

Enex Infrastructure Investment Corporation Green Finance DNV GL second party opinion

I . Introduction

Enex Infrastructure Investment Corporation was listed on the infrastructure fund market of the Tokyo Stock Exchange on February 13, 2019. It invests in renewable energy power generation facilities, focusing on the growing international interest in the realization of a sustainable society and the potential expansion of renewable energy introduction. In terms of renewable energy asset type diversification, Enex Infrastructure Investment Corporation targets to invest in solar power generation facilities at a ratio of 50% or more and in other renewable power generation facilities, including wind power, hydroelectric power and biomass power generation facilities, at a ratio of 50% or less (based on acquisition price).

ITOCHU ENEX Co., Ltd. (owns a 50.1% stake), a major sponsor of Enex Infrastructure Investment Corporation, has a wealth of experience in the renewable energy power generation business and financial transactions related to the business. Based on the corporate philosophy of “ The Best Partner for Life and Society - with Energy, with the Car, with the Home -,” ITOCHU ENEX has a primary mission of securing safety energy supplies and promptly delivering diverse services and values that satisfy customers’ needs. In promoting the business activities, the company identifies the most immediate priorities among multiple social issues and implements and enhances responsive measures against such priorities with an aim to contribute to the development of a truly sustainable society. Moreover, Enex Infrastructure Investment Corporation's basic philosophy is to contribute to the global environment and realize a sustainable society through the penetration and expansion of eco-friendly renewable energy sources with almost zero CO₂ emission.

Through its investments in the eligible assets owned and to be acquired, Enex Infrastructure Investment Corporation will promote its ESG measures to achieve a low-carbon society, stable energy supplies and sound business operations, including adequate information disclosure, and implement various initiatives to realize a sustainable society. The table below shows an excerpt of the efforts to reduce the environmental impact. The renewable energy business activities to be financed through this Green Finance will directly and indirectly contribute to solve the environmental issues addressed by the SDGs, and are closely aligned with the basic principles set forth by Infrastructure Investment Corporation.

Basic Policy	Scope	SDGs	Activities of Enex Infrastructure Investment Corporation
<p>Under the management philosophy of "The Best Partner for Life and Society" Enex Infrastructure Investment Corporation provides "Energy for all applications, whether as a key component of social infrastructure or as a means of enriching people's lives" to achieve a harmonious coexistence with the global environment and society.</p>	<p>"Reduction of environmental impact (with the environment)"</p> <p>Based on the environmental policy, Enex Infrastructure Investment Corporation will continue with activities to preserve and improve the environment and contribute to a sustainable society with the aim of achieving harmonious coexistence with the global environment and society.</p>	  	<ol style="list-style-type: none"> 1. Realization of a low-carbon society 2. Reduction of the environmental impact of its business activities 3. Pursuit of energy efficiency 4. Contribution to resource conservation and a recycling-based society 5. Preservation of local environment

II. Scope and Objectives

Enex Infrastructure Investment Corporation has established the "Enex Infrastructure Investment Corporation Green Finance Framework" with reference to the Green Bond Principles (2018, ICMA, hereinafter "GBP") and the Green Loan Principles (2020, Loan Market Association (LMA), etc., hereinafter "GLP"), Green Bond Guidelines (2020, Ministry of the Environment, hereinafter "GBGLs") and Green Loan Guidelines (2020, Ministry of the Environment, hereinafter "GLGLs") when issuing green finance.

Enex Infrastructure Investment Corporation plans to allocate all of the proceeds from the Green Finance to the following green projects.

Project A: "Renewable energy (solar power generation facilities, etc.)"

DNV GL, as an external reviewer, has assessed the Green Finance Framework of Enex Infrastructure Investment Corporation against to the GBP, GLP, GBGLs, GLGLs and applicable technical standards of Climate Bond Standard v3.0 (CBI, hereinafter "CBS") for the planned eligible green projects. DNV GL also has assessed this Green Finance Framework order to be widely used for debt finance instruments, as well as various type of finance (green equity finance etc.) by considering the unique management of proceeds.

Enex Infrastructure Investment Corporation has commissioned DNV GL to conduct pre-issuance verification of "Enex Infrastructure Investment Corporation Green Finance".

DNV GL's purpose of the pre-issuance verification is to verify that the Enex Infrastructure Investment Corporation is aligned with the key requirements of the four core elements, while referring to the GBPs, GLP and the relevant technical sector criteria (solar power generation) of CBS and other applicable standards or guidelines (as described in the below table), and to provide a second party opinion on the eligibility of this Green Finance Framework.

DNV GL, as an independent external reviewer, declares that it has no factual or cognitive interest in relation to the provision of this second-party opinion for Enex Infrastructure Investment Corporation.

In this report, no assurance is provided regarding the financial performance of the Green Finance, the value of any investments, or the long-term environmental benefits.

Applicable standards or guidelines

No.	standards or guidelines	Issuer	Applied level	
			Debt (Bonds and loans)	Equity
1.	Green Bond Principles 2018, GBP	International capital market Association	Apply* ¹	Refer* ²
2.	Green Loan Principle 2020, GLP	Loan Market Association (LMA) and others		
3.	Green Bond Guidelines 2020, GBGLs	Ministry of the Environment		
4.	Green Loan Guidelines 2020, GLGLs	Ministry of the Environment		
5.	Green Bonds and Social Bonds: High-level mapping to the Sustainable Development Goals (SDGs)	International capital market Association		

*1:Apply ; DNV GL has evaluated the eligibility by applying to the main requirements of the four core elements defined in each principle and guideline based on the DNV GL assessment protocol.

*2:Refer ; DNV GL has evaluated the eligibility by considering the equity-specific management of the proceeds and the reporting, and same as above, by referring to the main requirements of the four core elements defined in each principle and guideline.

III. Responsibilities of Enex Infrastructure Investment Corporation and DNV GL

Enex Infrastructure Investment Corporation has provided the necessary information and data for DNV GL to conduct this review process.

DNV GL's second party opinion represents an independent opinion and is intended to inform Enex Infrastructure Investment Corporation and other interested stakeholders in the Finance as to whether the issuer's Green Finance meets the criteria of widely accepted international principles/guidelines, based on the information provided for DNV GL.

In preparing this report, we have relied on the information and the facts presented to us by Enex Infrastructure Investment Corporation.

DNV GL shall not be responsible for any aspect of the candidate projects and assets referred to in this opinion and shall not be held liable if estimates, findings, opinions or conclusions are inaccurate. Thus, DNV GL shall not be held liable if any of the information or data provided by Enex Infrastructure Investment Corporation and used as a basis for this assessment are not correct or complete.

IV. Basis of DNV GL's opinion

To provide as much flexibility as possible for Enx Infrastructure Investment Corporation, DNV GL has created our green finance eligibility assessment methodologies, taking into account the requirements of various standards such as GBP and GLP, to create Enx Infrastructure Investment Corporation specific Green Finance Framework Eligibility Assessment Protocol (hereinafter "Protocol").

The Protocol applies or refers four core elements such as GBP and GLP.

DNV GL's Protocol includes a set of suitable criteria that can be used to underpin its opinion.

The overarching principle and guidelines behind the criteria are that green finance should "enable capital-raising and investment for new and existing projects with environmental benefits".

As per DNV GL's Protocol, the criteria against which the Green Finance has been reviewed are grouped under the four Principles:

- **Principle One: Use of Proceeds.** The Use of Proceeds criteria are guided by the requirement that an issuer of a green finance instrument must use the funds raised to finance eligible activities. The eligible activities should produce clear environmental benefits.
- **Principle Two: Process for Project Evaluation and Selection.** The Project Evaluation and Selection criteria are guided by the requirements that an issuer of a green finance instrument should outline the process it follows when determining eligibility of an investment using green finance proceeds and outline any impact objectives it will consider.
- **Principle Three: Management of Proceeds.** The Management of Proceeds criteria are guided by the requirements that green finance should be tracked within the issuing organization based on management methods specific to various types of finance, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled should be made.
- **Principle Four: Reporting.** The Reporting criteria are guided by the recommendation that at least Sustainability Reporting to the finance investors should be made of the use of finance proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible.

V. Work undertaken

Our work constituted a high level of review of the available information, based on the understanding that this information was provided to us by the issuer 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 DNV GL's issuer-specific Protocol for application to green finance with respect to the above and Schedule-2 that contribute to this verification;
- Assessment of evidential documents provided by the issuer before the issuance of the finance instrument, and supplemental assessment with desk review made from a higher perspective. These checks refer to the latest best practices and standard methodologies;
- Consultation with the issuer and review of the relevant documentation;
- Documentation of findings against each element of the eligibility criteria.

VI. Findings and DNV GL's opinion

DNV GL's findings and opinions are as follows.

(1) Use of Proceeds

DNV GL confirmed that the total amount of funds (excluding expenses) raised by Enex Infrastructure Investment Corporation through Green Finance is planned to be allocated to acquire existing properties of green candidate projects that match the following representative eligible project category indicated by GBP and GLP, etc.:

"Business related to renewable energy"

Specifically, the following green candidate project:

Project: "Renewable energy (Solar power generation facilities, etc.)"

(2) Process for Project Evaluation and Selection

Through a review, DNV GL confirmed that Green Candidate Project described in Schedule-1 conforms to the issuer's group management philosophy and the evaluation and selection are carried out through an appropriate prescribed process by the issuer's relevant departments (infrastructure fund management department or finance accounting department, board of directors or board of officers).

When selecting a project, we will confirm that it meets the eligibility criteria shown in "Section II Scope and Objectives, Applicable standards or guidelines". Also, if it is determined that negative impact of the project implementation needs to be considered, we will confirm that the following environmental and social risk reduction efforts are being implemented.

- Due diligence is performed on “risk of damage, loss or deterioration of assets under management due to accidents/disasters” that are considered to have a negative impact on the environment.
- When a negative impact on the environment is confirmed, measures are taken based on the knowledge of experts inside and outside the company in order to eliminate the event that causes the impact.

(3) Management of Proceeds

DNV GL confirmed how Enx Infrastructure Investment Corporation tracks and manages the proceeds after funding.

DNV GL confirmed that Enx Infrastructure Investment Corporation plans to allocate the raised proceeds to purchase eligible projects in a timely manner.

Regarding the status of fund allocation, it was confirmed that the proceeds will be spent based on the internal management procedure of Enx Infrastructure Investment Corporation under its Finance Department's management.

The Finance Department manages the assets to which the proceeds are allocated as a whole in a green-eligible portfolio, and manages the allocated amount and unallocated funds in a traceable manner.

Allocation status of use of proceeds will be disclosed to investors or lenders at least once every six months through securities reports, semi-annual reports or the issuer's website following various principles and guidelines at least until the allocation is completed.

As mentioned above, no assurance is provided by DNV GL regarding the financial performance of the Green Finance, the value of any investments, or the long-term environmental benefits.

Please refer to the following for the handling of financing specific to green equity among green finance.

<Important matters> Handling of green equity-based financing

The proceeds will be treated as the total amount of the proceeds at the time of the implementation of Green Equity, and the allocated amount and unallocated amount will be managed according to the procedure shown in (3).

(4) Reporting

DNV GL has confirmed that specific information (the allocation status of proceeds and the environmental improvement effect) of green finance required by GBP, GLP, etc., will be reported on the issuer's website for every fiscal year, at least until the full allocation of funds.

The issuer plans the following impact reporting as an environmental improvement effect.

- ① List of eligible green projects (= owned projects)
- ② CO₂ emissions reduced by eligible green projects
- ③ Electric power generation by eligible green project

Results of Assessment

Based on the information provided by Enex Infrastructure Investment Corporation and the work carried out, DNV GL expresses its opinion that Enex Infrastructure Investment Corporation's Green Finance meets the requirements of the Protocol and is consistent with the definition and objectives of green finance stated in GBP, which is "enable capital raising and investment in new or existing projects with environmental benefits".

DNV GL Business Assurance Japan K.K.

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Schedule-1 Enex Infrastructure Investment Corporation Green Finance Candidate Project

No.	Green Finance Project	Category “Environmental improvement effect”	Planned allocation amount	Remarks
A	Renewable energy	Solar power generation facilities, etc. (CO ₂ reduction of energy origin)	22.71billion yen (reference) (Planned total amount raised by public offering)	Please refer to the total issue price stated in Securities Registration Statement for the final amount.

Schedule-2 Green Finance Framework Eligibility Assessment Protocol

The checklist below (GBP-1 to GBP-4) is a DNV GL Protocol created for the Green Finance Framework eligibility assessment of Enex Infrastructure Investment Corporation based on Green Bond Principles 2018, etc. (Principles and guidelines listed in Section II table).

GBP-1 Use of Proceeds

Ref.	Criteria	Requirement	Work undertaken	DNV GL Findings
1a	Type of finance	<p>The green finance must fall in one of the following categories, as defined by GBP.</p> <ul style="list-style-type: none"> •(Standard) Green Finance •Green Revenue Finance •Green project finance •Other 	<p>Confirmed documents:</p> <ul style="list-style-type: none"> -Enex Infrastructure Investment Corporation Green Finance Framework (hereinafter "Green Finance Framework") <p>[Checklist]</p> <ul style="list-style-type: none"> - Related statement in Securities Registration Statement <p>Discussions with Enex Infrastructure Investment Corporation</p>	<p>Through the assessment, DNV GL confirmed that Enex Infrastructure Investment Corporation Green Finance (hereinafter "Green Finance") falls into the category below.</p> <ul style="list-style-type: none"> •(Standard) Green Finance
1b	Project categories	<p>The cornerstone of a Green Finance is the utilization of the proceeds of the finance which should be appropriately described in the legal documentation for the security.</p>	<p>Confirmed documents:</p> <ul style="list-style-type: none"> -Green Finance Framework - Securities Registration Draft -Green project related documents <p>Discussions with Enex Infrastructure Investment Corporation</p>	<p>Candidate projects identified in the framework fall into the following representative eligible categories classified by GBP.</p> <p>"Renewable energy"</p> <p>Specifically, the following green candidate projects.</p> <p>Project A: "Renewable energy (solar power generation facilities, etc.)"</p>
1c	Environmental benefits	<p>All designated Green Project categories should provide clear greenly sustainable benefits, which, where feasible, will be</p>	<p>Confirmed documents:</p> <ul style="list-style-type: none"> -Green Finance Framework -Green project related documents 	<p>DNV GL confirmed that the implementation of eligible candidate projects will contribute to the reduction of CO2 from energy sources and confirmed that the environmental benefits are the CO2 emissions reduced by the target green project or the amount of power generation (actual</p>

Ref.	Criteria	Requirement	Work undertaken	DNV GL Findings
		quantified or assessed by the issuer.	Discussions with Enex Infrastructure Investment Corporation	value) reported as an environmental improvement contribution.
1d	Refinance 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.	Confirmed documents: -Green Finance Framework Discussions with Enex Infrastructure Investment Corporation	If the proceeds (excluding expenses) raised by Green Finance are to be used for refinancing in the future, an outline of the refinancing target projects shown in the Eligibility Evaluation Checklist II Green Finance Target Candidate Projects will be reported in the reporting for each fiscal year.

GBP-2 Process for Project Evaluation and Selection

Ref.	Criteria	Requirement	Work undertaken	DNV GL Findings
2a	Investment decision process	The issuer of a Green Finance should outline the decision-making process it follows to determine the eligibility of projects using Green Finance proceeds. This includes, without limitation: ·A process to determine how the projects fit within the eligible Green Projects categories identified in the Green Finance Principles; ·The criteria making the projects eligible for using the Green Finance proceeds; and ·The environmental green objectives	Confirmed documents: -Green Finance Framework Discussions with Enex Infrastructure Investment Corporation	Based on the Enex Infrastructure Investment Corporation Framework, Enex Infrastructure Investment Corporation selected projects according to the following criteria. - It was confirmed that the eligible candidate project described in Schedule-1 is in line with the basic philosophy of Enex Infrastructure Investment Corporation, which is "to contribute to the global environment and realize a sustainable society through the spread and expansion of earth-friendly renewable energy with almost zero carbon emission (CO2)", and confirmed that the relevant departments of the issuer (Infrastructure Fund Management Department or Finance and Accounting Department) will evaluate and select the eligibility criteria classified as "renewable energy" through an appropriate prescribed process. - In the selection of a project, DNV GL confirmed that it meets the eligibility criteria shown in "Section II Scope and Objectives Applicable Criteria or Guidelines". Also, if any negative impact of project

Ref.	Criteria	Requirement	Work undertaken	DNV GL Findings
				<p>implementation needs to be considered, it was confirmed that the issuer takes the following environmental and social risk reduction efforts:</p> <ul style="list-style-type: none"> ● Perform due diligence on “risk of damage, loss or deterioration of assets under management due to accidents/disasters” that are considered to have a negative impact on the environment. ● If any negative impact on the environment is identified, take measures based on the knowledge of experts, both internally and externally, in order to eliminate the event that causes the impact.
2b	Issuer’s environmental governance framework	In addition to criteria and certifications, the information published by issuers regarding the green finance process is also considered the quality of performance of the issuer's framework and environmental sustainability.	Confirmed documents: -Green Finance Framework Discussions with Enex Infrastructure Investment Corporation	<p>DNV GL confirmed that through the assessment with the document review and interview with the personnel of the issuer that Enex Infrastructure Investment Corporation is to promote the policy, “to contribute to the global environment and realize a sustainable society through the penetration and expansion of eco-friendly renewable energy with almost no carbon emission (CO2)”, in basic principle, and confirmed that this green finance is in line with these plans and policies.</p> <p>Also, confirmed through the discussion and document review with Enex Infrastructure Investment Corporation that the Green Project implemented by Enex Infrastructure Investment Corporation based on the framework is an effective project for the realization of a sustainable society.</p>

GBP-3 Management of proceeds

Ref.	Criteria	Requirements	Work undertaken	DNV GL Findings
3a	Tracking procedure-1	The net proceeds of Green Finance should be credited to a sub-account, moved to a sub-portfolio or otherwise traced by the issuer in an appropriate manner and attested to by a formal internal process that will be linked to the issuer's lending and investment operations for Green Projects.	Confirmed documents: -Green Finance Framework -Discussions with Enex Infrastructure Investment Corporation -Enex Infrastructure Investment Corporation Accounting Regulations	Enex Infrastructure Investment Corporation plans to manage the proceeds procured through the green bond loans and the solicitation of investment units in a specific account, and to allocate the entire amount to the eligible projects stipulated in this framework in a timely manner. It is possible to trace the accounting provisions necessary for Enex Infrastructure Investment Corporation to manage funds, and the allocation / unallocation of raised funds.
3b	Tracking procedure-2	So long as the Green Finance are outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible green investments or loan disbursements made during that period.	Confirmed documents: -Green Finance Framework -Discussions with Enex Infrastructure Investment Corporation	The allocation status (allocation amount and balance) of the raised funds is managed by the internal system (Resport) of Enex Infrastructure Investment Corporation together with the project name, procedure details, status, due date, and final approver of the fund, and will be reported on the issuer's website for every fiscal year, at least until the full allocation of funds.
3c	Temporary holdings	Pending such investments or disbursements to eligible Green Projects, the issuer should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds.	Confirmed documents: -Green Finance Framework -Discussions with Enex Infrastructure Investment Corporation	Unallocated funds are managed in cash or cash equivalents. The method of managing these funds are made known to investors through the framework.

GBP-4 Reporting

Ref.	Criteria	Requirements	Work Undertaken	DNV GL Findings
4a	Periodical reporting	<p>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 Green Finance proceeds have been allocated including</p> <ul style="list-style-type: none"> - confidentiality and/or competitive considerations, where possible -a brief description of the projects and the amounts disbursed, as well as the expected environmentally sustainable impact. 	<p>Confirmed documents: -Green Finance Framework -Discussions with Enex Infrastructure Investment Corporation Others: Enex Infrastructure Investment Corporation website</p>	<p>Enex Infrastructure Investment Corporation plans to report the specific items, such as project progress, status of fund allocation, environmental improvement effect, required by Green Finance for every fiscal year on the Enex Infrastructure Investment Corporation website. Information disclosure includes qualitative and quantitative reports on funding status and contributions to environmental improvement.</p> <ul style="list-style-type: none"> ① list of eligible green projects (= owned projects) ② CO2 emissions reduced by eligible green projects. (Theoretical value based on the output standard) ③ The amount of power generated by the eligible green project (Theoretical value based on the output standard) <p>The reporting will be made on the issuer's website for every fiscal year, at least until the full allocation of funds.</p>