

**Rating-Agentur Expert RA assessment confirmed the opinion that the Sun Projects 2 LLC Green Bonds Framework (officially named as "The policy in the sphere of green financing") is credible and impactful, aligned with the four core components of the Green Bond Principles 2018. This opinion refers to the Sun Projects 2 LLC Green Bonds Framework in general, and attached to the specific bond issue with a nominal value of RUB 5,7 bn and maturity of 10 years, planned to be issued by independent SPV LLC "SFC RuSol 1" on 06.02.2020 on the Moscow Exchange (MOEX) (Registration Numbers 6-01-00514-R; 6-02-00514-R; 6-03-00514-R), and therefore we can confirm that this bond issue can be considered as green according to the Green Bond Principles 2018.**

**This opinion is based on the following assessment:**

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***Use of proceeds:*** We confirm that the planned eligible projects for the use of funds derived from this bond issuance are well aligned with the Green Bond Principles 2018 (GBP 2018). The category of eligible projects is *renewable energy*, which is in line with the GBP 2018 and have a positive environmental impact.

***Project evaluation/ selection:*** In our view, the process of project evaluation and selection followed by the Company in its Green Bond Framework (GBF), which is applicable for this bond issuance, is in line with what is stated in the GBP 2018 and fully complies with what is expected from the market. However, the described procedure of eligible projects' evaluation and selection has some room for improvement, namely (1) creation of the collegial body responsible for the evaluation and selection of projects with a clear description of the processes in a separate internal regulation (2) assignment of a separate ecological officer or internal ecological auditor with the duties related to the evaluation and selection of projects in order to avoid any conflicts of interests (3) implementation of quantitative targets for the evaluation and selection of projects.

***Management of proceeds:*** We confirm that the management of proceeds expected from this bond issuance is in line with the GBP 2018 taking into account current state of green finance practices in Russia. The management of proceeds is characterized by handling the funds through a separate account ("special pledge account") of the SPV, which is completely independent from the Company and is obliged to manage and control all cash flows from the issue, including compliance with the GBF, bond prospectus and MOEX listing rules for green bonds. To summarize, there are several "lines of defense" for managing the bond's proceeds and their allocation, represented by the external independent institutions (including, issuer itself (SPV holder) and RBO) which creates a solid ground for the allocation of funds specifically to the eligible green projects.

***Reporting:*** The Company is planning to report both on (1) *Use of proceeds* and (2) *Environmental impact*. The reporting is planned to be published by the issuer at least annually and until the

moment when an amount equivalent to the total volume of proceeds from the green bond issuance is completely invested in the eligible green projects, or in case of any significant changes. Use of proceeds reports will include at least: (1) List of approved eligible green projects financed through the green bonds proceeds; (2) The balance of the unallocated amount of the net value of green bonds proceeds. Environmental impact reports will include at least: (1) Electricity generated from renewable sources (kWh); (2) Reduction/prevention of greenhouse gas emissions (tons of CO<sub>2</sub>). Therefore, we consider that the described procedure of reporting for this bond issuance is in line with the GBP 2018. However, we see the room for improvement, namely: (1) additional external verification of the Use of proceeds and Environmental impact reporting performed by independent experienced company.

Report on the Second opinion of the LLC "SFC RuSol 1" is available at:

[https://raexpert.eu/files/SFC\\_RuSol\\_1\\_SO\\_Report\\_05.02.2020.pdf](https://raexpert.eu/files/SFC_RuSol_1_SO_Report_05.02.2020.pdf)

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**Additional information:**

This Second Opinion was based on the analysis of the information provided by the bond issuer, the Group and related companies. The following information was used:

- The Group and subsidiaries' financial reports according to Russian accounting standards;
- The Group's financial statements according to IFRS;
- The Group and subsidiaries' corporate governance documents and presentations for investors;
- Questionnaire provided by the Group;
- Green Bonds Framework (GBF) of the Company (officially named as "The policy in the sphere of green financing");
- Report from the Analytical Center for the Government of the Russian Federation;
- Credit rating reports from ACRA Rating Agency (Russia);
- Expert RA Rating Agency (Russia) rankings;
- Reports on the functioning of the Unified Energy System of the Russian Federation in 2017 and 2018;
- Documents, describing the bonds issuance;
- Additional materials and answers provided by the Group and related companies;
- Additional analytical reports and media-information.

**We consider the provided information reliable and sufficient for the Green bonds second opinion.**

The analysis was performed by the employees of the Rating-Agentur Expert RA GmbH (Frankfurt am Main, Germany):

- Hector Alvarez, Associate Director;
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**Office responsible for preparing the opinion:**

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