

Second-Party Opinion

TierPoint Green Finance Framework



Evaluation Summary

Sustainalytics is of the opinion that the TierPoint Green Finance Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2021 and the Green Loan Principles 2023. This assessment is based on the following:



USE OF PROCEEDS The eligible category for the use of proceeds, Energy Efficiency, is aligned with those recognized by the Green Bond Principles and the Green Loan Principles. Sustainalytics considers that investments in the eligible category will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 7.



PROJECT EVALUATION AND SELECTION TierPoint's ESG Committee will evaluate, select and monitor eligible assets against the eligibility criteria. TierPoint's environmental and social risk assessment process is applicable to all allocation decisions. Sustainalytics considers these risk management systems to be adequate and the project selection process to be in line with market practice.



MANAGEMENT OF PROCEEDS TierPoint's ESG Committee will be responsible for the management and allocation of proceeds to eligible assets and will track the proceeds through an internal accounting system. TierPoint intends to reach full allocation of proceeds within 36 months of issuance. Pending allocation, unallocated proceeds will be temporarily held or invested in accordance with TierPoint's general liquidity measures. This is in line with market practice.



REPORTING TierPoint commits to reporting on the allocation of proceeds and corresponding impact, to the extent feasible, on an annual basis until full allocation either publicly or shared with relevant investors and lenders. Allocation reporting will include the total amount of proceeds allocated, the balance of unallocated proceeds and the proportion of financing versus refinancing. In addition, TierPoint is committed to reporting on relevant impact metrics. Sustainalytics views TierPoint's allocation and impact reporting as aligned with market practice.

Evaluation date May 10, 2023

Issuer Location St. Louis, USA

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Introduction

TierPoint LLC (“TierPoint” or the “Company”) is a US-based national operator of multi-customer enterprise data centres. TierPoint owns and operates 40 data centres across 20 US states, providing services to more than 1,000 corporate customers. The Company is headquartered in St. Louis, US, and employs more than 800 technology professionals as of 2023.¹

TierPoint has developed the TierPoint Green Finance Framework dated May 2023 (the “Framework”) under which the Company, or its subsidiaries or special-purpose vehicles,² intend to issue green bonds, asset-backed securities,³ and obtain loans including term loans, revolving credit facilities, or letters of credit (the “Green Finance Instruments”),⁴ and use the proceeds to finance or refinance, in whole or in part, existing or future projects that are expected to demonstrate positive environmental impacts. The Framework defines eligibility criteria in one area:

1. Energy Efficiency

TierPoint engaged Sustainalytics to review the TierPoint Green Finance Framework and provide a second-party opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP)⁵ and the Green Loan Principles 2023 (GLP).⁶ The Framework has been published in a separate document.⁷

Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent⁸ opinion on the alignment of the reviewed Framework with current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Green Bond Principles 2021, as administered by ICMA, and the Green Loan Principles 2023, as administered by LMA, APLMA and LSTA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.13, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of TierPoint’s management team to understand the sustainability impact of its business processes and planned use of proceeds, as well as the management of proceeds and reporting aspects of the Framework. TierPoint representatives have confirmed that: (1) they understand it is the sole responsibility of TierPoint to ensure that the information provided is complete, accurate and up to date; (2) that they have provided Sustainalytics with all relevant information; and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

¹ TierPoint, “About us”, at: <https://www.tierpoint.com/about-us/>.

² TierPoint has communicated to Sustainalytics that it will have operational control over the issuance process of its subsidiaries and special-purpose vehicles as it pertains to any financing under the Framework. The Company has further confirmed that it will be responsible for ensuring continual alignment of any issuances with the criteria defined in the Framework.

³ For securitizations, the Framework includes the issuance of green tranches of such securities. TierPoint has communicated to Sustainalytics that it will clearly distinguish between a secured green standard bond and a secured green collateral bond in the respective offering documents per the voluntary process guidelines published in the June 2022 Appendix 1 of the GBP 2021. TierPoint also commits to ensuring no double-counting of eligible projects under the secured green standard bond, secured green collateral bond and any other outstanding green financing instruments.

⁴ Sustainalytics has reviewed only those financial instruments that are specified under the Framework.

⁵ The Green Bond Principles are administered by the International Capital Market Association (ICMA) and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

⁶ The Green Loan Principles are administered by the Loan Market Association (LMA), Asia Pacific Loan Market Association (APLMA) and Loan Syndications and Trading Association (LSTA) and are available at <https://www.lsta.org/content/green-loan-principles/>.

⁷ The TierPoint Green Finance Framework is available at: [tierpoint.com/about-us/sustainability](https://www.tierpoint.com/about-us/sustainability)

⁸ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last, but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and TierPoint.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond and loan proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner. TierPoint is encouraged to update the Framework after 24 (twenty-four) months from the evaluation date, if necessary, and seek an update to the Second-Party Opinion to ensure ongoing alignment of the Framework with market standards and expectations.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds, but does not guarantee the realized allocation of the bond and loan proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument either in favour or against the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that TierPoint has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the TierPoint Green Finance Framework

Sustainalytics is of the opinion that the TierPoint Green Finance Framework is credible and impactful, and aligns with the four core components of the GBP and GLP. Sustainalytics highlights the following elements of TierPoint's Green Finance Framework:

- Use of Proceeds:
 - The eligible category, Energy Efficiency, is aligned with those recognized by the GBP and GLP.
 - TierPoint has established a look-back period of 24 months for all refinancing activities for the Eligible Projects, other than green assets underlying securitizations.
 - Under the Energy Efficiency category, TierPoint intends to finance or refinance the acquisition of existing, and/or the construction of new energy efficient data centres that meet one of the following thresholds of Power Usage Effectiveness ("PUE"):⁹ i) 1.50 or below for assets built prior to 2020; or ii) 1.45 or below for assets built in 2020 or later.
 - Sustainalytics views these investments as aligned with market practice based on the defined PUE thresholds.
- Project Evaluation and Selection:
 - TierPoint's ESG Committee (the "Committee") will be responsible for evaluating and selecting the Eligible Projects against the eligibility criteria in the Framework. The Committee will also be responsible for evaluating the eligibility of the collateral underlying the securitization in the case of secured bonds. The Committee will consist of representatives from the Company's Finance, Accounting, Legal, Human Resources, Information Security, Risk and Compliance, Marketing, Data Center Construction and Operations, Procurement, Capital Markets and Legal departments.
 - The Committee is tasked with ensuring that key ESG policies and practices, as well as an evaluation of environmental and social risks, are integrated into all allocation decisions made under the Framework. Sustainalytics considers this risk management process to be adequate and aligned with market expectations. For additional details, please see Section 2.

⁹ The Framework stipulates that for existing and operating assets, PUE is determined by the 12-month rolling average operating PUE as measured at the point of allocation. For new data centre assets and assets that undergo substantial retrofits and efficiency upgrades, TierPoint may use the designated PUE until such assets are fully operational and reach stabilized IT load of at least 75%.

- Based on the establishment of the Committee and the presence of adequate environmental and social risk management systems, Sustainalytics considers this process to be in line with market expectations.
- Management of Proceeds:
 - TierPoint’s ESG Committee will be responsible for managing and allocating proceeds to the Eligible Projects. The Committee will track the proceeds through an internal accounting system.
 - TierPoint intends to reach full allocation within 36 months of issuance. Pending full allocation, the proceeds will be temporarily held or invested in accordance with the Company’s general liquidity measures that are not associated with fossil fuel related activities.
 - TierPoint intends to fully allocate net proceeds at the time of issuance for Secured Green Collateral Bonds and fully funded Secured Green Standard Bonds.
 - If multi-tranche loans are obtained, only those tranches that finance eligible projects under the Framework will be categorized as “green” by the Company.
 - Based on the use of an internal tracking system and the disclosure of the temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - TierPoint commits to reporting on the allocation of proceeds and corresponding impact, to the extent feasible, on an annual basis until full allocation either publicly or shared with investors and lenders. For revolving credit facilities, the Company has confirmed that reporting will continue until the maturity of such facilities. For Secured Green Collateral Bonds and Secured Green Standard Bonds fully allocated at issuance, reporting may occur at the time of issuance along with offering documentation.
 - Allocation reporting will include: i) the total amount of proceeds allocated; ii) the balance of unallocated proceeds; and iii) the share of financing versus refinancing of the Eligible Projects.
 - Impact reporting may include metrics such as PUE, annual energy savings (in MWh) and estimated avoided GHG emissions (in mtCO₂).
 - Based on the commitment to both allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2021 and Green Loan Principles 2023

Sustainalytics has determined that the TierPoint Green Finance Framework aligns with the four core components of the GBP and GLP. For detailed information please refer to Appendix 1: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Performance of TierPoint

Contribution to TierPoint’s sustainability performance

Sustainalytics is of the opinion that TierPoint demonstrates a commitment to sustainability with a focus on the following environmental and social principles in its sustainability approach: i) sustainable design and operations; ii) positive social impact; and iii) leading governance policies and practices.¹⁰ In early 2023, the Company established its ESG committee which oversees the development and performance of its sustainability strategy. TierPoint has communicated the intent to complete its first GRESB¹¹ assessment in 2023.¹²

To support its sustainability approach, TierPoint has enhanced the energy and water usage efficiencies of its assets and promoted responsible waste management practices.¹³ Since 2017, the Company reduced the PUE of its portfolio, achieving an annualized PUE of 1.57 in 2022. The Company also undertakes initiatives to further its goal of energy transition, including installation of pumping and lighting system retrofits and utilizing highly efficient electrical and mechanical equipment on all new builds and expansions.¹⁴ Additionally, TierPoint has incorporated strategies to minimize water use, such as using non-evaporative based cooling systems and adjusting humidification setpoints to lower usage. Moving forward, TierPoint has committed to achieving a PUE of between 1.3 to 1.4 for its new data centres by ensuring efficient design and operation approaches.

¹⁰ TierPoint Green Finance Framework.

¹¹ Global Real Estate Sustainability Benchmark (“GRESB”), <https://www.gresb.com/nl-en/>.

¹² TierPoint Green Finance Framework.

¹³ TierPoint shared the TierPoint ESG programme with Sustainalytics on a confidential basis.

¹⁴ Ibid.

To complement its sustainability approach, TierPoint is also evaluating renewable energy adoption practices where possible. These include adding renewable energy to its power supply in de-regulated markets, on-site generation of solar power in feasible locations, and purchase of renewable energy certificates and power purchase agreements where economical.¹⁵ With regard to responsible waste management practices, TierPoint has set a number of procedures and programmes, including recycled waste disposal programmes, procedures for disposal and recycling of IT equipment, and hazardous material use and waste management procedures.¹⁶

Sustainalytics is of the opinion that the TierPoint Green Financing Framework is aligned with the Company's overall sustainability initiatives and will further the Company's action on its key environmental targets. Sustainalytics encourages TierPoint to establish time-bound quantitative sustainability targets where feasible to further strengthen its sustainability commitments.

Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that the proceeds from the instruments issued under the Framework will be directed towards eligible projects that are expected to have positive environmental and social impacts. However, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks potentially associated with the eligible projects may include issues related to land use and biodiversity risks associated with large-scale infrastructure development; community relations; emissions, effluents, and waste generated in construction activities and data centre operations; occupational health and safety; and cybersecurity, compliance and privacy risks.

Sustainalytics is of the opinion that TierPoint is able to manage and/or mitigate potential risks through the implementation of the following:

- Regarding land use and loss of biodiversity risks and community relations associated with large-scale infrastructure, TierPoint addresses these concerns through contractors that are responsible for constructing the data centres. As the part of the land acquisition and construction process, the contractors are expected to undertake a due diligence process that addresses the above-mentioned risks and conduct business in compliance with all applicable environmental and social regulations.¹⁷
- To manage emissions and waste generated in its data centres, TierPoint has in place an ESG programme, which includes policies to enhance energy efficiency and waste management in its data centres and related mechanical systems.¹⁸
- Regarding occupational health and safety risks, TierPoint has a company-wide Data Center Safety Program based on the US Department of Labour's Occupational Safety and Health Administration guidance.¹⁹ Through this management system, the Company is committed to implementing best-in-class occupational health and safety practices, maintaining a safe workplace, and improving safety measures across its offices.²⁰
- Regarding cybersecurity, compliance and privacy risks, TierPoint has security and compliance programmes in place that list security policies for its internal processes, along with data encryption and business contingency programmes to mitigate external risks arising with data management.²¹ Additionally, the Company maintains independent third-party compliance certifications for its data centre customers, such as ISO 27001, HIPAA, SOC 1 Type 2 and vendor security risk management.²²
- Sustainalytics also notes that the Eligible Projects financed under the Framework will primarily be located in the US, which is recognized as a Designated Country by the Equator Principles, indicating the presence of robust environment and social governance systems, legislation and institutional capacity for protecting the environment and communities.²³

Based on these policies, standards and assessments, Sustainalytics is of the opinion that TierPoint has implemented adequate measures and is well positioned to manage or mitigate environmental and social risks commonly associated with the eligible category.

¹⁵ TierPoint shared the TierPoint ESG programme with Sustainalytics on a confidential basis.

¹⁶ TierPoint Green Finance Framework.

¹⁷ TierPoint shared the Procurement Guidelines for contractors policy with Sustainalytics on a confidential basis.

¹⁸ TierPoint shared the TierPoint ESG programme with Sustainalytics on a confidential basis.

¹⁹ US Department of Labour, "Occupation Safety and Health Administration Guidance", at: <https://www.osha.gov/laws-regs>.

²⁰ Ibid.

²¹ TierPoint shared the TierPoint Corporate Security Policy with Sustainalytics on a confidential basis.

²² Ibid.

²³ Equator Principles, "About the Equator Principles", at: <https://equator-principles.com/about-the-equator-principles/>.

Section 3: Impact of Use of Proceeds

Importance of energy efficiency at data centres

Data centres contain a large number of energy-intensive technologies and services, such as servers, storage equipment, backups and power cooling infrastructure.²⁴ This translates to significant electricity demand from data centres. Globally, the electricity demand for data centres reached 220-320 TWh in 2021, accounting for approximately 0.9-1.3% of global demand.²⁵

To curb the increase in power consumption of data centres, continual improvements in energy efficiency through advanced servers, storage devices, network switches and infrastructure are required.²⁶ As a result of energy-efficiency improvements, global data centre energy consumption saw only a 6% increase between 2010 and 2018 despite a sixfold increase in the computing power of data centres, a tenfold increase in internet traffic, and a significant increase in storage capacity.²⁷ PUE is often seen as a major metric to track efficiency at the facility. As of 2022, global average annual PUE has been recorded at 1.55.²⁸ Furthermore, newly built data centres often outperform existing data centres by achieving PUEs of 1.3 and lower owing to improved equipment and facility designs that are optimised for consuming less energy.²⁹ There are continued efforts by the US Government to advance energy efficiency in data centres in the country.³⁰ The US Federal Energy Management Program (“FEMP”) provides technical support, tools, analysis and best practices to contribute to the implementation of energy efficiency projects in data centres.³¹

As per the International Energy Agency, carbon emissions from data centres would need to decline by 50% by 2030, to achieve the net-zero emissions target and keep global warming levels below 1.5°C, in line with the Paris Agreement.^{32,33} Given this context, Sustainalytics considers TierPoint’s investments aimed at improving energy efficiency, thus the PUE of data centres, as contributing to the reduction of the industry’s energy footprint and thereby to generate a positive environmental impact.

Contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by 2030. The instruments issued under the Framework are expected to help advance the following SDG and target:

Use of Proceeds Category	SDG	SDG target
Energy Efficiency	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency

Conclusion

TierPoint has developed the TierPoint Green Finance Framework under which it and its subsidiaries may issue or obtain green bonds, asset backed securities and loans, and use the proceeds to finance energy efficiency projects in its data centres. Sustainalytics considers that the projects funded by the green finance proceeds are expected to provide positive environmental impacts.

The Framework outlines a process by which proceeds will be tracked, allocated and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore,

²⁴ Ratka, S. et al., (2020), “The nexus between data centres, efficiency and renewables: a role model for the energy transition”, Energy Post, at: <https://energypost.eu/the-nexus-between-data-centres-efficiency-and-renewables-a-role-model-for-the-energy-transition/>.

²⁵ IEA, “Data Centres and Data Transmission Networks”, (2022), at: <https://www.iea.org/reports/data-centres-and-data-transmission-networks>.

²⁶ The Privacy Shield Frameworks were designed by the US, EU and Switzerland to provide companies with a mechanism to comply with data protection requirements when transferring personal data from the EU and Switzerland to the US. Privacy Shield Framework, “Privacy Shield Overview”, at: <https://www.privacyshield.gov/Program-Overview>.

²⁷ Moss, S., (2020), “Huge data center efficiency gains stave off energy surge - for now”, Data Centre Dynamics, at: <https://www.datacenterdynamics.com/en/analysis/huge-data-center-efficiency-gains-stave-energy-surge-now/>.

²⁸ Uptime Institute, “Uptime Institute Global Data Center Survey 2022”, at: https://uptimeinstitute.com/uptime_assets/6768eca6a75d792c8eeede827d76de0d0380dee6b5ced20fde45787dd3688bfe-2022-data-center-industry-survey-en.pdf

²⁹ Ibid.

³⁰ US Government Office of Energy Efficiency & Renewable Energy, “Energy Efficiency in Data Centers”, at: <https://www.energy.gov/eere/femp/energy-efficiency-data-centers>

³¹ Center of Expertise for Energy Efficiency in Data Centers, “Who We Are”, at: <https://datacenters.lbl.gov/who-we-are>

³² IEA, “Data Centres and Data Transmission Networks”, (2022), at: <https://www.iea.org/reports/data-centres-and-data-transmission-networks>.

³³ United Nations, Paris Agreement, (2015), at: https://unfccc.int/sites/default/files/english_paris_agreement.pdf.

Sustainalytics believes that the Framework is aligned with the overall sustainability strategy of the Company and that the green use of proceeds category will contribute to the advancement of the UN Sustainable Development Goals 7. Additionally, Sustainalytics is of the opinion that TierPoint has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the proceeds.

Based on the above, Sustainalytics is confident that TierPoint is well positioned to issue green instruments and that the Framework is robust, transparent and in alignment with the four core components of the Green Bond Principles 2021 and Green Loan Principles 2023.

Appendix

Appendix 1: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	TierPoint
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	TierPoint Green Finance Framework
Review provider's name:	Sustainalytics
Completion date of this form:	May 10, 2023
Publication date of review publication:	

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBP:

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

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (*if applicable*)

Please refer to Evaluation Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (*if applicable*):

The eligible category for the use of proceeds, Energy Efficiency, is aligned with those recognized by the Green Bond Principles and the Green Loan Principles. Sustainalytics considers that investments in the eligible category will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 7.

Use of proceeds categories as per GBP:

- | | |
|---|--|
| <input type="checkbox"/> Renewable energy | <input checked="" type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP | <input type="checkbox"/> Other <i>(please specify)</i> : |

If applicable please specify the environmental taxonomy, if other than GBP:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

TierPoint’s ESG Committee will evaluate, select and monitor eligible assets against the eligibility criteria. TierPoint’s environmental and social risk assessment process is applicable to all allocation decisions. Sustainalytics considers these risk management systems to be adequate and the project selection process to be in line with market practice.

Evaluation and selection

- | | |
|--|--|
| <input checked="" type="checkbox"/> Credentials on the issuer’s environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other <i>(please specify)</i> : |

Information on Responsibilities and Accountability

- | | |
|--|--|
| <input checked="" type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input type="checkbox"/> In-house assessment |
|--|--|

- Other (please specify):

3. MANAGEMENT OF PROCEEDS

Overall comment on section (if applicable):

TierPoint's ESG Committee will be responsible for the management and allocation of proceeds to eligible assets and will track the proceeds through an internal accounting system. TierPoint intends to reach full allocation of proceeds within 24 months of issuance. Pending allocation, unallocated proceeds will be temporarily held or invested in accordance with TierPoint's general liquidity measures. This is in line with market practice.

Tracking of proceeds:

- Green Bond proceeds segregated or tracked by the issuer in an appropriate manner
- Disclosure of intended types of temporary investment instruments for unallocated proceeds
- Other (please specify):

Additional disclosure:

- Allocations to future investments only
- Allocations to both existing and future investments
- Allocation to individual disbursements
- Allocation to a portfolio of disbursements
- Disclosure of portfolio balance of unallocated proceeds
- Other (please specify):

4. REPORTING

Overall comment on section (if applicable):

TierPoint commits to reporting on the allocation of proceeds and corresponding impact, to the extent feasible, on an annual basis until full allocation either publicly or shared with relevant investors and lenders. Allocation reporting will include the total amount of proceeds allocated, the balance of unallocated proceeds and the proportion of financing versus refinancing. In addition, TierPoint is committed to reporting on relevant impact metrics. Sustainalytics views TierPoint's allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:

- Project-by-project
- On a project portfolio basis
- Linkage to individual bond(s)
- Other (please specify):

Information reported:

- Allocated amounts
- Green Bond financed share of total investment

- Other (*please specify*): the balance of unallocated proceeds, the share of financing versus refinancing of the Eligible Projects

Frequency:

- Annual Semi-annual
- Other (*please specify*):

Impact reporting:

- Project-by-project On a project portfolio basis
- Linkage to individual bond(s) Other (*please specify*):

Information reported (expected or ex-post):

- GHG Emissions / Savings Energy Savings
- Decrease in water use Other ESG indicators (*please specify*): PUE

Frequency

- Annual Semi-annual
- Other (*please specify*):

Means of Disclosure

- Information published in financial report Information published in sustainability report
- Information published in ad hoc documents Other (*please specify*):
- Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- Consultancy (incl. 2nd opinion) Certification
- Verification / Audit Rating
- Other (*please specify*):

Review provider(s):

Date of publication:

ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

- i. **Second-Party Opinion:** An institution with environmental expertise that is independent from the issuer may issue a Second-Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second-Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- ii. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- iii. **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. **Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

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