible for evaluating and ensuring proposed assets satisfy the framework's eligibility criteria, replacing assets that no longer meet the framework's eligibility criteria, and reviewing the content of its green finance investor report. Environmental competence is represented on the green finance committee and decisions are made by consensus. The green finance committee will propose a portfolio of proposed eligible assets to the group sustainability board for final approval.

The framework states that the evaluation process will include consideration of the EU Taxonomy's do-no-significant-harm criteria and minimum social safeguards, and Mercedes-Benz Group states the process will involve seeking to align with the EU Taxonomy whenever feasible. The evaluation process will also consider potential lock-in effects, rebound effects, and life-cycle aspects, while physical risk will also be considered, according to Mercedes-Benz Group, as this is an ongoing process for each location.

Management of proceeds

Mercedes-Benz Group will use a green financing register, with green financing instruments earmarked against the portfolio of eligible assets and expenditures identified in the green financing register. At the end of each year, the net proceeds will be reduced by the amounts invested in eligible assets within the annual period.

Proceeds will be allocated within one year from the date of issuance. If proceeds cannot be immediately and fully allocated, or in the event of early repayment, proceeds will be held in line with Mercedes-Benz Group's general liquidity guidelines. This generally entails investment in short-term interest-bearing instruments (i.e. CPs, bank deposits, bank accounts, money market funds).

For asset backed securities ("ABS") initiated under the framework, the 'Average Portfolio Collateral' approach will be applied. This means that the collateral portfolio backing the ABS will not be identical with the eligible assets under the framework – instead, it will generally reflect the average ABS eligible portfolio composition of car/engine types of the respective originating entity initiating these transactions.⁵ Proceeds received from the initiation of ABS will only be applied to the customer financing and leasing of battery electric vehicles.

Reporting

Mercedes-Benz Group will publish an annual green finance investor report until full allocation of proceeds (and thereafter in case of any material change in allocation). Mercedes-Benz Group's finance department coordinates the reporting.

The allocation reporting, to the extent feasible, will consist of i) a description of the portfolio, ii) the type of financing and respective amounts, iii) the split of financing and refinancing, iv) information on unallocated proceeds, v) distribution of proceeds by type (CAPEX, R&D, customer financing), and vi) geographical distribution.

For impact reporting, the framework lists i) avoided CO₂ emissions over the lifecycle of the battery electric vehicles compared to a comparable combustion-engine vehicle, and ii) aggregated avoided CO₂ emissions from customer financing during the reporting year, as potential metrics. The impact reporting will set out the methodologies and assumptions used.

⁵ According to Mercedes-Benz Group, the share of battery electric vehicles constituting the collateral in ABS will differ based on jurisdiction, product, and issuing entity. We understand that the share of battery electric vehicles constituting the collateral in ABS will not be reported on. Generally, given Mercedes-Benz Group's targets to transition to electric vehicles, it expects this average to increase over time.



Mercedes-Benz Group's annual reporting will be subject to external verification by an independent auditor verifying the internal tracking method and the allocation of funds, though it will not obtain an external review of impact reporting.





2 Assessment of Mercedes Benz Group's green finance framework

The eligible projects under Mercedes Benz Group's green finance framework are shaded based on their environmental impacts and risks, based on the "Shades of Green" methodology.

Shading of eligible projects under Mercedes Benz Group's green finance framework

- According to Mercedes-Benz Group, the share of financing versus refinancing may change from one year to another. In respect of R&D and manufacturing investments, it expects primarily financing for the foreseeable future, though, given the breadth of potential eligible assets under the framework, increased refinancing is also possible. For customer financing, the share is highly dependent on the development of the portfolio. For R&D and manufacturing activities, Mercedes-Benz Group defines refinancing as the financing of existing eligible assets taken into operation more than one year before the time of approval by its green finance committee. For customer financing activities, refinancing is defined as the financing of existing eligible assets (financing or leasing contracts) in place prior to the issuance of the respective green finance instrument. In any case, Mercedes-Benz Group does not intend to allocate any proceeds of a green finance instrument to eligible assets that originated more than three calendar years prior to the year of issuance of that green finance instrument.
- Mercedes-Benz Group expects an increased focus on customer financing in the future, however it is likely that R&D and manufacturing will be the focus in the short term.
- According to the framework, proceeds will not be allocated, in whole or part, to financing assets related to combustion-engine vehicles or hybrid vehicles. This exclusion must be considered in light of Mercedes-Benz Group's confirmation that proceeds could be used for capital expenditure investments in joint infrastructure or equipment. Mercedes Benz states it will pro-rate such investments so that proceeds under the framework reflect only the share of electric vehicles served by the relevant investments, and that such investments would substantially, but not solely, serve electric vehicles (see below).
- Mercedes-Benz Group may co-finance eligible assets, such as through joint ventures. In such cases, proceeds will only be allocated for Mercedes-Benz Group's share of the total asset financing and reported accordingly. Mercedes-Benz Group notes that no investments in joint ventures are currently envisaged. In any event, it would only allocate proceeds from green finance instruments to joint ventures where it was majority owner and that its targets and climate policies/approaches would apply to the joint venture.



Category	Eligible project types	Green Shading and considerations
<p>Clean transportation</p> <p>Development, production and customer financing/leasing of Battery Electric Vehicles (BEV)</p>  	<p>Mercedes-Benz Group will allocate the proceeds from green finance instruments to finance:</p> <ol style="list-style-type: none"> 1. Capital expenditures for the acquisition, construction, development, installation, manufacturing, renovation, retrofitting and upgrade of Eligible Assets; 2. Related Research and Development; 3. Customer financing and leasing of Eligible Assets. <p>Eligible Assets:</p> <p><u>Research & development</u> Research & Development of Battery Electric Vehicles including sourcing, tooling and testing concepts, products and production processes.</p> <p><u>Manufacturing</u> Manufacturing facilities for the purpose of enabling and/or expanding the production of Battery Electric Vehicles.</p>	<p>Medium to Dark Green</p> <ul style="list-style-type: none"> ✓ Mercedes-Benz Group’s framework focuses on research and development, manufacturing, and customer financing/leasing of electric vehicles. The customer financing criteria refers to the financing and leasing activities of the Mercedes-Benz Mobility division, which is involved, among other things, in leasing, financing, subscription and fleet management services. ✓ Electric transport solutions are part of the 2050 solution, though entail substantial lifecycle emissions (e.g. relating to raw material sourcing and battery production, and which depend on the electricity mix in the grid and factors such as vehicle size, weight, and power). ✓ In a 2050 perspective, the largest amount of carbon savings come from switching from individual modes of transport (e.g. private cars) to mass transit. ✓ Mercedes-Benz Group has confirmed that proceeds can be used for capital expenditure investments in infrastructure or equipment which do not solely serve electric vehicles, for example production lines that produce all types of vehicles or tools necessary to produce all types of cars. In such instances, Mercedes Benz states it will pro-rate investments so that proceeds under the framework reflect only the share of electric vehicles served by the relevant investments. ✓ Crucially, Mercedes-Benz states that the elements of such investments relating to electric vehicles must be ‘substantial’ (though this has not been more specifically defined, it stated it would interpret it conservatively in project selection) and, in any event, it expects to instead focus on investments relating wholly to electric vehicles (e.g. production line modifications to allow for electric vehicle production). It is Mercedes-Benz Group’s responsibility to provide transparency on such investments. ✓ Such investments must be viewed in light of the importance of electric vehicles in the transition, the benefits of using existing infrastructure, and its target to be ‘all electric’ by 2030 where the market allows.



Customer financing

Customer financing and leasing of
Battery Electric Vehicles (BEV)

- ✓ Mercedes-Benz Group has confirmed that battery production can be financed under the framework. Battery production would be subject to its target to reduce Scope 1 and 2 emissions in production by 50% by 2030, and its policy targeting CO₂ neutral production sites. As well as high energy requirements in production, the sourcing of raw materials for batteries entails local environmental and social risks.

- ✓ According to Mercedes-Benz Group, proceeds cannot be allocated to fossil fuel production equipment or processes.

Table 1. Eligible project categories









3 Terms and methodology

This note provides CICERO Shades of Green’s (CICERO Green) second opinion of the client’s framework dated March 2023. This second opinion remains relevant to all green bonds and/or loans issued under this framework for the duration of three years from publication of this second opinion, as long as the framework remains unchanged. Any amendments or updates to the framework require a revised second opinion. CICERO Green encourages the client to make this second opinion publicly available. If any part of the second opinion is quoted, the full report must be made available.

The second opinion is based on a review of the framework and documentation of the client’s policies and processes, as well as information gathered during meetings, teleconferences and email correspondence.

‘Shades of Green’ methodology

CICERO Green second opinions are graded dark green, medium green or light green, reflecting a broad, qualitative review of the climate and environmental risks and ambitions. The shading methodology aims to provide transparency to investors that seek to understand and act upon potential exposure to climate risks and impacts. Investments in all shades of green projects are necessary in order to successfully implement the ambition of the Paris agreement. The shades are intended to communicate the following:

Shading	Examples
 Dark Green is allocated to projects and solutions that correspond to the long-term vision of a low-carbon and climate resilient future.	 Solar power plants
 Medium Green is allocated to projects and solutions that represent significant steps towards the long-term vision but are not quite there yet.	 Energy efficient buildings
 Light Green is allocated to transition activities that do not lock in emissions. These projects reduce emissions or have other environmental benefits in the near term rather than representing low carbon and climate resilient long-term solutions.	 Hybrid road vehicles

The “Shades of Green” methodology considers the strengths, weaknesses and pitfalls of the project categories and their criteria. The strengths of an investment framework with respect to environmental impact are areas where it clearly supports low-carbon projects; weaknesses are typically areas that are unclear or too general. Pitfalls are also raised, including potential macro-level impacts of investment projects.

Sound governance and transparency processes facilitate delivery of the client’s climate and environmental ambitions laid out in the framework. Hence, key governance aspects that can influence the implementation of the green bond are carefully considered and reflected in the overall shading. CICERO Green considers four factors in its review of the client’s governance processes: 1) the policies and goals of relevance to the green bond framework; 2) the selection process used to identify and approve eligible projects under the framework, 3) the management of proceeds and 4) the reporting on the projects to investors. Based on these factors, we assign an overall governance grade: Fair, Good or Excellent. Please note this is not a substitute for a full evaluation of the governance of the issuing institution, and does not cover, e.g., corruption.



Assessment of alignment with Green Bond Principles

CICERO Green assesses alignment with the International Capital Markets' Association's (ICMA) Green Bond Principles. We review whether the framework is in line with the four core components of the GBP (use of proceeds, selection, management of proceeds and reporting). We assess whether project categories have clear environmental benefits with defined eligibility criteria. The Green Bonds Principles (GBP) state that the "overall environmental profile" of a project should be assessed. The selection process is a key governance factor to consider in CICERO Green's assessment. CICERO Green typically looks at how climate and environmental considerations are considered when evaluating whether projects can qualify for green finance funding. The broader the project categories, the more importance CICERO Green places on the selection process. CICERO Green assesses whether net proceeds or an equivalent amount are tracked by the issuer in an appropriate manner and provides transparency on the intended types of temporary placement for unallocated proceeds. Transparency, reporting, and verification of impacts are key to enable investors to follow the implementation of green finance programs.



Appendix 1: Referenced Documents List

Document Number	Document Name	Description
1	Mercedes-Benz Group Annual Report 2022	
2	Mercedes-Benz Group Sustainability Report 2022	
3	Climate Policy Report (March 2022)	
4	SASB Disclosure 2022	
5	TCFD Report 2021	
6	Raw Materials Report (June 2022)	
7	Mercedes-Benz Group Water Policy (undated)	
8	Responsible Sourcing Standards (May 2022)	
9	Green Financing Framework (March 2023)	



Appendix 2: About CICERO Shades of Green

CICERO Green is a subsidiary of the climate research institute CICERO. CICERO is Norway's foremost institute for interdisciplinary climate research. We deliver new insight that helps solve the climate challenge and strengthen international cooperation. CICERO has garnered attention for its work on the effects of manmade emissions on the climate and has played an active role in the UN's IPCC since 1995. CICERO staff provide quality control and methodological development for CICERO Green.

CICERO Green provides second opinions on institutions' frameworks and guidance for assessing and selecting eligible projects for green bond investments. CICERO Green is internationally recognized as a leading provider of independent reviews of green bonds, since the market's inception in 2008. CICERO Green is independent of the entity issuing the bond, its directors, senior management and advisers, and is remunerated in a way that prevents any conflicts of interests arising as a result of the fee structure. CICERO Green operates independently from the financial sector and other stakeholders to preserve the unbiased nature and high quality of second opinions.

We work with both international and domestic issuers, drawing on the global expertise of the Expert Network on Second Opinions (ENSO). Led by CICERO Green, ENSO contributes expertise to the second opinions, and is comprised of a network of trusted, independent research institutions and reputable experts on climate change and other environmental issues, including the Basque Center for Climate Change (BC3), the Stockholm Environment Institute, the Institute of Energy, Environment and Economy at Tsinghua University, the International Institute for Sustainable Development (IISD) and the School for Environment and Sustainability (SEAS) at the University of Michigan.

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- ★ **2021 Largest External Reviewer**, Climate Bonds Initiative Awards
 - ★ **2020 External Assessment Provider Of The Year**, Environmental Finance Green Bond Awards
 - ★ **2020 Largest External Review Provider In Number Of Deals**, Climate Bonds Initiative Awards
 - ★ **2019 External Assessment Provider Of The Year**, Environmental Finance Green Bond Awards
 - ★ **2019 Largest Green Bond SPO Provider**, Climate Bonds Initiative Awards
 - ★ **2018 External Assessment Provider Of The Year**, Environmental Finance Green Bond Awards
 - ★ **2018 Largest External Reviewer**, Climate Bonds Initiative Awards
 - ★ **2017 Best External Assessment Provider**, Environmental Finance Green Bond Awards
 - ★ **2016 Most Second Opinions**, Climate Bonds Initiative Awards