



Second Party Opinion

SECOND PARTY OPINION

PARADIGM HOUSING GROUP SUSTAINABILITY FINANCING FRAMEWORK 2021

Prepared by: DNV Business Assurance Australia Pty. Ltd.

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TABLE OF CONTENTS

DNV’s INDEPENDENT ASSESSMENT	3
Scope and Objectives	3
Responsibilities of the Management of PARADIGM and DNV	3
Basis of DNV’s opinion	3
Work Undertaken	5
Findings and DNV’s Opinion	6
Schedule 1: SLLP Eligibility Assessment Protocol	8
1. Relationship to Borrower’s Overall Sustainability Strategy	8
2. Target Setting – Measuring the Sustainability of the Borrower	10
3. Reporting	11
4. Review	12
SCHEDULE 2: GBP, SBP, SBG, GLP AND SLP SUSTAINABILITY FINANCE FRAMEWORK ELIGIBILITY ASSESSMENT PROTOCOL	13
2. Use of proceeds	13
5. Process for Project Selection and Evaluation	14
6. Management of proceeds	16
7. Reporting	18

Disclaimer

Our assessment relies on the premise that the data and information provided by PARADIGM Housing Group to us as part of our review procedures have been provided in good faith. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied as per scope of work. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Statement.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2011 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct¹ during the assessment and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of statements or data included in the Framework except for this Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assessment process.

¹ DNV Code of Conduct is available from DNV website (www.dnvgl.com)

DNV'S INDEPENDENT ASSESSMENT

SCOPE AND OBJECTIVES

Paradigm Housing Group ("PARADIGM") is one of the leading providers of affordable housing in the South East, managing over 15,000 homes for more than 37,000 people and employing over 400 staff.

PARADIGM is a not-for-profit organisation including community benefit society and registered provider of affordable housing for rent and for shared ownership. PARADIGM has a commitment to design and deliver homes and services which its customers can rely on, and which help them to live well.

PARADIGM has prepared a Sustainability Financing Framework dated 5 May 2021 ("SFF") to issue or enter into Use of Proceeds Instruments under the International Capital Markets Association ("ICMA") Social Bond Principles ("SBP"), the ICMA Green Bond Principles ("GBP"), the ICMA Sustainability Bond Guidelines ("SBG") or, LMA Green Loan Principles ("GLP") or the LMA Social Loan Principles ("SLP"). PARADIGM has also prepared the Framework for the issuance of "Sustainability Linked Loans" as defined in the Sustainability Linked Loan Principles 2020 ("SLLP") set forth by the Loan Markets Association ("LMA") and Asia-Pacific Loan Market Association ("APLMA").

DNV Business Assurance Australia Pty. Ltd. ("DNV") has been commissioned by PARADIGM to review the SFF and provide a Second Party Opinion on the alignment of the SFF with the SLLP, SBP, GBP, GLP, SBG and SLP. Our methodology to achieve this is described under 'Work Undertaken' below. We were not commissioned to provide independent assurance or other audit activities.

No assurance is provided regarding the financial performance of instruments entered into or issued via the SFF, the value of any investments, or the long term environmental & social benefits of the transaction. Our objective has been to provide an assessment that the SLL has met the criteria established on the basis set out below.

RESPONSIBILITIES OF THE MANAGEMENT OF PARADIGM AND DNV

The management of PARADIGM has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform PARADIGM management and other interested stakeholders in the SLL as to whether the SLL is aligned with the SLLP, SBP, GBP, GLP, SBG and SLP. In our work we have relied on the information and the facts presented to us by PARADIGM. DNV is not responsible for any aspect of the Framework referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by PARADIGM's management and used as a basis for this assessment were not correct or complete.

BASIS OF DNV'S OPINION

We have adapted our assessment methodology to create the PARADIGM Sustainability Linked Loan Eligibility Assessment Protocol ("Protocol") and Green/Social/Sustainability Bond/Loan Assessment

Protocol ("Protocol"). Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion.

As per our Protocol, the criteria against which the SFF has been reviewed are grouped under the four SLLP components as below:

1. Relationship to Borrower's Overall Sustainability Strategy

The borrower of a sustainability linked loan ('SLL') should clearly communicate to its lenders its sustainability objectives, as set out in its sustainability strategy, and how these align with its proposed SPTs.

2. Target Setting – Measuring the Sustainability Performance of the Borrower

Appropriate SPTs should be negotiated and set between the borrower and lender group for each transaction. The SPTs should be ambitious and meaningful to the borrower's business and should be tied to a sustainability improvement in relation to a predetermined performance target benchmark.

3. Reporting

Borrowers should, where possible, make and keep readily available up to date information relating to their SPTs, with such information to be provided to those institutions participating in the loan at least once per annum.

4. Review

External review is to be negotiated and agreed between the borrower and lenders on a transaction-by transaction basis. For loans where information relating to SPTs is not made publicly available or otherwise accompanied by an audit/assurance statement, it is strongly recommended that a borrower should seek external review of its performance against its SPTs.

As per our Protocol, the criteria against which the SFF has been reviewed are grouped under the four SBP, GBP, GLP and SLP components as below:

1. Principle One: Use of Proceeds.

The Use of Proceeds criteria are guided by the requirement that an issuer of a sustainable bond or loan must use the funds raised to finance eligible activities. The eligible activities should produce clear environmental and/or social benefits.

2. Principle Two:

Process for Project Evaluation and Selection. The Project Evaluation and Selection criteria are guided by the requirements that an issuer of a sustainable bond or loan should outline the process it follows when determining eligibility of an investment using proceeds from the issuance of a sustainable bond or loan, and outline any impact objectives it will consider.

3. Principle Three: Management of Proceeds.

The Management of Proceeds criteria are guided by the requirements that the proceeds from the issuance of each sustainable bond or loan should be tracked within the issuing organization, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled should be made.

4. Principle Four: Reporting.

The Reporting criteria are guided by the recommendation that at least Sustainability Reporting to the investors in the sustainable bond or loan should be made of the use of proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible.

WORK UNDERTAKEN

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by PARADIGM in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

- Creation of a PARADIGM-specific Protocol, adapted to the purpose of the SFF, as described above and in Schedule 2 to this Assessment;
- Assessment of documentary evidence provided by PARADIGM on the SFF and supplemented by a high-level desktop research. These checks refer to current assessment best practices and standards methodology;
- Review of PARADIGM's published materials and websites;
- Discussions with PARADIGM management, and review of relevant documentation and evidence related to the criteria of the Protocol; and
- Documentation of findings against each element of the criteria.

Our opinion as detailed below is a summary of these findings.

FINDINGS AND DNV'S OPINION

DNV's findings on the alignment of the behavior based component of the SFF with the SLLP are listed below:

1. Relationship to Borrower's Overall Sustainability Strategy PARADIGM has in place key values and commitments in support of ESG aspects and impact areas including:

- Safer Together
- Driving Improvement
- Being Clear
- Acting Thoughtfully
- Working as One

Paradigm has corporate governance structures designed to ensure that the organisation is run on an ethical and efficient basis

2. Target Setting The specified categories of KPIs were considered to be meaningful and appropriate for the setting of further performance improvements. Key Performance Indicators for the SPTs may include:

- Number of New Homes
- Energy Efficiency of homes
- Delivery of support services
- Customer Satisfaction
- Employee engagement

3. Reporting PARADIGM has confirmed that it will provide annual reporting on SPT performance to the lenders. This may be consolidated within its Annual Report or its annual reporting pursuant to its adoption of the Sustainability Reporting Standard for Social Housing.

4. Review PARADIGM has confirmed that performance reporting for each SLL will be subject to review by its independent auditors as part of its annual funder compliance review.

On the basis of the information provided by PARADIGM and the work undertaken, it is DNV's opinion that the behavior based component of the SFF meets the criteria established in the Protocol and that it is aligned with the Sustainability Linked Loan Principles 2020. The KPIs are material and relevant to PARADIGM's business strategy.

DNV's findings for the Use of Proceeds component of the SFF are listed below:

1. Principle One: Use of Proceeds. PARADIGM intends to use the proceeds of green, social or sustainability instruments under the Framework to finance and refinance Green and Social projects and assets including: Affordable Housing, Affordable Basic Infrastructure, Green Buildings, Renewable Energy (Solar PV), Clean Transport (EVs and EV Charging). DNV undertook an analysis of the associated project types, including type, location and scale of the assets to determine eligibility of these projects as "Green" and "Social". DNV evaluates and concludes that PARADIGM's nominated projects and assets are aligned with one or more of eligible Green or Social project categories specified in the GBP, SBP, GLP and SLP.

2. Principle Two: Process for Project Evaluation and Selection. The raised proceeds will be allocated to finance and refinance the assets as set out under Use of Proceeds. DNV has reviewed evidence that demonstrates that PARADIGM regularly assesses opportunities for improvement and devises action plans and initiatives to mitigate negative environmental and social impacts from its operations.

- 3. Principle Three: Management of Proceeds** DNV has reviewed evidence showing how PARADIGM plans to track the receipt and use of proceeds from the sustainable bonds or loans, from the time of issuance to the time of disbursement. Paradigm does not intend to have any unallocated proceeds during the life of any sustainable bonds or loans. Paradigm intends to maintain a balance of Eligible Projects which is larger than that of the sum of all relevant outstanding Paradigm sustainable bonds or loans. The full amount of the proceeds will be allocated to the Eligible Green and Social Projects and tracked using PARADIGM's internal financial reporting system. On an annual basis, PARADIGM will review the outstanding balance of the green, social or sustainability notes. As stated above, DNV provides no assurance regarding the financial performance of the sustainable bonds or loans, the value of any investments in the sustainable bonds or loans, or the effects of the issuance of the sustainable bonds or loans.
- 4. Principle Four: Reporting.** PARADIGM has confirmed that it will report on its corporate website the following:
- A list of Eligible Green Projects and/or Eligible Social Projects earmarked to be funded by the proceeds
 - Amount of proceeds allocated to the various Eligible Green Projects and/or Eligible Social Projects
 - Description of major Eligible Green Projects and/or Eligible Social Projects
 - Aggregate amount of proceeds of UoPT allocated to Eligible Green Projects and/or Eligible Social Projects
 - The remaining balance of unallocated proceeds.
 - Impact Reporting to a range of metrics as available and as selected.

On the basis of the information provided by PARADIGM and the work undertaken, it is DNV's opinion that the PARADIGM Sustainability Financing Framework meets the criteria established in the Protocol and are aligned with the stated definition of green/social/sustainability instruments under the SBP, GBP, GLP, SBG and SLP.

for DNV Business Assurance Australia Pty. Ltd.

Sydney, Australia / 6 May 2021



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SCHEDULE 1: SLLP ELIGIBILITY ASSESSMENT PROTOCOL

1. Relationship to Borrower’s Overall Sustainability Strategy

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1a	Overall Strategy - Objectives	The borrower of a sustainability linked loan should clearly communicate to its lenders its sustainability objectives, as set out in its sustainability strategy, and how these align with its proposed SPTs.	<p>Review of:</p> <ul style="list-style-type: none"> PARADIGM Sustainability Financing Framework commitments PARADIGM Sustainability Policies PARADIGM Sustainability Baseline data <p>Discussions with PARADIGM management</p>	<p>DNV GL has reviewed PARADIGM’s corporate policies and Sustainability Strategy as detailed and benchmarked in their annual Sustainability Reporting. PARADIGM’s proposed Sustainability Linked Loan is confirmed by DNV GL to be aligned with and consistent with PARADIGM’s overarching Sustainability Strategy and Sustainability Objectives. PARADIGM’s Sustainability policy focus areas:</p> <ul style="list-style-type: none"> Safer Together Driving Improvement Being Clear Acting Thoughtfully Working as One <p>The Key Performance Indicators (‘KPIs’) within the SFF were considered in the context of PARADIGM’s core sustainability outcomes and objectives. The KPIs were confirmed to be aligned with some of PARADIGM’s core sustainability outcomes and objectives. The KPIs within the SLL include:</p> <ol style="list-style-type: none"> Number of new homes Energy efficiency of homes Delivery of support services Customer satisfaction Employee engagement

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				DNV's assessment concludes that the KPIs established by PARADIGM are consistent with PARADIGM's strategic sustainability framework, policies and plans.
1b	Overall Strategy - Context	Borrowers are encouraged to position this information within the context of their overarching objectives, strategy, policy and/or processes relating to sustainability.	Review of: <ul style="list-style-type: none"> • PARADIGM Sustainability Financing Framework commitments • PARADIGM Sustainability Policies • PARADIGM Sustainability Baseline data Discussions with PARADIGM management	As per the analysis in Ref 1a above, DNV has confirmed that the SFF has been positioned in context with PARADIGM's values, strategy and objectives as set out in their Sustainability Reporting and Policies.
1c	Overall Strategy - Standards	Borrowers are also encouraged to disclose any sustainability standards or certifications to which they are seeking to conform.	Review of: <ul style="list-style-type: none"> • PARADIGM Sustainability Financing Framework commitments • PARADIGM Sustainability Policies • PARADIGM Sustainability Baseline data Discussions with PARADIGM management	Metrics associated with PARADIGM's SPTs are benchmarked using existing established benchmarks including EPC data published by the Ministry of Housing, Communities & Local Government.

2. Target Setting – Measuring the Sustainability of the Borrower

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2a	Target Setting - Meaningful	The KPIs/SPTs should be ambitious and meaningful to the borrower’s business and should be tied to a sustainability improvement in relation to a predetermined performance target benchmark.	Review of: <ul style="list-style-type: none"> • PARADIGM Sustainability Financing Framework commitments • PARADIGM Sustainability Policies • PARADIGM Sustainability Baseline data Discussions with PARADIGM management	<p>The SPTs and Target Setting procedure were considered in the context of PARADIGM’s recent performance and statistics related to each metric. This includes specific context of their industry and strategic initiatives.</p> <p>The KPIs set are considered to be meaningful and related to the core functions, impacts and nature of the PARADIGM business. Overall the KPI are considered to be suitably aligned with the purpose of the SLLP. Specific targets related to an SLL would be considered for each transaction.</p>
2b	Target Setting - Meaningful	Market participants recognise that any targets should be based on recent performance levels (Baselines).	Review of: <ul style="list-style-type: none"> • PARADIGM Sustainability Financing Framework commitments • PARADIGM Sustainability Policies • PARADIGM Sustainability Baseline data Discussions with PARADIGM management	<p>The SFF sets out PARADIGM’s proposed procedure for the establishment of performance (baselines) related to KPIs and SPTs. These are considered to be consistent with the SLLP and reasonable in context. Any actual baseline would be considered in the context of each individual instrument.</p>
2c	Target Setting - Meaningful	Interaction of the SPTs with the interest rate or equivalent.	Review of: <ul style="list-style-type: none"> • PARADIGM Sustainability Financing Framework commitments • PARADIGM Sustainability Policies 	<p>DNV has considered the potential basis by which PARADIGM would structure Discount and Premium thresholds for the Loan. The process by which PARADIGM proposes to set targets and structure performance goals is considered to be reasonable. Specific targets related to an SLL would be considered for each transaction.</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
			<ul style="list-style-type: none"> PARADIGM Sustainability Baseline data <p>Discussions with PARADIGM management</p>	

3. Reporting

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3a	Reporting	Borrowers should, where possible, make and keep readily available up to date information relating to their SPTs, with such information to be provided to those institutions participating in the loan at least once per annum. Borrowers should be encouraged to publicly report information relating to their SPTs and this information will often be included in a borrower's annual report or its sustainability report.	<p>Review of:</p> <ul style="list-style-type: none"> PARADIGM Sustainability Financing Framework commitments PARADIGM Sustainability Policies PARADIGM Sustainability Baseline data <p>Discussions with PARADIGM management</p>	PARADIGM will provide an annual Report to the lenders. SPT related data will be measured, reported and audited annually as part of PARADIGM's annual Report.

4. Review

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
4a	External Review	The borrower should have its performance against its SPTs independently verified by a qualified external reviewer, such as an auditor, environmental consultant and/or independent ratings agency, at least once a year.	Review of: <ul style="list-style-type: none"> • PARADIGM Sustainability Financing Framework commitments • PARADIGM Sustainability Policies • PARADIGM Sustainability Baseline data Discussions with PARADIGM management	PARADIGM have engaged DNV to provide an external review in the form of a Second Party Opinion on the SFF and the underlying procedures and confirm alignment with the SLLP. DNV has confirmed the alignment of the SFF and the underlying procedures with the SLLP.

SCHEDULE 2: GBP, SBP, SBG, GLP AND SLP SUSTAINABILITY FINANCE FRAMEWORK ELIGIBILITY ASSESSMENT PROTOCOL

2. Use of proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1a	Type of bond	The bond or loan must fall in one of the following categories, as defined by the SBP, GBP, SLP or GLP.	Review of: <ul style="list-style-type: none"> PARADIGM Sustainability Financing Framework Correspondence with PARADIGM representatives	The reviewed evidence confirms that the SFF would fall in the categories set out in the SBP, GBP, SLP or GLP.
1b	Project Categories	The cornerstone of a Green/Social/Sustainability Bond/Loan is the utilization of the proceeds of the bond or loan which should be appropriately described in the legal documentation for the bond or loan.	Review of: <ul style="list-style-type: none"> PARADIGM Sustainability Financing Framework Correspondence with PARADIGM representatives	<p>As identified by the Framework, the purpose of each bond or loan is to use the proceeds for the financing or refinancing of Affordable Housing, Affordable Basic Infrastructure, Green Buildings, Renewable Energy (Solar PV) and Clean Transport (EVs and EV Charging).</p> <p>DNV's assessment concluded that these project types would present significant Environmental and Social benefits and qualify for inclusion under the Principles within the Affordable Housing, Affordable Basic Infrastructure, Green Buildings, Renewable Energy (Solar PV) and Clean Transport (EVs and EV Charging) categories.</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1c	Environmental and Social benefits	All designated Green and Social Project categories should provide clear environmentally sustainable and/or social benefits, which, where feasible, will be quantified or assessed by the Issuer.	Review of: <ul style="list-style-type: none"> PARADIGM Sustainability Finance Framework PARADIGM Asset Specifications Correspondence with PARADIGM representatives	DNV's assessment concluded that these project types would present significant Environmental and Social benefits and qualify for inclusion SBP, GBP, SLP or GLP within the Affordable Housing, Affordable Basic Infrastructure, Green Buildings, Renewable Energy (Solar PV) and Clean Transport (EVs and EV Charging) categories.
1d	Refinancing share	In the event that a proportion of the proceeds may be used for refinancing, it is recommended that issuers provide an estimate of the share of financing vs. re-financing, and where appropriate, also clarify which investments or project portfolios may be refinanced.	Review of: <ul style="list-style-type: none"> Sustainability Finance Framework Correspondence with PARADIGM representatives	The proceeds of instruments issued or entered under the Sustainability Finance Framework will be used to finance and refinance projects. The exact proportion of finance and refinance is proposed by PARADIGM to be nominated at the time of issuance.

5. Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2a	Investment-decision process	The Issuer of a Sustainability Bond should outline the decision-making process it follows to determine the eligibility of projects using Sustainable Bond proceeds. This includes, without limitation:	Review of: <ul style="list-style-type: none"> PARADIGM Sustainability Finance Framework 	As per the PARADIGM Sustainability Finance Framework, PARADIGM has set out the following for project selection: Paradigm has implemented internal accounting and financial management and information systems to track and report on Eligible Green Projects or Eligible Social Projects and verify

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		<ul style="list-style-type: none"> • A process to determine how the projects fit within the eligible Green and Social Projects categories identified in the Green and Social Bond Principles; • The criteria making the projects eligible for using the Sustainable Bond proceeds; and • The environmental and social sustainability objectives 		<p>whether the net proceeds of the UoPTs have been fully allocated.</p> <p>To manage the net proceeds of each UoPT, Paradigm will establish a Sustainability Financing Projects Register. The proceeds of each UoPT will be allocated to one or more Eligible Green Projects or Eligible Social Projects identified in the Sustainability Financing Projects Register.</p> <p>DNV has reviewed the structure and function of the Project Selection criteria and confirmed it is in line with the criteria set out in the SBP, GBP, SLP and GLP.</p>
2b	Issuer’s environmental and social and governance framework	In addition to information disclosed by an issuer on its Sustainability Bond process, criteria and assurances, Sustainability Bond investors may also take into consideration the quality of the issuer’s overall framework and performance regarding environmental and social sustainability.	<p>Review of:</p> <ul style="list-style-type: none"> • PARADIGM E&S Framework • PARADIGM Sustainability Finance Framework <p>Correspondence with PARADIGM representatives</p>	<p>From the materials and information provided DNV confirmed that PARADIGM has in place policies related to ESG and stakeholder care in line with the key impacts of their business.</p> <p>We have also carried out a high-level media review of PARADIGM. We have found no evidence to suggest that PARADIGM or any of its assets are or have been operating in breach of national or local environmental regulations or good practice.</p> <p>Based on the evidence reviewed and the discussion we had with senior managers, we found nothing to suggest that PARADIGM’s E&S Framework is not in line with good practice of the industry for the nominated projects and assets within the proposed issuance of green, social or sustainability instruments.</p>

6. Management of proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3a	Tracking procedure	The net proceeds of Sustainability Bonds should be credited to a sub-account, moved to a sub-portfolio or otherwise tracked by the Issuer in an appropriate manner and attested to by a formal internal process that will be linked to the Issuer's operations for Green and Social Projects.	Review of: <ul style="list-style-type: none"> BOND Proceeds and reporting framework Correspondence with PARADIGM representatives	<p>The evidence reviewed shows how PARADIGM plans to manage the issuance proceeds, from the time of issuance to the time of disbursement.</p> <p>The details of the disbursement and the outstanding value will be tracked in PARADIGM's internal accounting and financial reporting system. On an annual basis, the outstanding balance of the instruments will be reviewed.</p> <p>Where a Green Loan or Social Loan takes the form of one or more tranches of a loan facility, or a Green, Social or Sustainability Bond takes the form of one or more tranches of a bond issuance, each green, social or sustainability tranche will be clearly designated, with proceeds of the green, social or sustainability tranche(s) tracked as described above.</p> <p>DNV concludes that the process set out in the PARADIGM's Sustainability Finance Framework is aligned with the Management of Proceeds as set out in the GBP, SBP, GLP and SLP.</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3b	Tracking procedure	So long as the Sustainability Bonds are outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible green or social investments made during that period.	Review of: <ul style="list-style-type: none"> PARADIGM Sustainability Financing Framework Correspondence with PARADIGM representatives	The evidence reviewed shows that PARADIGM plans to manage the proceeds from the issued instruments, from the time of issuance to the time of disbursement and reduce the net balance of proceeds by amounts in line with the assets financing and refinancing requirements. On an annual basis, the outstanding balance of the Sustainability Bonds issued will be reviewed.
3c	Temporary holdings	Pending such investments or disbursements to eligible Green and Social Projects, the Issuer should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds.	Review of: <ul style="list-style-type: none"> PARADIGM Sustainability Financing Framework Correspondence with PARADIGM representatives	The net proceeds of the Sustainability Bonds will be held in temporary investment instruments such as cash, or cash equivalent instruments in accordance with Paradigm Treasury's policy until disbursement to the nominated assets as per the PARADIGM Sustainability Financing Framework. PARADIGM will aim to be fully allocated to Green and Social Projects within 24 months of Issue date.

7. Reporting

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
4a	Periodical reporting	In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, Issuers should provide at least annually a list of projects to which Sustainability Bond proceeds have been allocated including - when possible with regards to confidentiality and/or competitive considerations - a brief description of the projects and the amounts disbursed, as well as the expected environmentally sustainable impact.	Review of: <ul style="list-style-type: none"> PARADIGM Sustainability Financing Framework Correspondence with PARADIGM representatives	PARADIGM has confirmed that it will report in its Sustainability Report the following: <ul style="list-style-type: none"> A list of Eligible Green Projects and/or Eligible Social Projects earmarked to be funded by the proceeds Amount of proceeds allocated to the various Eligible Green Projects and/or Eligible Social Projects Description of major Eligible Green Projects and/or Eligible Social Projects Aggregate amount of proceeds of UoPT allocated to Eligible Green Projects and/or Eligible Social Projects The remaining balance of unallocated proceeds Impact reporting of relevant metrics associated with each Use of Proceeds DNV considers the proposed allocation and impact reporting proposed and the means of communication to be aligned with the criteria set out in the GBP, SBP, SBG, SLP and GLP.

Second-Party Opinion
PARADIGM Sustainability Linked Loan 2021

About DNV

Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight. With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 16,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

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