



Second-Party Opinion

Baloise Group Green Bond Framework

Evaluation Summary

Sustainalytics is of the opinion that the Baloise Group Green Bond Framework is credible and impactful and aligns to the four core components of the Green Bond Principles 2021. This assessment is based on the following:



USE OF PROCEEDS The eligible category for the use of proceeds, Green Buildings, is aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments in the eligible category will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 11.



PROJECT EVALUATION / SELECTION Baloise Group’s internal process in evaluating and selecting projects is overseen by its Green Bond Committee (GBC). The GBC will select eligible assets based on the Framework’s eligibility criteria. Baloise has in place internal procedures to identify and manage social and environmental risks associated with assets financed in line with Swiss regulation, which are applicable to all allocation decisions made under the Framework. In addition, Baloise invests in certified green buildings which assess and mitigate environmental and social risks. Sustainalytics considers these risk management systems to be adequate.



MANAGEMENT OF PROCEEDS Baloise Group’s processes for management of proceeds are overseen by the Asset Management department, which will track allocation to eligible assets using existing internal systems. Unallocated proceeds will be invested on a temporary basis in accordance with Baloise’s liquidity management and other relevant internal policies. On a best effort basis, Baloise intends to fully allocate proceeds within 36 months of issuance. This is in line with market practice.



REPORTING Baloise Group intends to report on the allocation of proceeds on its website annually until full allocation. Allocation reporting will include the amount of net process, the balance of unallocated proceeds, the total amount allocated, and the share of financing vs. refinancing. In addition, Baloise Group is committed to reporting on relevant impact metrics, such as difference of the selected assets’ GHG emissions compared to a benchmark asset. Sustainalytics views Baloise Group’s allocation and impact reporting as aligned with market practice.

Evaluation Date August 10, 2021

Issuer Location Basel, Switzerland

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Introduction

Baloise Group (“Baloise” or the “Company”) is an insurance company which provides group and individual life, health, accident, liability property and transportation insurance to customers in Europe. The company also offers pension products, private banking, and asset management services. Headquartered in Basel, Switzerland, Baloise has offices in Belgium, Germany and Luxembourg and employed 7,693 people, as of 2020.

Baloise Group has developed the Baloise Group Green Bond Framework (the “Framework”) under which it intends to issue green bonds and use the proceeds to finance and/or refinance, in whole or in part, existing and/or future projects that are expected to reduce the environmental footprint of the real estate sector in Switzerland. The Framework defines eligibility criteria in one area:

1. Green Buildings

Baloise Group engaged Sustainalytics to review the Baloise Group Green Bond Framework, dated July 2021, and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP).¹ This Framework has been published in a separate document.²

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

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent³ opinion on the alignment of the reviewed Framework with the 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;
- 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 1.9.2, 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 Baloise Group’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. Baloise Group representatives have confirmed (1) they understand it is the sole responsibility of Baloise Group to ensure that the information provided is complete, accurate or 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.

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 Baloise Group.

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 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.

¹ The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

² The Baloise Group Green Bond Framework is available on Baloise Group’s website at: <https://www.baloise.com/en/home/investors/bonds-rating/bonds/overview-of-bonds.html>

³ 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.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realised allocation of the bond 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 Baloise Group has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Baloise Group Green Bond Framework

Sustainalytics is of the opinion that the Baloise Group Green Bond Framework is credible and impactful, and aligns to the four core components of the GBP. Sustainalytics highlights the following elements of Baloise Group's Green Bond Framework:

- Use of Proceeds:
 - The eligible category, Green Buildings, is aligned with those recognized by the GBP. Sustainalytics is of the opinion that Baloise's expenditures under the Framework are expected to improve energy performance of Baloise's building stock in Switzerland.
 - Baloise has established a two-year lookback period from the date of green bond issuance for refinancing activities.
 - Within Green Buildings, Baloise may finance and/or refinance investments in residential and commercial green buildings in Switzerland according to the following eligibility criteria:
 - Construction or acquisitions of buildings certified or to be certified to one of the following minimum certification levels: (i) Minergie "Minergie", (ii) LEED "Gold", (iii) SNBS 2.0 "Gold", (iv) BREEAM "Excellent", and (v) DGNB "Gold". Sustainalytics views these schemes as robust and credible, and positively notes the establishment of minimum certification levels. Please refer to Appendix 1 for Sustainalytics' assessment of these building certification schemes.
 - Redevelopments, reconstruction, renovations, and refurbishments of existing buildings which lead to: (i) the building obtaining one of the above specified certification levels, or (ii) a reduction of GHG emissions by 30% compared to baseline.
- Project Evaluation and Selection:
 - Baloise's internal process in evaluating and selecting eligible assets is overseen by its Green Bond Committee (GBC), which is comprised of the Heads from the following Company departments: Portfolio Management Real Estate, Investor Relations, Public Affairs & Sustainability, and of Responsible Investments. The GBC will select eligible assets based on the Framework's eligibility criteria.
 - Baloise has in place internal procedures to identify and manage social and environmental risks associated with assets financed in line with Swiss regulation, which are applicable to all allocation decisions made under the Framework. In addition, Baloise invests in buildings certified to the above described standards which assess and mitigate environmental and social risks, which Sustainalytics considers to be adequate to address any concerns surrounding environmental and social risks during allocation decisions made under the Framework. Sustainalytics considers these environmental and social risk management systems to be adequate and aligned with market expectation. For additional detail see Section 2.
- Management of Proceeds:
 - Baloise's process for management of proceeds is overseen by the Asset Management and Corporate Finance departments, which will track allocation to eligible assets using existing internal systems. Unallocated proceeds will be invested on a temporary basis in accordance with Baloise's liquidity management and relevant internal policies, which exclude funding of fossil fuels, nuclear energy, alcohol, gaming, tobacco, defence. On a best-efforts basis, Baloise intends to fully allocate proceeds within 36 months of issuance.
 - Based on these elements, Sustainalytics considers this process to be in line with market practice.

- Reporting:
 - Baloise is committed to reporting on the allocation and impact of proceeds via an External Report published on its website on an annual basis until full allocation has been achieved. The allocation reporting will include details such as amount of green bond proceeds, balance of unallocated proceeds, total amount of allocated proceeds, and share of financing vs. refinancing. The impact reporting will include GHG emission savings and comparison to a benchmark asset, and an overview of the impact calculation methodology.
 - Based on these elements, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2021

Sustainalytics has determined that the Baloise Group Green Bond Framework aligns to the four core components of the GBP. For detailed information please refer to Appendix 2: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Strategy and Performance of Baloise Group

Contribution of framework to Baloise Group's sustainability strategy

Baloise's real estate portfolio is valued at CHF 8.5 billion (USD 9.76 billion) and manages a total of CHF 60 billion (USD 65.22 billion).^{4,5} Since 2019, Baloise's investments have been made according to the Company's Responsible Investment Policy which integrates sustainability in their investment decisions.⁴ The policy pays close attention to energy-efficient construction, operating systems, use of environmentally friendly construction materials and life-cycle assessment of the property in their investment decision-making process.⁶ The Company also uses the Swiss cantonal energy certificate for buildings (GEAK) to improve energy efficiency for its properties.⁷ The Company also focuses on optimizing its building technology for long-term emission reductions. Its three newly built buildings in Basel exceeded legal requirements on standards for Sustainable Construction in Switzerland (SNBS).⁷ An ultra-efficient energy centre provides 100% renewable sourced heat to all three buildings.⁷ The Company also aims to analyse Baloise Swiss Property Fund's portfolio in accordance with GEAK Plus4 in FY2021.⁸ This will keep track of the portfolio's carbon emissions and energy consumption and will be reported in the Company's annual report (section "sustainable management").⁸

Baloise Group launched its new climate strategy in 2021, whose primary objective is to combat climate change and to protect the climate through responsible investment.⁹ The strategy has four key areas:

- Exclusion of companies involved in coal industry, producers of oil and gas or companies with insufficient management of environmental risks.⁹ The Company has adopted recommendations of the Swiss Association for Responsible Investments (SVVK-ASIR) for exclusion of companies.⁶
- Integration of detailed ESG data in investment decision-making process.⁹ The Company's portfolio management team takes into account climate indicators scores in their investment decisions.⁹ In 2019, more than three-quarters of the Company's investments had an ESG rating of AAA-A and 24% of the investment had an ESG rating of BBB-B, according to MSCI.⁶
- Engagement with companies on issues which impact climate change.⁹ Baloise's active ownership strategy launched in 2021 allows active engagement with companies on issues related to ESG risks and climate change. The Company has signed up to the Principles of Responsible Investment (PRI) and joined the Swiss Sustainable Finance (SSF) network to strengthen engagement with the public sector.⁷

⁴ Baloise Group, "Responsible Real Estate Management", (2021), at: <https://www.baloise-asset-management.com/de/ch/unternehmen/blog-institutionelle-anleger/blogbeitraege/2021/verantwortungsvolles-immobilienmanagement.html>

⁵ Please note that this conversion rate is as of July 2021, which is available at: <https://www.xe.com/currencyconverter/convert/?Amount=60&From=CHF&To=USD>

⁶ Baloise Group, "Responsible Investment", at: <https://www.baloise.com/en/home/about-us/what-we-stand-for/sustainability/responsible-investment.html>

⁷ Baloise Group, "Annual Report 2020", at: <https://www.baloise.com/dam/baloise-com/documents/de/publikationen/jahresabschluss/2020/annual-report-baloise-group-2020.pdf>

⁸ Baloise Group, "A successful year for the Baloise Swiss Property Fund", at: <https://www.baloise.com/en/home/news-stories/news/media-releases/2020/successful-year-for-baloise-swiss-property-fund.html>

⁹ Baloise Group, "Enhancement of our sustainable investment approach", (2021), at: <https://www.baloise.com/en/home/news-stories/news/blog/2021/enhancement-of-our-sustainable-investment-approach.html>

- Transparency in reporting. Since 2020, the Company is a supporter of the Task Force on Climate-related Financial Disclosures (TCFD) and implements its recommendations which ensure greater transparency in their reporting.⁷

Sustainalytics is of the opinion that the Baloise Group Green Bond Framework is aligned with the Company's overall sustainability strategy and initiatives and will further the Company's action on its key environmental priorities.

Well-positioned to address common environmental and social risks associated with the projects

While Sustainalytics recognizes that the net proceeds from the bonds issued under the Framework will be directed towards eligible projects that are expected to have positive environmental impact, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. While Sustainalytics notes that the Company is not directly responsible for the construction of the assets that it finances, the Company still has a role in ensuring risk mitigation. Some key environmental and social risks associated with the eligible projects, could include occupational health and safety, stakeholder engagement, land use, emissions, effluents and waste generated in construction.

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

- Regarding worker health and safety, projects financed in Switzerland are governed by two main laws namely: the Labour Law which covers health protection, workplace building standards and the Accident Insurance Law which covers the prevention of occupational accidents and diseases which are caused during work. These laws ensure that employers take necessary measures for the protection of safety and health of workers and prevention of occupational risks.¹⁰
- Projects financed in Switzerland have to comply with Swiss Environmental Law which applies to all aspects of environmental protection, this also includes spatial planning and protection of natural and cultural heritage. Environmental repercussions, land use changes are assessed by tools such as environmental impact report and spatial planning in order to avoid subsequent disputes. Spatial planning also ensures that no building is constructed in areas prone to natural hazards.¹¹ This Law ensures that construction projects will not harm any aspects of the environment.
- Baloise Group signed up to the Principles of Responsible Investment (PRI) in 2018 and Principles Sustainable Insurance (PSI) of the United Nations Environment Programme Finance Initiative (UNEP FI) in 2020 and has committed to incorporate ESG analysis into their investment decision making process.⁷
- Baloise Group has its projects financed in Switzerland which is recognized as a designated country under the Equator Principles. This ensures presence of robust environmental and social governance, legislation systems and institutional capacity to mitigate common environmental and social risk associated with projects financed under the Framework.¹²

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

Section 3: Impact of Use of Proceeds

The use of proceeds category is aligned with those recognized by the GBP. Sustainalytics has focused on below where the impact is specifically relevant in the local context.

Impact of low-carbon buildings in Switzerland

In Switzerland, the building sector accounts for 40% of total energy consumed and more than a quarter of all CO₂ emissions.^{13,14} Considering the lifespan of buildings, the Intergovernmental Panel on Climate Change (IPCC) has noted that without ambitious policies to improve efficiency in the built environment, there is a risk

¹⁰ European Agency for Safety and Health at Work, "Switzerland", at: <https://osha.europa.eu/en/about-eu-osha/national-focal-points/Switzerland>

¹¹ Federal Office for the environment FOEN, "Swiss Environmental Law", at: https://www.bafu.admin.ch/dam/bafu/en/dokumente/recht/ud-umwelt-diverses/umweltrecht_kurzerklaert.pdf.download.pdf/swiss_environmentallaw.pdf

¹² Equator Principles, "Designated Countries", (2021), at: <https://equator-principles.com/designated-countries/>

¹³ Federal Office for the Environment, "Buildings" at: <https://www.bafu.admin.ch/bafu/en/home/topics/climate/info-specialists/reduction-measures/buildings.html>

¹⁴ Federal Office for the Environment, "Measures for increasing energy efficiency" at: <https://www.bfe.admin.ch/bfe/en/home/policy/energy-strategy-2050/initial-package-of-measures/measures-for-increasing-energy-efficiency.html>

of locking-in carbon-intensive options for several decades.¹⁵ The Swiss government has set climate targets to reduce its net carbon emissions to zero by 2050.¹⁶ Currently only 1% of Swiss houses are renovated, and this rate will need to be doubled to achieve the goals set out by the government.¹⁷ Through the Building Programme, the Swiss Government aims to reduce energy consumption considerably within the Swiss building industry. In terms of the construction of new buildings, the Swiss Federal Office for Energy has worked in partnership with the cantons to promote the Minergie label family. The number of Minergie certified buildings has grown from 14,000 in 2009 to more than 52,000 today.^{18,19} As such, by investing into buildings that have obtained certificates from reputable green building certification schemes, Baloise is contributing to reduction in the overall energy consumption and impact of the building sector in Switzerland.

Based on the above, Sustainalytics is of the opinion that Baloise investments into certified green buildings are expected to contribute to the decarbonization of building stock in Switzerland.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. The Baloise Green Bond Framework advances the following SDG goals and targets:

Use of Proceeds Category	SDG	SDG target
Green Buildings	11. Sustainable Cities and Communities	11.3 Ensure inclusive and sustainable urbanization, planning and management. 11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.

Conclusion

Baloise has developed the Baloise Group Green Bond Framework under which it may issue green bonds and use the proceeds to finance green buildings expected to reduce the environmental footprint of the real estate sector in Switzerland. Sustainalytics considers that the projects funded by the green bond proceeds are expected to provide positive environmental impact.

The Baloise Group Green Bond 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, Sustainalytics believes that the Baloise Group Green Bond 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 Goal 11. Additionally, Sustainalytics is of the opinion that Baloise has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the use of proceeds.

Based on the above, Sustainalytics is confident that Baloise Group is well-positioned to issue green bonds and that the Baloise Group Green Bond Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2021.

¹⁵ IPCC, "Mitigation of Climate Change", at: https://www.ipcc.ch/site/assets/uploads/2018/02/ipcc_wg3_ar5_chapter9.pdf

¹⁶ Swiss Government, "Federal Council aims for a climate-neutral Switzerland by 2050", (2019), at: <https://www.admin.ch/gov/en/start/documentation/media-releases.msg-id-76206.html>

¹⁷ Swiss National Science Foundation, "Building renovation needs to be speeded up – synthesis on the main topic of Buildings and Settlements", (2019), at: http://www.nfp70.ch/en/News/Pages/191017_news_nfp70_building_renovation_needs_to_be_speeded_up.aspx






¹⁸ Minergie, "HomePage" at: <https://www.minergie.ch/de/>

¹⁹ Environmental and Energy Study Institute (EESI), "Addressing Climate Change with Energy Efficient Buildings: Best Practices from Switzerland", (2009) at: <https://www.eesi.org/briefings/view/addressing-climate-change-with-energy-efficient-buildings-best-practices-fr>

Appendices

Appendix 1: Comparison of Green Building Certification Schemes

	Minergie	LEED	SNBS 2.0	BREEAM	DGNB
Background	Minergie is a Swiss building standard for new and modernized buildings. The brand is shared by industry, the cantons and the federal government and is protected against misuse.	Leadership in Energy and Environmental Design (LEED) is a US Certification System for residential and commercial buildings used worldwide. LEED was developed by the non-profit U.S. Green Building Council (USGBC) and covers the design, construction, maintenance and operation of buildings.	Standard Nachhaltiges Bauen Schweiz (SNBS) is a Swiss certification standard launched by SGS in 2016. The standard focuses on ecological, economic and social conditions of a building into consideration.	BREEAM (Building Research Establishment Environmental Assessment Method) was first published by the Building Research Establishment (BRE) in 1990. Based in the UK, this scheme can be used for new, refurbished and extension of existing buildings.	The German Green Building Certification or DGNB was developed in 2007 by the non-profit German Sustainable Building Council in partnership with the German Federal Ministry of Transport, Building, and Urban Affairs in order to actively encourage sustainable building.
Certification levels	<ul style="list-style-type: none"> • Minergie • Minergie-P • Minergie-A • MQS-Construction • MQS-ECO 	<ul style="list-style-type: none"> • Certified • Silver • Gold • Platinum 	<ul style="list-style-type: none"> • Silver • Gold • Platinum 	<ul style="list-style-type: none"> • Pass • Good • Very Good • Excellent • Outstanding 	<ul style="list-style-type: none"> • Bronze • Silver • Gold • Platinum
Areas of assessment	<ul style="list-style-type: none"> • Energy source • Energy demand • Energy monitoring • Heating/Cooling • Airtightness • E-Mobility 	<ul style="list-style-type: none"> • Energy and atmosphere • Sustainable Sites • Location and Transportation • Materials and resources • Water efficiency • Indoor environmental quality • Innovation in Design • Regional Priority 	SNBS comprises of 45 individual aspects which the buildings must comply. Some of them include: <ul style="list-style-type: none"> • Energy • Indoor climate • Economy • Mobility 	<ul style="list-style-type: none"> • Management • Energy • Land Use and Ecology • Pollution • Transport • Materials • Water • Waste • Health and Wellbeing • Innovation 	<ul style="list-style-type: none"> • Environment • Economic • Sociocultural and functional aspects • Technology • Processes • Site
Requirements	Minimum requirements independent of level of certification include energy use efficiency, heating efficiency, final energy demand, own electricity, controlled air renewal and summer heat protection, all buildings without fossil fuels, airtightness concept required,	Minimum requirements independent of level of certification; point based scoring system weighted by category to determine certification level. The rating system is adjusted to apply to specific sectors, such as: New Construction, Major Renovation, Core and Shell Development, Schools-/Retail/Healthcare	Each criteria of the standard are rated on a scale of one to six. Minimum requirement for each criteria is to have a rating of 4 or above. Criteria having a rating of below 4 must be improved. Each criteria is structured to construction phases, this ensures continuous	Minimum requirements depending on the level of certification; scoring system weighted by category, producing a percentage-based overall score. The majority of BREEAM issues are flexible, meaning that the client can choose which to build their performance	Percentage-based performance index. The total performance index (expressed as a percentage) is calculated by adding the six key areas of assessment. The environmental, economic, sociocultural and functional aspects and technical quality each account for 22.5%

	energy monitoring for buildings larger than 2000 m ² Simple structural measures for the e-mobility suitability of Minergie buildings.	New Construction and Major Renovations, and Existing Buildings: Operation and Maintenance.	adherence right from the beginning of the project till the end.	score. BREAAAM has two stages/ audit reports: a 'BREEAM Design Stage' and a 'Post Construction Stage', with different assessment criteria.	of the total, process accounts for 10% and the site quality is given a separate grade.
Performance Display					

Appendix 2: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	Baloise Group
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	Baloise Group Green Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	August 10, 2021
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, Green Buildings, is aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments in the eligible category will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 11.

Use of proceeds categories as per GBP:

- | | |
|---|--|
| <input type="checkbox"/> Renewable energy | <input 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 checked="" 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):

Baloise Group's internal process in evaluating and selecting projects is overseen by its Green Bond Committee (GBC). The GBC will select eligible assets based on the Framework's eligibility criteria. Baloise has in place internal procedures to identify and manage social and environmental risks associated with assets financed in line with Swiss regulation, which are applicable to all allocation decisions made under the Framework. In addition, Baloise invests in certified green buildings which assess and mitigate environmental and social risks. Sustainalytics considers these risk management systems to be adequate.

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 type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input checked="" type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

Baloise Group's processes for management of proceeds are overseen by the Asset Management department, which will track allocation to eligible assets using existing internal systems. Unallocated proceeds will be invested on a temporary basis in accordance with Baloise's liquidity management and other relevant internal policies. On a best effort basis, Baloise intends to fully allocate proceeds within 36 months of issuance. This is in line with market practice.

Tracking of proceeds:

- | |
|---|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other (<i>please specify</i>): |

Additional disclosure:

- | | |
|--|---|
| <input type="checkbox"/> Allocations to future investments only | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input checked="" type="checkbox"/> Allocation to individual disbursements | <input type="checkbox"/> Allocation to a portfolio of disbursements |
| <input type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (<i>please specify</i>): |

4. REPORTING

Overall comment on section (*if applicable*):

Baloise Group intends to report on the allocation of proceeds on its website annually until full allocation. Allocation reporting will include the amount of net process, the balance of unallocated proceeds, the total amount allocated, and the share of financing vs. refinancing. In addition, Baloise Group is committed to reporting on relevant impact metrics, such as difference of the selected assets' GHG emissions compared to a benchmark asset. Sustainalytics views Baloise Group'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*):

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*):

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*): External report which will be made publicly available
- 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.)

<https://www.baloise.com/en/home.html>

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

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

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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