

### 1. Introduction

The Green Investment Ratings ('GIR') team of Green Investment Group Limited ('GIG') has prepared this report (the 'Report') in connection with the Future Energy Capital rooftop solar PV portfolio (the 'Portfolio'). The GIR team has forecast the Portfolio's avoided: greenhouse gas ('GHG'); emissions to air; and fossil fuels consumption (together, the 'Green Impact') of the Portfolio, as summarised below. This Report also considers the Portfolio's alignment with the United Nations Sustainable Development Goals.

This assessment was undertaken using data provided to the GIR team (see Appendix 1).

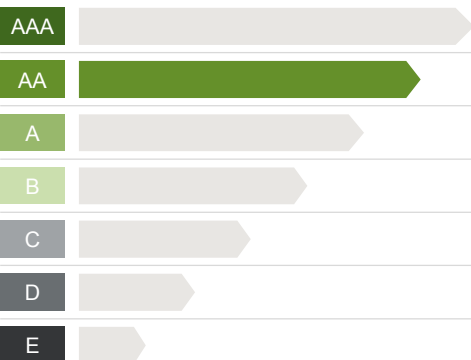
The Portfolio's GIG Carbon Rating is AA. Refer to page 2 and the methodology in Appendix 2 for further information on how this is calculated.

Portfolio Information	
Technology	Rooftop Solar PV
Location	People's Republic of China
Number of projects	3
Aggregated installed capacity	5 MW
Stage	Operational
Commenced operations	2017



### Green Impact: Forecast & Performance

#### GIG CARBON RATING: AA



4 kt CO<sub>2</sub>e / avoided (annual)

#### GHG emissions avoided (carbon dioxide equivalent)

Remaining lifetime	96.4 kt CO <sub>2</sub> e
Performance to Jul 2018	4.8 kt CO <sub>2</sub> e
Annual forecast	4.0 kt CO <sub>2</sub> e / yr

#### Other emissions to air avoided (oxides of nitrogen)

Remaining lifetime	204.1 t NO <sub>x</sub>
Performance to Jul 2018	10.2 t NO <sub>x</sub>
Annual forecast	8.5 t NO <sub>x</sub> / yr

#### Fossil fuels consumption avoided (oil equivalent)

Remaining lifetime	31,800 t oe
Performance to Jul 2018	1,594 t oe
Annual forecast	1,300 t oe

**Important note:** This Report has been prepared by GIG on the basis of, and should be read in conjunction with, the methodology v1.1, assumptions, limitations and other terms set out in Appendices 2, 3 and the Important Notice and Disclaimer, Appendix 4. This is not a due diligence report and should not be relied upon as such. If appropriate, recipients and users of this Report should conduct their own separate environmental, social and governance enquiries and assessments. This Report is provided for information purposes only and does not constitute and shall not be deemed to be in any way an offer or invitation or solicitation of any offer or invitation to sell or purchase shares or invest in any Project. This Report has not been filed, lodged, registered or approved in any jurisdiction and recipients of this document should keep themselves informed of and comply with and observe all applicable legal and regulatory requirements.

## 2. Green Impact Forecast

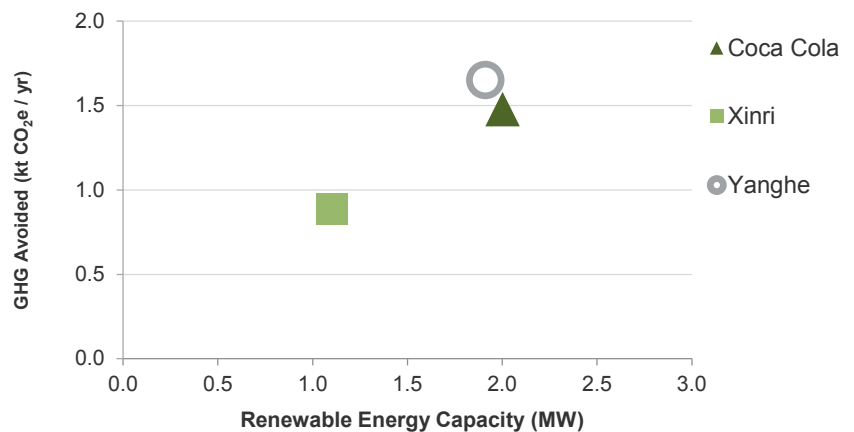
In this Report we use the term ‘Green Impact’ to refer to the GHG, emissions to air and fossil fuels consumption avoided by the Portfolio, as defined in Appendix 2. Forecasts are based on data provided to the GIR team and is subject to our assessment of Green Impact Forecast Accuracy (as set out on page 3). The forecasts and Green Impact Forecast Accuracy are subject to the methodology, assumptions, limitations and methods set out in Appendices 2 & 3.

### Greenhouse gas emissions avoided

Avoidance of GHG emissions (measured in carbon dioxide equivalent: CO<sub>2</sub>e), both actual and forecast, is derived by comparing the emissions associated with each underlying project to a counterfactual (alternative method of energy generation). In this case the counterfactual is East China marginal grid emissions.

The Portfolio is forecast, to avoid an average of over 4 kilo tonnes CO<sub>2</sub>e / yr over its remaining lifetime.

The Portfolio is forecast to avoid emissions of over 4 kt CO<sub>2</sub>e / yr



#### Greenhouse gas emissions avoided (carbon dioxide equivalent)

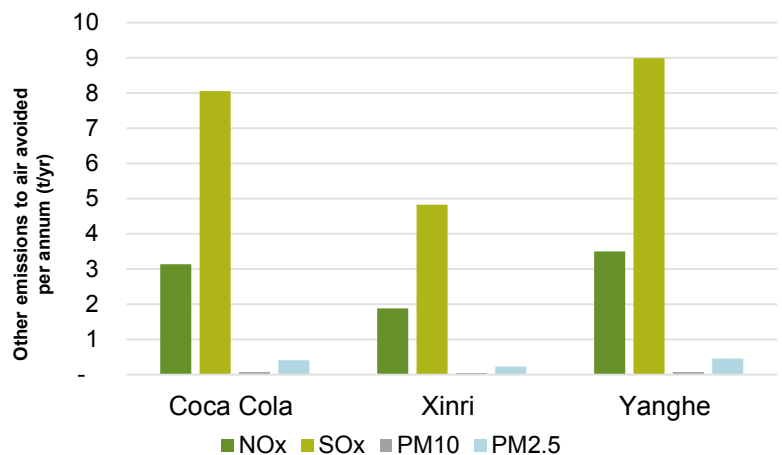
Remaining lifetime	96.4 kt CO <sub>2</sub> e
Aggregated annual emissions	4.0 kt CO <sub>2</sub> e / yr

### Other emissions to air avoided

Other emissions to air avoided is a measure of net air pollutant emissions compared to the counterfactual method of energy generation. Quantified air pollutant emissions include oxides of nitrogen (NO<sub>x</sub>), oxides of sulphur (SO<sub>x</sub>), particulates up to 10 micrometres (µm) in diameter (PM<sub>10</sub>) and particulates up to 2.5 µm in diameter (PM<sub>2.5</sub>).

The Portfolio is forecast to result in the avoidance of almost 10 tonnes NO<sub>x</sub>, over 20 tonnes SO<sub>x</sub> and over 1 tonne of particulate matter per year.

The Portfolio is forecast to avoid emissions of almost 10 t NO<sub>x</sub> / yr



#### Emissions to air avoided

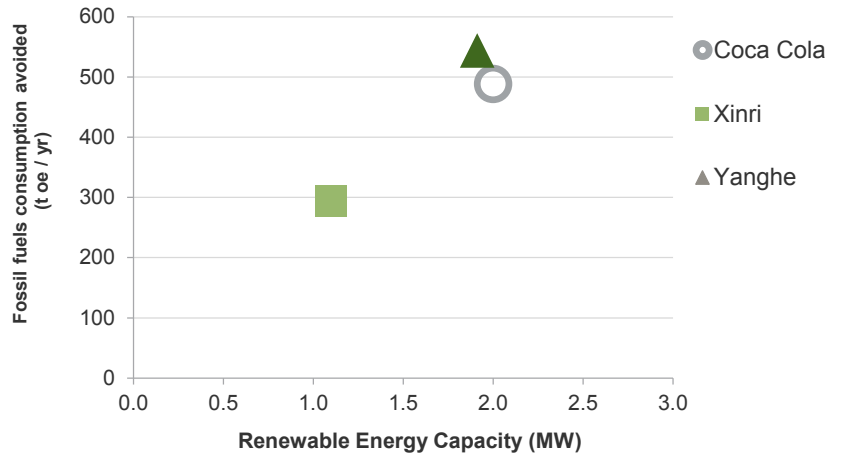
Aggregated annual nitrogen oxides	8.5 t NO <sub>x</sub> / yr
Aggregated annual sulphur oxides	21.9 t SO <sub>x</sub> / yr
Aggregated annual 10µm particulate matter	0.2 t PM <sub>10</sub> / yr
Aggregated annual 2.5µm particulate matter	1.1 t PM <sub>2.5</sub> / yr

**Fossil fuels consumption avoided**

Fossil fuels consumption avoided is a measure of the net consumption of coal, oil and gas compared to the counterfactual method of grid-based electricity generation, and is normalised to tonnes of oil equivalent (t oe).

The Portfolio is forecast, on a whole portfolio basis, to avoid an average of over 1,000 tonnes of oil equivalent per year.

The Portfolio is forecast to avoid over 1 kt oil equivalent / yr



Fossil fuels consumption avoided	
Aggregated remaining lifetime	31,800 t oe
Aggregated annual emissions	1,300 t oe

**3. Green Impact Forecast Accuracy**

Green Impact Forecast Accuracy is our assessment of the level of confidence that can reasonably be placed on the accuracy of any quantified Green Impact Forecast. It is based on information provided to the GIR team (set out in Appendix 1) and on the methodology referred to in Appendix 2.

We assess Green Impact Forecast Accuracy at levels ranging from Level 1 (Low) to Level 5 (Very High), which represent the combined and weighted average of a series of factors, according to our in-house experience of the sensitivity of each element. See Appendix 2 for further detail.

We have assessed the weighted average Green Impact Forecast Accuracy for the Portfolio at Level 4 (High).

The projects within the Portfolio are operational and actual performance is known. This results in high Green Impact Forecast Accuracy.

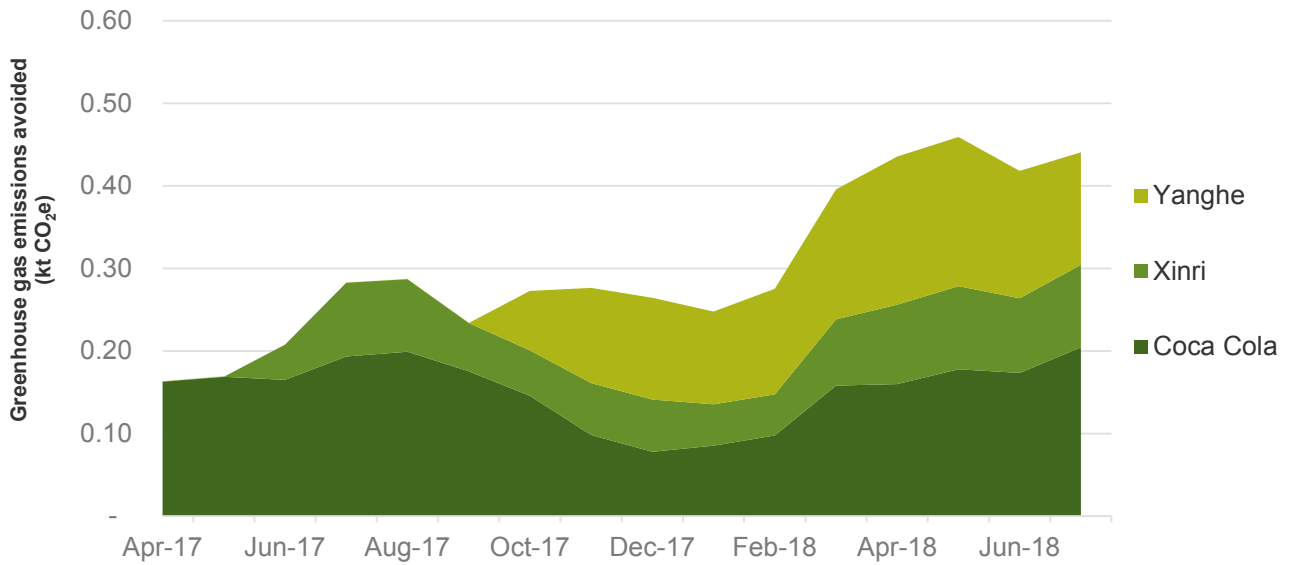
**Level 4 (High)**



#### 4. Actual Green Impact Performance

The following section shows the Portfolio's aggregated GHG emissions, other emissions to air and fossil fuels consumption avoided up until July 2018. The GHG emissions avoided forecast profile for the Portfolio is shown in the graph to provide context.

GHG avoided: An aggregate of 4.8 kt CO<sub>2</sub>e avoided to July 2018



The Portfolio became operational in 2017, with GHG emissions avoided increasing in line with each underlying asset's commencement of operations date. The GHG emissions avoided profile falls in December in line with the winter months, where energy generation is reduced due to reduced sunlight.

Further information on green performance can be seen in the table below.

Actual performance to date (to July 2018)					
	Coca Cola	Xinri	Yanghe	Total	
GHG emissions avoided	2.4	1.0	1.4	4.8	kt CO <sub>2</sub> e
NO <sub>x</sub> emissions avoided	5.2	2.2	2.9	10.2	t NO <sub>x</sub>
SO <sub>x</sub> emission avoided	13.3	5.6	7.4	26.3	t SO <sub>x</sub>
PM <sub>10</sub> emissions avoided	0.1	0.0	0.1	0.2	t PM <sub>10</sub>
PM <sub>2.5</sub> emissions avoided	0.7	0.3	0.4	1.3	t PM <sub>2.5</sub>
Fossil fuels consumption avoided	805	339	449	1,594	t oe

## 5. Alignment with the Sustainable Development Goals

The United Nations Sustainable Development Goals<sup>1</sup> (SDGs) are a set of 17 goals for sustainable development adopted by the UN in 2015, each with associated targets to be achieved by 2030. The GIR team has considered the performance of the Portfolio against the SDGs and their associated targets, and identified those which are most aligned.

The Portfolio is aligned with the following SDGs:



Reduction of harmful air pollutants, including oxides of nitrogen (NO<sub>x</sub>), oxides of sulphur (SO<sub>x</sub>), and particulates, through the avoidance of fossil fuels combustion to generate electricity



Generation of clean, renewable electricity



Climate finance investment, supporting the development of renewable infrastructure



Renewable electricity generation, resulting in the avoidance of fossil fuels consumption to generate electricity



Supporting action to tackle climate change through investment into infrastructure which avoids greenhouse gas emissions

<sup>1</sup> <http://sustainabledevelopment.un.org/sdgs>

## Appendix 1

### Key Project Data

Project Information*	Coca Cola
Technology	Solar PV
Location	People's Republic of China
Capacity	2.0 MW
Stage	Operational
Commencement of operations	2017

Project Information*	Xinri
Technology	Solar PV
Location	People's Republic of China
Capacity	1.1 MW
Stage	Operational
Commencement of operations	2017

Project Information*	Yanghe
Technology	Solar PV
Location	People's Republic of China
Capacity	1.9 MW
Stage	Operational
Commencement of operations	2017

\* Project information provided by Future Energy Capital. See 'Project Data', Appendix 3 for more details.

## Appendix 2

### Terms and Conditions: Terminology and Methodology

#### Terminology

##### *Green Impact*

The Green Impact metrics covered by this Report are identified in the header and executive summary. “Green Impact” is a collective term referring to the environmental benefits which have been calculated in accordance with GIG’s methodology to be, or to be reasonably likely to be, delivered by the project(s) to which this Report refers. The collective term can include defined metrics such as tonnes carbon dioxide equivalent avoided (t CO<sub>2</sub>e), tonnes oil equivalent avoided (toe), and tonnes (t) of other air pollutant emissions avoided.

##### *Green Impact Forecast Accuracy*

“Green Impact Forecast Accuracy” is an expression of the level of confidence that, in the opinion of GIG, can reasonably be placed on the accuracy of any quantified Green Impact forecast. This assessment of forecast accuracy is described in levels as follows: Level 1 (Low), Level 2 (Moderate), Level 3 (Good), Level 4 (High), and Level 5 (Very High).

##### *Methodology v 1.1*

The Green Impact and Green Impact Forecast Accuracy assessments presented in this Report are based on GIG’s approach to assessing Green Impact using the methodologies set out within its proprietary green investment principles, policies and the associated processes of the Green Investment Handbook<sup>1</sup>. The Green Impact assessment has applied proprietary modelling techniques and comparative data developed and owned by GIG, or by third party owners and made available under licence to GIG.

##### *Green Impact calculation*

GIG’s initial calculation of the Green Impact of each project is produced by comparing relevant information and data derived from that project against relevant counterfactual (or baseline) data for the assumed environmental impacts that would occur if the project did not take place, based on GIG’s proprietary reference sources or provided to GIG by relevant third parties or

obtained from publicly available sources. The resultant estimated Green Impact is then subject to further qualitative evaluation before production of GIG’s formal Green Impact Report.

For grid-connected projects that generate electricity, the counterfactual is assumed to be marginal electricity generated from the local electricity grid, which includes resources consumed to supply grid electricity. GIG’s methodology calculates the net Green Impact of the project by comparing its likely emissions to those of a marginal grid electricity mix, using the methodology set out in the International Financial Institutions (IFI) approach to GHG accounting for renewable energy projects<sup>2</sup> and the IFI approach to GHG accounting for energy efficiency projects<sup>3</sup>.

GIG’s methodology calculates results for likely Green Impact on an annual and lifetime basis. The Green Impact reported is 100% of the Green Impact of the underlying project(s). There is no proportionate allocation of Green Impact to any particular project investment or to particular investors, all of whom may report the same Green Impact from the underlying project(s).

##### *Exclusions*

The counterfactual of marginal grid electricity does not include the total quantifiable lifecycle environmental burdens (e.g. resources consumed during construction, or indirect emissions during operations such as those from associated transport vehicles) associated with energy generation. Therefore, to produce a valid comparison, the calculation of Green Impact for the project(s) assessed in this Report is based solely on the operational phase of the relevant project(s), and does not include a full lifecycle assessment of the project(s) unless specifically stated otherwise. This approach is aligned with the Greenhouse Gas Project Protocol<sup>4</sup>. GIG’s assessment does not include a review of any underlying project’s environmental and/or social, permitting, licencing or other compliance status.

##### *Green Impact Forecast Accuracy*

Green Impact Forecast Accuracy is determined from a number of project parameters that include the project technology, stage of project development, and location of the project, together with GIG’s opinion of the input data quality. These parameters have been assigned values that represent the degree to which they affect the accuracy of the forecast Green Impact, and are used to produce Forecast Accuracy scores for three elements: Data quality, Technology & development stage, and Local governance<sup>5</sup>. The Forecast Accuracy scores for the three elements are weighted according to GIG’s in-house experience of the sensitivity of each element and combined to derive an overall level of Green Impact Forecast Accuracy

##### *Carbon Rating*

Our Carbon Rating is a measure of a project’s lifecycle greenhouse gas emissions compared to the emissions of the counterfactual. Projects with the lowest lifecycle emissions relative to the counterfactual would score the highest ratings from AAA to B. Projects with lifecycle emissions similar to the counterfactual would score a C, and projects with greater emissions would score a D or E. The missions of the counterfactual are derived from the IFI approaches to greenhouse gas accounting – please see above for details. Where we do not have project-specific information on lifecycle emissions, we use the median harmonised values from the US National Renewable Energy Laboratory’s Lifecycle Assessment Harmonization<sup>6</sup>

<sup>1</sup> [www.greeninvestmentbank.com/green-impact](http://www.greeninvestmentbank.com/green-impact)

<sup>2</sup> <http://documents.worldbank.org/curated/en/2015/12/25514886/ifi-approach-ghg-accounting-renewable-energy-projects>

<sup>3</sup> <http://documents.worldbank.org/curated/en/2015/12/25514884/ifi-approach-ghg-accounting-energy-efficiency-projects>

<sup>4</sup> [www.ghgprotocol.org/standards/project-protocol](http://www.ghgprotocol.org/standards/project-protocol)

<sup>5</sup> Local governance scores are determined from datasets of indicators from the World Bank, Transparency International and United Nations University Institute for Environment and Human Security

<sup>6</sup> [www.nrel.gov/analysis/sustain-lcah.html](http://www.nrel.gov/analysis/sustain-lcah.html)

## Appendix 3

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## Appendix 3

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#### Reference data

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GIG calculates Green Impact using reference data obtained from, among others, by the Ecoinvent life cycle inventory datasets for the calculation of environmental impacts. Green Impact is also calculated based on data supplied by the International Energy Agency (IEA), specifically from the 2015 editions of the World Energy Statistics and Balances dataset and the CO2 Emissions from Fuel Combustion dataset.

Any limitations and caveats that are applicable to the Ecoinvent and IEA datasets, as published on their websites, are also applicable to the results presented in this Report.

GIG's method is designed to work with a limited number of key inputs and to be globally applicable, and makes some simplifying assumptions in order to achieve this degree of flexibility.

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