

EXTERNAL REVIEW SERVICE MAPPING TEMPLATE

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Contact details

Behzad Sadegh / Sustainability
https://www.dqsglobal.com/en-us/
behzad.sadegh@dqqs.de / +1 (224)-803-5118

I - EXTERNAL REVIEWER OVERVIEW

Name of reviewer / service provider

DQS Inc.

Short description of review / service provider

DQS was founded in 1985 in Berlin and was the first German certification body.[2][3] The aim of the founding partners, DGG (German Society for Quality) and DIN (German Institute for Standardization), was mainly to promote the German economy. The foundation overlapped with the publication of the first drafts of the ISO 9000 series of standards, which also include the most important quality standard worldwide today: ISO 9001.

In 1986 DQS became the first certification body in Germany to issue a certificate according to ISO 9001.[4]

After the merger of DQS with the Management Systems Solutions (MSS) division of the American product certification body Underwriters Laboratories Inc. in March 2008, DQS-UL Group is currently one of the world's largest system certification bodies. Since June 2015 the company changed its name to DQS Group.

Our certifications and verification simplify the global exchange between companies, regulatory agencies or organizations, and at the same time strengthen the trust of customers and consumers in products, services, and organizations. We therefore understand our work to be an important sustainable contribution to society.

DQS empowers businesses in the Sustainability and Assurance arena by offering ESg report verification, GHG verification, LCA assessment.

List of independent external review services provided

External Review Types as defined in the Guidelines:

- 1. Second Party Opinion
- 2. Verification
- 3. Certification
- 4. Scoring/rating

Comments

List of collaborative consultant services / advisory (optional and for information only - not to be made part of the Review Service Template below)

NA

If consultant type of services are offered, are these provided separate from independent external review services?

Comments

II - EXTERNAL REVIEW SERVICE DESCRIPTION

1. NAME OF SERVICE - Name of service as defined by the reviewer

Sustainability Verification for Green, Social, and Sustainability Bonds & Loan Principles

2. OBJECTIVE - What are you aiming to accomplish with this service? (main objective / goal / outcome)

To provide independent verification of a bond issuer's adherence to Green Bond Principles (GBP), Social Bond Principles (SBP), or Sustainability Bond Principles (SBP). Green Loan Principles (GLP)

3. SERVICE / SCOPE - Please provide a general description of your service / scope

This service includes a comprehensive review of the bond issuance documents, project selection criteria, allocation of proceeds, and impact reporting practices. The verification assesses alignment with the relevant Green, Social, or Sustainability Bond Principles and provides an independent opinion on the issuer's commitment to sustainable practices

Section A - Use of Proceeds Bonds

4 GREEN / SOCIAL / SUSTAINABILITY BOND SERVICES - Do you offer Green and/or Social and/or Sustainability bond services?

Environmental projects YES
 Social projects YES
 Sustainability projects YES

Comments

5 GBP / SBP - Are each of the four core components of the GBP/SBP taken into account in the review?

Use of Proceeds YES
 Process for Project Evaluation and Selection YES
 Management of Proceeds YES
 Reporting YES

Section B - Sustainability-Linked Bonds

6 SUSTAINABILITY-LINKED BOND SERVICES - Do you offer Sustainability-Linked bond services?

Environmental KPIs & SPTs YES
 Social KPIs & SPTs YES
 Sustainability KPIs & SPTs YES

Comments

7 SLBP - Are each of the five core components of the SLBP taken into account in the review?

Selection of Key Performance Indicators (KPIs) YES
 Calibration of Sustainability Performance Targets (SPTs) YES
 Bond characteristics YES
 Reporting YES
 Verification YES

Section C - Climate Transition

8 CLIMATE TRANSITION STRATEGY - Do you assess the climate transition strategy of the issuer?

Comments

9 CTFH - Are each of the four key elements of the CTFH taken into account in the review?

Issuer's climate transition strategy and governance YES
 Business model environmental materiality YES
 Climate transition strategy to be 'science-based' including targets and pathways YES
 Implementation transparency YES

Section D - Global approach

10. BUILDING BLOCKS - Please indicate which building blocks are relevant to your service (by ticking boxes) and which ones are the most important for your service (by ranking three boxes 1-3 with 1 being the most important).

	a)	b)	c)	d)	e)	f)	g)	h)	i)
	Assessment of alignment with the Principles (GBP/SBP/SLBP)	Environmental / Social evaluation and qualitative impact evaluation	Quantitative impact assessment	Environmental / Social governance assessment	Issuer-level ESG assessment	In-depth assessment of procedures	Assessment of allocations / reporting / asset facts and similar	Comparison against recognised external criteria	Other, please specify
	1	X	X	2	3	X	X	X	

Comments

11. TIMING

Pre issuance Always
 Post issuance Always
 Recurring Always
 Monitored Always
 Static / Single point in time Always
 Frequency

Comments

Is there an expiration of validity of the review? YES
 Comments

12. COVERAGE

Issuer's sustainability strategy Always
 Programme / Framework Always
 Bond / Financial instrument Always
 Assets Always
 Estimates Always
 Actual allocation Always
 Procedures Always

Comments

13. REFERENCE POINTS - Do you refer to internal/external standards, process protocols, benchmarks, criteria, predefined taxonomies and similar?

If yes, please specify the ones you frequently use

14. PERFORMANCE LEVEL REQUIREMENTS - Are environmental / social performance levels or thresholds assessed? Does the service include an analysis of benchmarks used?

15. CONTROVERSIES - Are controversies highlighted?

16. PUBLICATION - Do you require that the review is made public? YES
 Comments

17. EXTERNAL REVIEW FORM

a) Is the GBP/SBP/SLBP External Review Form included as part of the review? YES
 b) Is it forwarded to ICMA for being posted on the GSS Database? YES
 Comments

III - EXTERNAL REVIEWER CREDENTIALS

18 CREDENTIALS - Please describe your credentials, including sector coverage and technical skills to the extent relevant

DQS Inc. is a leading provider of management system services in addition to offering ESG assurance services and sustainability report verification throughout North America. We are dedicated to supporting the growth and integrity of the sustainable bond market in the US. With a proven track record in helping companies develop and implement robust sustainability programs, we possess extensive expertise in the principles of ESG reporting and the establishment of effective environmental strategies.

19 EXPERIENCE - Please describe your experience in the field

Our Sustainability team has years of experience providing clients with ESG services, including ESG report assurance according to AA1000 assurance Standard, GHG assessment and assurance, materiality assessment, ESG risk management, due diligence and audits. We proudly support 25,000 customers operating across the global supply chain, primarily in sectors such as automotive, aerospace, oil and gas, manufacturing, food and beverages, financial services, and medical sectors.

a) Launch date - year when first review was completed

07/07/1905

Comments Sustainability report of a Global player

b) Number of reviews - number of reviews performed to date

<50

Comments This number includes a mix of ESG and sustainability entire report as well as individual KPIs such as GHG or LCA verifications.

20 METHODOLOGY - General description of methodology

DQS sustainability verification methodology follows a rigorous process aligned with best practices and international standards. This typically involves:
Receipt of information: The bond issuer shares all the relevant data (Applicable scope & boundary, Sustainable Performance Targets (SPT) set for each KPI, Issuer's strategy for achieving the targets etc.)
Document Review: Assessing the issuer's sustainability strategy, bond framework documents, project selection criteria, and impact measurement plans.
Site Visits: (Depending on the project type) Conducting on-site visits to verify project implementation and impact.
Data Analysis and Verification: Evaluating the issuer's data collection methods, analyzing impact metrics, and ensuring alignment with relevant principles (GBP, SBP, etc.).
Reporting: Preparing a comprehensive verification report that details the findings and provides an independent opinion on the issuer's adherence to sustainability principles.

21 DISCLOSURE - Where can further information on the methodology be found?

Further information on our verification methodology can be found on our website:
<https://www.dqsglobal.com/intl/learn/blog/aa1000-verification-of-sustainability-reports>

Relevant web pages

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22 Are your company's activities covered by professional standard or regulations? Please describe

Our company's activities are guided by professional standards set by ANAB, the US National Accreditation Board. We adhere to their code of ethics and maintain professional liability insurance to ensure quality and integrity in our services. DQS is a signatory to the UN Global Compact and is committed to the ten principles on human rights, labour standards, environment and anti-corruption as critical for capturing long-term value. The company has developed anti-bribery, corruption and fraud Policy, Health, safety, environment and quality policy, Information Security Policy etc.

23 Do you adhere to any code of conduct? Please describe

All DQS employees comply with code of ethics

24 CAPABILITIES -

a) Geographic scope - regions covered for the above described service

DQS has 60 office locations in various countries and can deliver services in Europe, America, Middle East, Africa & Asia Pacific countries.

b) Language capabilities - relevant for the above described service

DQS has a global reach and can deliver projects in multiple languages like English, German, French, Dutch, Italian, Spanish, Chinese, Japanese, etc.

25 INDEPENDENCE - How is independence / segregation between service offerings assured (general description of separation of duties, how integrity is assured)?

We maintain strict independence between our verification services and any other consulting activities. We employ a clear separation of duties, where the verification team operates independently from any business development or client relationship management functions. This ensures the objectivity and impartiality of our verification opinions

26 NATURE OF SERVICE - Is the service provided a regulated activity or otherwise treated in the same fashion as adjacent services provided by the reviewer?

YES

Comments

Our sustainability verification service is not currently a regulated activity. However, we treat it with the same level of rigor and professionalism as other services we provide. We are committed to upholding the highest ethical standards and maintaining the integrity of the sustainable finance market