

**EXTERNAL REVIEW SERVICE MAPPING TEMPLATE** - please refer to the User Guide for guidance when filling in this template

**Date of completion**

10 27 2022

**Contact details**

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**Kestrel Verifiers:** <https://kestrelverifiers.com/>  
**Kestrel ESG:** <https://kestrelesg.com/>

Please also see under question 8.

**EXTERNAL REVIEWER**

**Name of reviewer / service provider**

Kestrel

**Short description of review / service provider**

For more than 20 years, Kestrel has been at the forefront of public finance helping state and local governments access capital for sustainable infrastructure. Kestrel is a Women's Business Enterprise dedicated to providing strong analytic products and services to support the growing market in sustainable and socially responsible fixed-income investing. The purpose of Kestrel's work is to identify environmental, climate, and social benefits inherent in financed activities in order to help investors make informed decisions.

Kestrel Verifiers, a division of Kestrel 360, Inc., is the market leader for verified green, social, and sustainability bonds in US public finance. As a Climate Bonds Initiative Approved Verifier, we have a critical understanding of the science and impact behind sustainable finance and have provided external reviews for approximately 150 municipal bond issues—amounting to more than \$28.5 billion in funds (as of September 2022). Kestrel also provides external reviews on corporate issuances worldwide.

**List of independent external review services provided** (please complete one Review Service Template for each service provided - please see section below)

(1) Second Party Opinions, (2) Climate Bonds Verification, (3) Post-Issuance Reporting, (4) Programmatic Frameworks, (5) ESG Data

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

Kestrel does not provide consultant or advisory services.

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

NO

Comments

**EXTERNAL REVIEW SERVICE TEMPLATE** - please complete one template for each type of service provided

**Section A - CONTENT** - Description of service

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

External Reviews on Green, Social, Sustainability and Climate Bonds; ESG Data

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

Kestrel aims (i) to improve the quality and integrity of designated bonds in the municipal market, (ii) provide a seamless customer service experience to the issuers and deal teams, and (iii) to communicate green and social impacts to investors in an accessible way.

**3. REVIEW TYPE** - Please indicate the review type(s) which best describe this service

External Review Types as defined in GBP/SBP:

- |                         |                                     |
|-------------------------|-------------------------------------|
| 1. Second Party Opinion | <input checked="" type="checkbox"/> |
| 2. Verification         | <input checked="" type="checkbox"/> |
| 3. Certification        | <input checked="" type="checkbox"/> |
| 4. Scoring/rating       | <input checked="" type="checkbox"/> |

Comments

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

Kestrel provides Second Party Opinions (independent, external reviews) that communicate the alignment of bond-financed activities with the four core components Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines: (1) Use of Proceeds, (2) Process for Project Evaluation and Selection, (3) Management of Proceeds, and (4) Reporting. As a Climate Bonds Initiative Approved Verifier, Kestrel incorporates rigorous Climate Bond Standards into our evaluations. Kestrel also incorporates an assessment of the project's advancement of the UN's Sustainable Development Goals at the Target level using a robust, internal methodology specific to US public sectors. The Second Party Opinion is then included in Official Statements to inform investors of impactful projects that support investment decision-making. Kestrel also provides content about the designation for use in marketing of the bonds.

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

- |                |                                     |
|----------------|-------------------------------------|
| Environmental  | <input checked="" type="checkbox"/> |
| Social         | <input checked="" type="checkbox"/> |
| Sustainability | <input checked="" type="checkbox"/> |

Comments

As Approved Verifiers accredited by the Climate Bonds Initiative, Kestrel is qualified to provide Verifiers Reports for Certified Climate Bonds.

**6. GBP / SBP** - Are each of the four principles in the GBP/SBP taken into account in the review?

- |  |                                     |
|--|-------------------------------------|
| 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                                    | <input checked="" type="checkbox"/> |

**7. METHODOLOGY** - General description of methodology

Kestrel provides Second Party Opinions that are engrained in the environmental and social sciences. We provide thorough and well researched opinions that communicate conformance of bond-financed activities with the Green and Social Principles and/or Sustainability Bond Guidelines. All opinions assess impact metrics, provide detail on net zero alignment, convey alignment with the just transition to a low carbon economy, and/or explain the advancement of unique UN Sustainable Development Goals and Targets. The UN Sustainable Development Goals and Targets are assessed using a robust, internal methodology specific to US public sectors. The Second Party Opinions are based on publicly available information, documentation provided by the issuer, a one hour due diligence call with the issuer, and e-mail correspondances with the issuer. Our team strives to work efficiently and minimize impacts to the issuer and deal team in set up, writing process, and completion of the Second Party Opinions. After bond issuance, Kestrel offers guidance on post-issuance reporting.

**8. DISCLOSURE** - Where can further information on the service be found?

Previous Second Party Opinions and articles can be found at: <https://kestrelverifiers.com/>

Relevant web pages

[Kestrel Verifiers: https://kestrelverifiers.com/](https://kestrelverifiers.com/)  
[Kestrel ESG: https://kestrelesg.com/](https://kestrelesg.com/)

**9. BUILDING BLOCKS** - Please indicate which building blocks are relevant to your service (by ticking boxes under a) CONTENT) and which ones are the most important for your service (by ranking three boxes 1-3 under b) IMPORTANCE).

	a)	b)	c)	d)	e)	f)	g)	h)	i)
	Assessment of alignment with GBP / SBP	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
<b>a) CONTENT -</b> Please indicate which building blocks are part of the service offered	X	X	x	X		X	x	x	
<b>b) IMPORTANCE -</b> Highlight the three most important building blocks of your service by ranking them 1-3 (with 1 being the most important)	1		3					2	

Comments

**10. TIMING**

Pre issuance	<input type="text" value="Yes"/>
Post issuance	<input type="text" value="Yes"/>
Recurring	<input type="text" value="Yes"/>
Monitored	<input type="text" value="Yes"/>
Static / Single point in time	<input type="text"/>
Frequency	<input type="text"/>

Comments

Is there an expiration of validity of the review

Comments

**11. COVERAGE**

Issuer	<input type="text" value="Yes"/>
Programme / Framework	<input type="text" value="Yes"/>
Bond / Financial instrument	<input type="text" value="Yes"/>
Assets	
Estimates	<input type="text" value="Yes"/>
Actual allocation	<input type="text" value="No"/>
Procedures	<input type="text" value="Yes"/>

Comments

**12. 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

Climate Bond Standards, UN Sustainable Development Goals, Envision Sustainable Infrastructure Framework, green building standards (ex. LEED, state codes, etc.), current relevant research on sustainability standards and goals, ISAE 3000 International Standard on Assurance Engagements

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

Kestrel does not compare environmental or social performance levels between issuers. Kestrel services aim to assess conformance with the Green Bond Principles, Social Bond Principles, or Sustainability Bond Guidelines.

**14. CONTROVERSIES** - Are controversies highlighted?

Controversies may be discussed with the issuer on a case-by-case basis. As Kestrel upholds high standards for verification, any project with features that are out of alignment with the GBPs/SBPs or has negative environmental/social effects would not undergo review.

**15. PUBLICATION** - Do you require that the review is made public?

Comments

**16. EXTERNAL REVIEW FORM** -

- a) Is the GBP/SBP External Review Form included as part of the review?
- b) Is it posted on the GBP/SBP Resource Centre?

Comments

**Section B - CREDENTIALS - Description of credentials for performing the service**

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

Our work is grounded in environmental and social science, bringing a synthesis of science and finance to the market. We have a nuanced understanding of public finance as the municipal green, social and sustainability bond experts. Kestrel's experience spans many sectors, including water, wastewater, electric utilities, renewable energy, education, higher education, affordable housing, natural resources and land use. Our verifier service maintains a strong technical background in environmental projects and finance. As Approved Verifiers accredited by the Climate Bonds Initiative (CBI), we are qualified to evaluate corporate and municipal bonds in all asset classes worldwide for conformance with international green and social bond standards. We are the only CBI Approved Verifier with deep environmental and sustainability consulting experience in the US public finance sector and a Certified Women's Business Enterprise.

**18. EXPERIENCE - Please describe your experience in the field**

With a unique blend of environmental expertise, capital markets experience and technology know-how, we aim to help market participants discern what is real when it comes to ESG attributes, and positive impact associated with individual bonds. Our analysts, who are environmental and social scientists or engineers, efficiently navigate the complex plans and policies that motivate bond-financed activities, and illuminate connections between infrastructure, target populations, sustainability plans and climate action. Our opinions translate and breakdown financial and scientific processes to communicate the core value and impact of financed projects to investors. The team's in depth knowledge of the market and financed activities further investor's understanding of green investing and funding. Additionally, Kestrel regularly communicates with investors, banking teams, and other parties regarding the value of external reviews of Green, Social, and Sustainability Bonds.

**a) Launch date - year when first review was completed**

31/10/2018

Comments

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

150

Comments Kestrel has provided external reviews on approximately 150 transactions.

**19. CAPABILITIES -**

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

Eastern Europe, Western Europe, North America, LatAm, Middle East, Africa, Asia-Pacific

**b) Language capabilities - relevant for the above described service**

English with additional language capabilities offered through a partnership with a translator

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

Kestrel Verifiers provides Second Party Opinions, Verifier's Reports, and guidance on reporting

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

Comments