

Green Bond Second Party Opinion for:

Coda Green Bond Limited



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SPO performed by	Empact Impact Consulting

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1. Assessment summary

Coda Green Bond Limited (hereafter: Coda), a subsidiary of Coda Group B.V. is a recently formed company with the aim to bring a unique fully home compostable bio-plastic to the market. Coda holds the rights to produce the HemCell® home compostable biopolymer, a unique high-end bio-plastic which is home compostable. Coda also holds the worldwide exclusive rights to beverage capsules made of the HemCell® biopolymer, and a non-exclusive license to all other applications made of the HemCell® biopolymer. Part of Coda Group is Coda Plastics, an experienced UK plastics manufacturer. The company will be in transition from a plastic only to a bio-plastic manufacturer, using an innovative environmental friendly patented product. Transitions like this are needed to change the field of plastics and contribute to zero-plastics, however transitions like this are also dynamic and uncertain.

Empact assessed the expected Green Bond Framework stated in the Coda Green Bond Prospectus (V1.3) and performed a Second Party Opinion (hereafter: SPO) based on the Green Bond Principles 2018 (hereafter: GBP 2018). Based on the procedures performed, nothing has come to attention that causes Empact to believe that the Green Bond Principles 2018 are not met. In addition Empact assessed the contribution of Coda's Use of Proceeds towards the Sustainable Development Goals (hereafter: SDGs).

Use of Proceeds

Overall, the expected manufacturing of HemCell® biopolymer and hence potential bio-based products (such as compostable coffee capsules) can be considered as unique in the market and impactful. The expected environmental benefits for the following three eligible Green Project and Assets are described, quantified and assessed in the Green Bond Prospectus V1.3: (1) Pollution prevention and control, (2) Eco-efficient and circular economy adapted products and (3) Energy efficiency). Ongoing research and development activities aim to finalize a Life Cycle Analysis to capture the full environmental impact of Hemcell® biopolymer. Empact considers the Use of Proceeds description provided by Coda in line with the GBP 2018.

Project Evaluation and Selection

The involvement of Coda's highest level of management in the Green Committee and the appointment of a Chief Sustainability Officer (hereafter: CSO), shows a strong commitment for future evaluation and selection of eligible Green Projects and Assets. Educating stakeholders on bio-plastics shows responsibility and business sense. Due the recent formation of Coda (June 2020), external disclosure on eligibility criteria of the actual evaluation and selection including ESG risk assessment and stakeholder involvement are not performed yet. The awareness of missing standards and the objectives to develop such standards, can be considered positive. Empact considers the approach of Coda's project evaluation and selection in line with the GBP 2018.

Management of Proceeds

The net proceeds of the Green Bond will be credited to Coda's Treasury liquidity portfolio and monitored via internal accounting system(s). Coda's Management of Proceeds will be internally (quarterly) and externally (annually) verified. In addition to the financial monitoring an ongoing impact monitoring system is in development. Empact considers the approach of Coda's Management of Proceeds in line with the GBP 2018.

Reporting

According to Green Bond Prospectus V1.3, Coda commits to transparent and publicly reporting its progress on an annual basis, until complete allocation. As mentioned in the section ‘project evaluation and selection’ above, due to the recent formation of Coda (June 2020), external disclosures are not performed yet. Empact considers the expected reporting approach in line with the GBP 2018 and the proposed EU Green Bond Standard 2020.

Contribution to SDGs

Coda commits to three SDGs, namely 9 (Industry, innovation and infrastructure), 11 (sustainable cities and communities) and 12 (responsible production and consumption).

Limitations

Empact assessed the expected environmental benefits of HemCell® Biopolymer and products manufactured with this biobased plastic to GDP 2018. Due to the ongoing research and development activities Empact did not review the actual environmental performance of HemCell® biopolymer nor the entire value chain of products manufactured with HemCell® Biopolymer. Furthermore the current sustainability performance of the Coda is not reviewed.



2. Methodology

Objectives

Green Bond Principles Assessment

Empact performed an assessment on behalf of Coda that their Green Bond Framework has met the GBP 2018 criteria. This review can be considered as an independent SPO.

The GBP 2018 are voluntary process guidelines that recommend transparency and disclosure and promote integrity in the development of the Green Bond market by clarifying the approach for issuance of a Green Bond. The GBP are intended for broad use by the market: they provide issuers with guidance on the key components involved in launching a credible Green Bond; they aid investors by promoting availability of information necessary to evaluate the environmental impact of their Green Bond investments; and they assist underwriters by moving the market towards expected disclosures that will facilitate transactions¹.

Sustainable Development Goals

The Sustainable Development Goals (hereafter: SDGs) provide a broad frame of reference by which issuers, investors and bond market participants can evaluate the financing objectives of a given Green, Social or Sustainability Bond/Bond Programme against the SDGs.

Methodology

Assessment GBP

SPO Empact's assessment includes the issuers' 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. The following four components are assessed by SPO Empact.

1. **Use of Proceeds:** The Use of Proceeds criteria are guided by the requirement that an issuer of a Green Bond must use the funds raised to finance eligible activities. The eligible activities should produce clear environmental benefits.
2. **Process for Project Evaluation and Selection:** The Project Evaluation and Selection criteria are guided by the requirements that an issuer of a Green Bond should outline the process it follows when determining eligibility of an investment using Green Bond proceeds and outline any impact objectives it will consider.
3. **Management of Proceeds:** The Management of Proceeds criteria are guided by the requirements that a Green Bond 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. **Reporting:** The Reporting criteria are guided by the recommendation that at least Sustainability Reporting to the bond investors should be made on use of proceeds. Quantitative and/or qualitative performance indicators should be used, where feasible.

¹ <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

Assessment SDGs

SPO Empact assessed the contribution of Coda's Green Bond to the SDGs. The 17 SDGs were endorsed in September 2015 by the United Nations and provide a benchmark for key opportunities and challenges toward a more sustainable future. The high level mapping approach provided by the ICMA² is used as guidance. Consequently per SDG the related global indicators, developed by the Inter-Agency and Expert Group on SDG Indicators (IAEG-SDGs) and agreed upon at the 48th session of the United Nations Statistical Commission held in March 2017³, are assessed for Coda.

Quality of data

The eligibility assessments are based on the Green Bond Prospectus V1.3, section Green Bond Framework. Additional clarification and evidence for environmental related claims are assessed via (virtual) interviews and additional data collection. The Coda's management provided the information and data used by Empact during the delivery of this review. In performing the SPO, Empact fully relied on the information and the facts presented by Coda. Next to this, online information was obtained to assess or clarify specific information as presented by Coda.

Independence reviewer

SPO Empact has been commissioned by Coda to provide a GBP 2018 eligibility assessment. Empact and both involved reviewers are independent of Coda, all it's entities including the issuer and all shareholders. Empact is not commissioned to provide independent assurance or other audit activities. No assurance is provided regarding the financial performance of the bond, the value of any investments in the bond, or the long term environmental benefits of the transaction. The scope of this SPO is limited to the Green Bond Principals 2018 and the Green Bond Framework from Coda.

² <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June-2019/Mapping-SDGs-to-Green-Social-and-Sustainability-Bonds06-2019-100619.pdf>

³ <https://unstats.un.org/sdgs/indicators/indicators-list/>

3. Assessment of Green Bond Principals

As explained in chapter 2, the following four components are assessed by SPO Empact: Use of Proceeds, Process for Project Evaluation and Selection, Management of Proceeds and Reporting. After each assessment an independent option is provided.

3.1 Use of Proceeds

Coda makes a strong commitment to bring a fully bio-based and bio-degradable plastic to the market named HemCell® biopolymer. This is a home compostable biopolymer with superior characteristics compared to PLA (which is used in many of applications around the globe⁴). HemCell® biopolymer consists of two main components: PLA and agricultural waste. Assumedly the quality of the HemCell® biopolymer is of such high standard, that it is suitable to replace (single-use) fossil fuel based plastics such as (home) compostable coffee capsules⁵.

The intended usage of the HemCell® biopolymer is a substitute for fossil fuel based plastics and renewable by nature. Hence, Coda not only prevents the disposal of single-used plastics (the most favored option within the EU-waste hierarchy⁶ as stated below), but they also ensure to reuse (waste) streams out of other sectors in their production side.

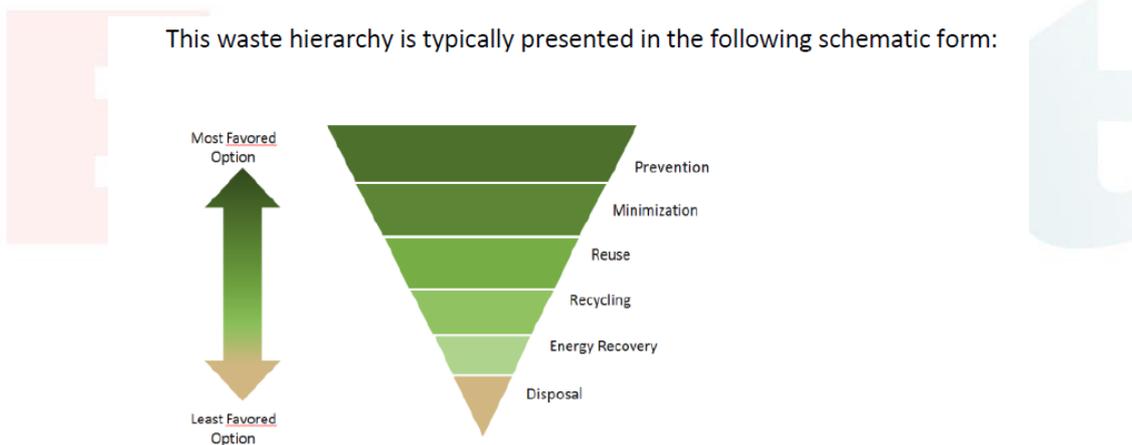


Figure 1: EU-waste hierarchy

In order to accelerate the transition to a circular economy, building a framework for an economy that is restorative and regenerative by design is key. While the circular economy should be based on renewable and sustainable resources, the bioeconomy’s raw resources are sustainable and renewable by nature (as they are properly managed). Coda’s intentions to design out the waste (by creating a biodegradable product) is one of the key principles according to the Ellen MacArthur Foundation⁷.

⁴ <https://www.agro-chemistry.com/articles/hemcell-a-surprisingly-versatile-biobased-plastic/>

⁵ <https://www.youtube.com/watch?v=wSDqzoGOy78>

⁶ <https://ec.europa.eu/environment/waste/framework/>

⁷ <https://www.ellenmacarthurfoundation.org/>

Coda intends to use the net proceeds of the Green Bond partly or whole for eligible Green Assets, manufacturing equipment, Research and Development equipment and Technological improvements and IP. The table in Appendix II gives an overview.

These eligible Green Assets meet the following criteria below.

1) Pollution prevention and control

As widely recognised, the majority of produced plastics are single-use plastics which leads to the accumulation of plastic waste and pollution, as well as the loss of valuable resources. The total global polymer (plastics) market size in 2018/19 consumed 478 million metric tonnes. Hence it could be stated that plastic waste is an ongoing global issue⁸ and the capture and recycling of plastics is an emerging field. Coda is committed to manufacture truly home compostable biopolymer, providing functional characteristics equal to present plastics.

HemCell® biopolymer, with the ability for home composting, can be considered as prevention of plastic waste, being the full substitute of that plastic. Ongoing Research and Development activities are focused on scientific proof to show that the HemCell® biopolymer compost within a certain time frame despite different (weather/ sea/ earth) conditions to avoid potential challenges that existing biobased products face.

2) Eco-efficient and circular economy adapted products

The possible application(s) of the Hemcell® biopolymer are multi. The primary application is to substitute the traditional coffee cups made from aluminium or plastic, with a home compostable coffee capsule. From a market perspective the single-use coffee capsules market exceeds 50 billion capsules per annum, of which 30% are made from aluminium, with the remainder plastic. The single-use coffee capsules market is forecasted to grow to 67,5 billion capsules in 2024.

Coda uses agricultural waste as base biomaterial for the truly home compostable biopolymer and as such reduces the ecological footprint of the biopolymer and single-use packaging applications. Hence Coda acts as an enabler for circularity in multiple sectors such as agriculture. In addition, Hemcell® biopolymer composts to high quality soil. Furthermore the agricultural waste also captures carbon, which is currently being used for less circular applications like energy recovery.

3. Energy efficiency

From a production perspective, the biopolymer is lighter and processes at lower temperatures than petroleum-based polymers, thus saving on energy costs during the production process, according to a WUR fact study (2017). At the end-of-life it's expected that energy will be saved as no industrial composting processes for recycling or added energy is required⁹.

Multiple analyses performed by Coda's scientific researchers show the full potential of Hemcell® biopolymer as a fully home compostable plastic. To assess the actual environmental benefits of the HemCell® biopolymer and

⁸ <https://www.un.org/pga/73/plastics/>

⁹ https://www.wur.nl/upload_mm/1/e/7/01452551-06c5-4dc3-b278-173da53356bb_170421%20Report%20Bio-based%20Plastic%20Facts.pdf

the manufacturing of high-end bio-degradable plastic from Coda and compare this with regular high-end plastics. A full Life Cycle Analysis (hereafter: LCA) is required and as understood is currently under development. In order to understand the environmental impacts, a high-level environmental comparison is made between HemCell® biopolymer and regular high-end plastics, please refer to Appendix III.

Opinion

Overall, the expected manufacturing of HemCell® biopolymer and hence potential bio-based products (such as compostable coffee capsules) can be considered as unique in the market and impactful. The expected environmental benefits for the following three eligible Green Project and Assets are described, quantified and assessed in the Green Bond Prospectus V1.3.: (1) Pollution prevention and control, (2) Eco-efficient and circular economy adapted products and (3) Energy efficiency). Ongoing research and development activities aim to finalize a Life Cycle Analysis to capture the full environmental impact of Hemcell® biopolymer. Empact considers the Use of Proceeds description provided by Coda in line with the GBP 2018.

3.2 Process for Project Evaluation and Selection

The Use of Proceeds defined contribute to the mission of Coda to deliver a substitute for plastic. Code considers themselves a compounder and processor of the biopolymer to applications. Thus, they bear the responsibilities to lower negative environmental impact, increase positive environmental impact and support consumer awareness about truly environment friendly solutions and products.

Eligible Green Projects refer to investment projects that strengthen and support the transition to zero-plastic biopolymers and zero-plastic applications. Supporting and strengthening the sustainable earth to earth product life cycle is key. Strategic partnerships are formed (as 3 separate companies merged to Coda as of June 2020) but will be proactively searched in periods to come. In addition, Coda puts effort in creating awareness on the environmental effects of home compostable bio-plastics, compared to regular plastic¹⁰. The effects of this awareness will not only educate customers, public servants and society, but will also have a potential positive business effect.

Coda stated to apply for relevant country-specific certifications to comply with legislation. In addition Coda aims to lobby and contribute to new, yet non-existing, standards for home composting biopolymers.

The evaluation and selection process of the eligible Green Projects (certifications, awareness and partnerships) and eligible Green Assets (manufacturing-, R&D equipment and technology & IP) rely on Coda's processes to identify and mitigate common environmental, social and governance risks. Eligible Green Projects and Assets are evaluated and selected by a dedicated so-called Green Committee comprising the Chief Executive Officer, Chief Financial Officer and Chief Sustainability Officer. Responsibilities include, but are not limited to, periodical review and approval of the allocation of the proceeds to eligible Green Projects and Assets, annual reporting and the

¹⁰ <https://www.rtlnieuws.nl/economie/bedrijven/artikel/4617786/plasticban-buitenkans-voor-nederlandse-ondernemers>

potential asset rotation of the eligible Green Assets. Asset rotation takes place if an asset is found to be ineligible.

Opinion

The involvement of Coda's highest level of management in the Green Committee and the appointment of a Chief Sustainability Officer (hereafter: CSO), shows a strong commitment for future evaluation and selection of eligible Green Projects and Assets. Educating stakeholders on bio-plastic show responsibility and business sense. Due the recent formation of Coda (June 2020), external disclosure on eligibility criteria of the actual evaluation and selection including ESG risk assessment and stakeholder involvement are not performed yet. The awareness of missing standards and the objectives to develop such standards, can be considered positive. Empact considers the approach of Coda's project evaluation and selection in line with the GBP 2018.

3.3 Management of Proceeds

Pending the allocation of eligible Green Projects and Assets, unallocated proceeds will temporarily be invested in accordance with Coda's investment guidelines in cash, deposits and money market instruments. The proceeds of the Bonds will be used by Coda to finance, in whole or in part, future green projects and assets and/or refinance existing green assets (refer to Appendix II).

Coda will track the net proceeds in the internal accounting system and will monitor the allocation. An external auditor appointed by Coda will verify, on an annual basis, the proceeds allocated to eligible Green Projects and Assets and the remaining balance of unallocated proceeds.

The management and valuation of the net environmental impact will be addressed, managed and reported (see section 3.4). Coda is committed to set and steer on impact KPI's.

Opinion

The net proceeds of the Green Bond will be credited to Coda's Treasury liquidity portfolio and monitored via internal accounting system(s). Coda's Management of Proceeds will be internally (quarterly) and externally (annually) verified. In addition to the financial monitoring an ongoing impact monitoring system is in development. Empact considers the approach of Coda's Management of Proceeds in line with the GBP 2018.

3.4 Reporting

Coda commits to report (in EURO) on annual basis:

- The allocation of the proceeds until allocation is completed.
- The list of the projects and assets financed.
- The environmental benefits of the projects and assets financed.
- The methodology and demonstrate its commitment to taking an active role in developing expertise in plastic waste reduction and the introduction of zero-plastics truly home compostable biopolymers and applications in particular in the single-use packaging.
- The actual ESG impact of Coda's eligible Green Project and Assets.

- Using the EU Green Bond Standard 2020¹¹ for reporting on Green Project and Assets which are and approved by EU.

The reporting will be externally verified using relevant standards for sustainability reporting¹². The reporting will be publicly available on Coda's website.

Opinion

According to Green Bond Prospectus V1.3, Coda commits to transparent and publicly reporting, at least on an annual basis, until complete allocation. As mentioned in the section 'project evaluation and selection' above, due the recent formation of Coda (June 2020), external disclosures are not performed yet. Empact considers the expected reporting approach in line with the GBP 2018.



¹¹ https://ec.europa.eu/info/publications/sustainable-finance-teg-green-bond-standard_en

¹² For example an applicable standard is <https://isae3000.com/isae-3000>

4. Assessment of Sustainable Development Goals

Adopted by all United Nations Member States in 2015, the SDGs are a call to action by all countries to promote prosperity while protecting the environment.

In this assessment the Use of Proceeds categories explained in chapter two are mapped to the existing SDGs. According to the ICMA group, “this high-level mapping to the Sustainable Development Goals aims to provide a broad frame of reference by which issuers, investors and bond market participants can evaluate the financing objectives of a given Green Bond against the Sustainable Development Goals (SDGs)¹³”. Consequently per SDG the related global indicators, developed by the Inter-Agency and Expert Group on SDG Indicators (IAEG-SDGs) and agreed upon at the 48th session of the United Nations Statistical Commission held in March 2017¹⁴, are assessed for Coda.

SDG	GBP project category	Indicators
	Energy Efficiency	CO2 emission per unit of value added (9.4.1) <ul style="list-style-type: none"> ✓ From a production perspective, the HemCell® biopolymer is lighter and processes at lower temperatures compared to petroleum-based polymers, thus saving on energy costs during the production process. ✓ From an end-of-life perspective, energy will be saved as no industrial composting processes for recycling or added energy is required.
	Pollution & prevention control	Proportion of municipal solid waste collected and managed in controlled facilities out of total municipal waste generated, by cities (11.6.1) <ul style="list-style-type: none"> ✓ Coda uses agricultural waste as base biomaterial for the home compostable biopolymer and as such reduces the ecological footprint of the biopolymer and single-use packaging applications. ✓ Increased productivity for farmers. ✓ At end-of-life, the composted HemCell® biopolymer can be seen as high quality soil.
	Eco-efficient and/or circular economy adapted products, production technologies and processes	Number of countries developing, adopting or implementing policy instruments aimed at supporting the shift to sustainable consumption and production (12.1.1.) <ul style="list-style-type: none"> ✓ The registered IP of Coda, Compods™ and HemCell® have been awarded in all major trade jurisdictions, including the United States of America, the European Union, Japan and China. ✓ As globally countries are banning plastics due to its polluting effect on the planet, Coda pursues operations in a number of countries: USA (27%), Europe (43%), Asia & Australia (17%), Latin America (7%) and Africa (4%).

¹³ <https://www.icmagroup.org/green-social-and-sustainability-bonds/mapping-to-the-sustainable-development-goals/>

¹⁴ <https://unstats.un.org/sdgs/indicators/indicators-list/>

	Pollution & prevention control	<ul style="list-style-type: none"> ✓ With products from HemCell® biopolymer, Coda takes producer’s responsibility for sustainable consumption. Material footprint, material footprint per capita, and material footprint per GDP (12.2.1) <ul style="list-style-type: none"> ✓ HemCell® biopolymer, with the ability for home composting, can be considered as prevention of plastic waste, being the full substitute of that plastic. (a) Food loss index and (b) food waste index (12.3.1) <ul style="list-style-type: none"> ✓ Reduction of food losses for farmers as agricultural waste is used in production of the HemCell® biopolymer.
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It is unlikely a single company can solve any of the challenges of the SDGs on their own, and collaboration is vital, both within sectors and across different industries. Collaboration will likely be the main enabler for successfully addressing the SDGs and scaling up effort. Hence, one of Coda’s eligible Green Projects to Support and strengthen the sustainable earth to earth product life cycle is Partnership development.

Opinion

Coda commits to three SDGs, namely 9 (Industry, innovation and infrastructure), 11 (sustainable cities and communities) and 12 (responsible production and consumption).



5. Limitations

Coda is an innovative company in transition with the aim to produce a fully home compostable biopolymer to use as input for high-end products replacing single-use plastics. This is not only new to the global market, it is, besides the existing testing facility, new for Coda. Therefore many claims made are only confirmed by Coda management itself, which is common practice for innovation in progress. Empact was not able to review more than the vision, strategy and planning as described in the Green Bond Framework of the Green Bond Prospectus V1.3. Furthermore the current sustainability performance of the Coda is not reviewed.

Due to the lack of independent research of the home compostable bio-plastic of Coda, Empact did not review the actual environmental performance of the value chain of HemCell® Biopolymer and the value chain of Coda Bio-based products based on the HemCell® Biopolymer.

Empact shall not be held liable if any of the information or data provided by Coda's management and used as a basis for this assessment were not correct or complete. While Empact took diligent care conducting this review and capture this in the report, it has no warranty regarding the accuracy, completeness or usefulness of this information and assumes no liability with respect to the consequences of relying on this information for investment or other purposes.



Section 1. Basic Information

Issuer name: Coda Green Bond Limited

Green Bond ISIN: GB00BMY8YH89

Independent External Review provider's name: Empact, lead consultant: Martin de Jong

Completion date of this form: 12th of June 2020

Publication date of review publication: 1st of July 2020

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 GBPs:

- | | |
|--|--|
| <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 INDEPENDENT EXTERNAL REVIEW PROVIDER

- | | |
|---|---|
| <input checked="" type="checkbox"/> Second Party Opinion | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Scoring/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*)

Empact assessed the expected Green Bond Framework stated in the Coda Green Bond Prospectus (V1.3) and performed a Second Party Opinion (hereafter: SPO) based on the Green Bond Principles 2018 (hereafter: GBP 2018). Based on the procedures performed, nothing has come to attention that causes Empact to believe that the Green Bond Principals 2018 are not met.

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):*

Overall, the expected manufacturing of HemCell® biopolymer and hence potential bio-based products (such as compostable coffee capsules) can be considered as unique in the market and impactful. The expected environmental benefits for the following three eligible Green Project and Assets are described, quantified and assessed in the Green Bond Prospectus V1.3.: (1) Pollution prevention and control, (2) Eco-efficient and circular economy adapted products and (3) Energy efficiency). Ongoing research and development activities aim to finalize a Life Cycle Analysis to capture the full environmental impact of Hemcell® biopolymer. Empact considers the Use of Proceeds description provided by Coda in line with the GBP 2018.

Use of proceeds categories as per GBP:

- | | |
|--|--|
| <input type="checkbox"/> Renewable energy | <input checked="" type="checkbox"/> Energy efficiency |
| <input checked="" 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 checked="" type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input type="checkbox"/> Other <i>(please specify):</i> |

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

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section *(if applicable)*:

The involvement of Coda's highest level of management in the Green Committee and the appointment of a Chief Sustainability Officer (hereafter: CSO), shows a strong commitment for future evaluation and selection of eligible Green Projects and Assets. Educating stakeholders on bio-plastic show responsibility and business sense. Due the recent formation of Coda (June 2020), external disclosure on eligibility criteria of the actual evaluation and selection including ESG risk assessment and stakeholder involvement are not performed yet. The awareness of missing standards and the objectives to develop such standards, can be considered positive. Empact considers the approach of Coda's project evaluation and selection in line with the GBP 2018.

Evaluation and selection

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

Information on Responsibilities and Accountability

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

3. MANAGEMENT OF PROCEEDS

Overall comment on section *(if applicable)*:

The net proceeds of the Green Bond will be credited to Coda's Treasury liquidity portfolio and monitored via internal accounting system(s). Coda's Management of Proceeds will be internally (quarterly) and externally (annually) verified. In addition to the financial monitoring an ongoing impact monitoring system is in development. Empact considers the approach of Coda's Management of Proceeds in line with the GBP 2018.

Tracking of proceeds:

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

Additional disclosure:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Allocations to future investments only | <input type="checkbox"/> Allocations to both existing and future investments |
| <input 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)*:

According to Green Bond Prospectus V1.3, Coda commits to transparent and publicly reporting, at least on an annual basis, until complete allocation. As mentioned in the section 'project evaluation and selection' above, due the recent formation of Coda (June 2020), external disclosures are not performed yet. Empact considers the expected reporting approach in line with the GBP 2018 and the proposed EU Green Bond Standard 2020.

Use of proceeds reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other <i>(please specify)</i> : |

Information reported:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Allocated amounts | <input type="checkbox"/> Green Bond financed share of total investment |
| <input type="checkbox"/> Other <i>(please specify)</i> : | |

Frequency:

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other <i>(please specify)</i> : | |

Impact reporting:

- | | |
|--|---|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other <i>(please specify)</i> : <i>Asset-level</i> |

Frequency:

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other <i>(please specify)</i> : | |

Information reported (expected or ex-post):

- | | |
|---|--|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input checked="" type="checkbox"/> Energy Savings |
| <input type="checkbox"/> Decrease in water use | <input checked="" type="checkbox"/> Other ESG indicators <i>(please specify)</i> :
<i>Plastic savings</i> |

Means of Disclosure

- | | |
|---|---|
| <input type="checkbox"/> Information published in financial report | <input type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents | <input checked="" type="checkbox"/> Other (please specify): Prospectus Green Bond, Green Bond Framework, environmental policy, internal documents and emails, Green Bond future reporting matrix c5 |
| <input type="checkbox"/> 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.)F

Frameworks and guidelines used:

- [Green Bond Principals](#)
- [Mapping SGD](#)
- [ICMA External Review Guidance](#)

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Second Party Opinion | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Scoring/Rating |
| <input type="checkbox"/> Other (please specify): | |

Review provider(s):

Empact
Martin de Jong

Date of publication:

15 June 2020

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

1. **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.
2. **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.
3. **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.
4. **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.

Appendix II: Allocation overview Use of Proceeds

Project name	Eligible project category	Target	Allocation (Euro 1,000)	Share of total finance (%)	Eligibility of green bond (%)	Portfolio life time budgetted years	Environmental indicators
Investments in manufacturing of truly home compostable biopolymer and truly home compostable biopolymer applications	Adjustment to home compostable polymer manufacture and processing	>75% by 2023	18.500	40,7	80,0	5 years	MT replacing traditional plastics
	Research & Development	>90%	3.500	7,7	100,0	5 years	
	Energy reduction per MT / production	>25%	18.500	40,7	100,0	5 years	energy savings per MT manufactured and per MT processed
Eligible Green Projects – Investments in truly home compostable biopolymer transition projects	partnerships	major consumer brands	1.500	3,3	100,0	5 years	name appreciation and name awareness of truly home compostable
	Certification and awareness	legislation and major certification institutions	1.000	2,2	100,0	5 years	adherence to, name awareness and name appreciation of truly home compostable certification and no micro plastics certification
Coupon reserve			2.500	5,5			
Total			45.500	100,0	86,4		

Full Life Cycle of (bio-)plastics

Environmental elements

	Raw Materials Collection	Manufacturing HemCell® biopolymer	Manufacturing Coda Bio-plastic Products	Distribution & Packaging	Use	End of Use/recycling
Resource depletion (ex water)	Low	Equal	Equal	Equal	Equal	Low
Water	Low	Equal	Equal	Equal	Equal	Low
Land use	High	Low	Equal	Equal	Equal	Low
Bio-diversity	High	Low	Low	Low	Equal	High +
Waste (incl. end of life plastic)	Low	Low	Low	Low	Equal	High +
Hazard waste	Low	Low	Low	Low	Equal	Low
GHG	Low	Low	Low	Low	Equal	Low
Other air pollution	Low	Equal	Equal	Low	Equal	Low

Environmental impact value chain Coda Bio-plastic compared with regular high-end plastics¹⁵

Low = less environmental impact compared with regular plastics

Equal = same environmental impact compared with regular plastics

High = more negative environmental impact compared with regular plastics

High+ = more positive environmental impact compared with regular plastics

¹⁵ Validated by Coda management and therefore only to be used for illustration purposes of the Coda Environmental claim.

Appendix IV: About Empact

Our objective has been to provide an assessment that the bond has met the criteria Green Bond Principals 2018. Our statement represents an independent opinion and is intended to inform Coda's management and other interested stakeholders in the bond as to whether the established criteria have been met, based on the information provided to us.

Reviewer credentials

Lead reviewer Martin de Jong MSc. is an environmental expert by experience and business manager by study. He has over 15 years of environmental experience and 10 years of that within large corporate companies. He has extensive knowledge on impact reporting. He is also a guest lecturer for various universities on sustainability and business. Anne Rademaker MSc. performed the review of the second opinion. She is an independent consultant focussing on circular economy. She has experience at a big 4 accounting firm as senior advisor.

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