

POST-ISSUANCE CLIMATE BOND CERTIFICATION

Verification Report for Post-Issuance Certification for the Sustainability Bond Issued by GMASIVO 10 S.A.S., GMASIVO 16 S.A.S. and GRAN AMÉRICAS USME PROVISIÓN S.A.S



SCOPE

GMASIVO 10 S.A.S. (GM10), GMASIVO 16 S.A.S. (GM16) and GRAN AMÉRICAS USME PROVISIÓN S.A.S. (GAUP) (together the “Concessionaires”) commissioned ISS ESG to compile a Verifier’s Report for Post-Issuance Certification of its Green Bond by the Climate Bonds Initiative (CBI). The Climate Bonds Certification process includes verifying whether the provisions of the Climate Bonds Standards issued by the CBI are met and obtaining evidence to support the verification.

CRITERIA

Relevant CBI Standards for this Climate Bonds Certification:

- Climate Bonds Standard (Version 3)
- Low Carbon Transport (Version 2)

ISSUER’S RESPONSIBILITY

The Concessionaires’ responsibility was to provide information and documentation on:

- Selection of nominated projects & assets
- Technical aspects of projects & assets
- Internal processes & controls
- Proposed reporting

ISS ESG'S VERIFICATION PROCESS

ISS ESG is one of the world's leading independent environmental, social and governance (ESG) research, analysis and rating houses. The company has been actively involved in the sustainable capital markets for over 25 years. Since 2014, ISS ESG has built up a reputation as a highly-reputed thought leader in the green and social bond market and has become one of the first CBI approved verifiers.

ISS ESG has conducted this independent Post-Issuance Verification Process of the green bond issued by the Concessionaires on the Climate Bond Standards 3.0. and in line with the limited assurance procedure defined by the International Standard on Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000).

ISS ESG's approach to assess whether the issuer's Green Bond meets the criteria of the Climate Bond Standards 3.0. is as follows:

- The Concessionaires provided an overview over the assets to be included in the Green Bond asset pool and the relevant processes and documentation regarding the proceeds (e.g. use of proceeds, management of proceeds) to ISS ESG.
- The Concessionaires filled in a questionnaire that covers all criteria of the Climate Bonds Standard 3.0.
- The Concessionaires provided background documents that elaborate further on the information mentioned in the questionnaire.
- Using the questionnaire and background documents, ISS ESG carried out an assessment of the CBI criteria. In case any answers were unclear, ISS ESG contacted the Concessionaires for more details and clarification.

The engagement with the Concessionaires took place in July and August 2022.

ISS ESG'S BUSINESS PRACTICES

ISS has conducted this verification in strict compliance with the ISS Code of Ethics, which lays out detailed requirements in integrity, transparency and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

RESTRICTION ON DISTRIBUTION AND USE OF REPORT

This Verification Report for Climate Bonds Certification including all documentation provided alongside is intended for the use of the Concessionaires and the Climate Bonds Standard Board. The present document may be published by the Concessionaires, CBI and ISS ESG. CBI and ISS ESG agree to publish the report with the consent of the Concessionaires.

OPINION

Based on the limited assurance procedures conducted and evidence obtained, nothing has come to our attention that causes us to believe that, in all material respects the Concessionaires' 2021 Sustainability Bond is not in conformance with the Climate Bonds Standard's Post-Issuance Requirements.



ROBERT HÄBLER
ISS ESG
Munich, 2 October 2022

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About ISS ESG

Since March 2018, ISS-oekom has been a member of the ISS family, sitting within the ISS ESG business unit, which also includes ISS-ethix and ISS-Climate. ISS ESG provides high quality solutions for sustainable and responsible investment and corporate governance. The External Review team, covering Second Party Opinions (SPOs) and Climate Bond Certifications is made up of colleagues across ISS ESG, from ISS-oekom and ISS-Climate.

Originally founded in 1993 and formerly known as oekom research, ISS ESG is one of the world’s leading ESG research and rating agencies for sustainable investments with an unsurpassed rating methodology and quality recognition. ISS ESG analyzes businesses and countries with respect to their environmental social and governance performance. As an experienced partner of institutional investors and financial service providers, we analyse the level of responsibility exercised by equity and bond issuers towards society and the environment. Under the new ownership, ISS ESG completes the ESG research and RI services offerings of ISS, making it a worldwide pure-player in the area of RI Research & Solutions. ISS ESG is headed by Robert Haßler, former CEO and co-founder of oekom research. More information: www.oekom-research.com and www.issgovernance.com.

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ANNEX

Annex 1: Detailed Findings

Annex 2: Detailed Findings Low Carbon Transport

ANNEX 1: DETAILED FINDINGS

5. USE OF PROCEEDS

	REQUIREMENT	FACTUAL FINDINGS	ANALYSIS AGAINST REQUIREMENTS
5.1	Net proceeds allocation to Nominated projects	The full amount of the net proceeds (464,726,178,013 COP) has been allocated to nominated Eligible Assets.	✓
5.2	Conformance with the Bond's documented objectives and requirements of Part B of the CBI Standard	The full amount of the net proceeds has been used to finance assets, which conform with the relevant eligibility requirements under the Climate Bonds Initiative "The Land Transport Criteria for the Climate Bonds Standard & Certification Scheme".	✓
5.3	Allocation of proceeds within 24 months of issuance of the bond	The full amount of the net proceeds has been allocated to nominated Eligible Assets within 24 months.	✓
5.4	No double nomination of projects and assets	The assets financed by the net proceeds of this bond have not been nominated for other bonds.	✓
5.5	Share of financing vs refinancing	100% of the net proceeds was used for financing the assets.	✓
5.6	Tracking of proceeds	The Sustainability Bond net proceeds were earmarked through dedicated accounts for the each of the issuers.	✓
5.7	Size of net proceeds vs investment exposure to nominated projects and assets	The acquisition value of the assets is higher than the net proceeds of the issuance.	✓
5.8	Additional Projects and assets	No additional projects or assets have been added to the nominated list.	✓

6. PROCESS FOR EVALUATION AND SELECTION OF PROJECTS & ASSETS

	REQUIREMENT	FACTUAL FINDINGS	ANALYSIS AGAINST REQUIREMENTS
6.1	<p>Documented and maintained a decision-making process, including:</p> <p>A statement on the Climate-related objectives of the Bond</p> <p>Climate-related objectives of the bond in the context of the issuer's strategy</p> <p>Issuer's rationale for issuance the bond</p> <p>Process determining that the projects/assets meet the eligibility criteria</p>	<p>Through the issuance of the bond, the issuer aimed to achieve a contribution to climate change mitigation and pollution and prevention control by reducing GHG emissions and other noxious air emissions and contribute to social inclusion by providing access to public transport to those in vulnerable situations.</p> <p>This is aligned with the issuers' objective of updating to a newer, lower emissions fleet of buses.</p> <p>The issuance of the sustainable bond is aligned with the issuers representative of the environmental and social strategy to limit emissions and improve quality of life to greater metropolitan Bogota.</p> <p>Public transportation buses selected are in line with the criteria set out in the Sustainability Bond Framework and have been validated in accordance with requirements of the Climate Bonds Initiative "The Land Transport Criteria for the Climate Bonds Standard & Certification Scheme".</p>	✓

7. MANAGEMENT OF PROCEEDS

	REQUIREMENTS	FACTUAL FINDINGS	ANALYSIS AGAINST REQUIREMENTS
7.1	Net proceeds are credited to a sub account and documented	The issuers confirmed that the net proceeds are being tracked in a separate Trust account.	✓
7.2	Net proceeds are earmarked	The issuers have allocated the net proceeds towards purchasing fleet and has provided fleet certification as confirmation.	✓

7.3	Unallocated proceeds	All the proceeds have been allocated. While present, the unallocated proceeds were administered by patrimony autonomo fiducia popular (Trust).	✓
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8. REPORTING

	REQUIREMENTS	FACTUAL FINDINGS	ANALYSIS AGAINST REQUIREMENTS
8.1	Timing and availability of Update Reports	The issuers confirms both Impact and Allocation reporting annually. The reports will be made public at a later date.	✓
8.2	Allocation report, Eligibility Report, Impact Report	The issuers confirms details on both the allocation and impact of the projects financed will be made public at a later date.	✓
8.3	Allocation Reporting	The issuers confirms details on the allocation reports will be public at a later date.	✓
8.4	Eligibility Reporting	The issuers' eligibility criteria for projects was already confirmed at the pre-issuance stage, and no further changes to the eligibility criteria has been made since.	✓
8.5	Reasons for confidentiality	The issuer confirms the reports will be made public at a later date.	✓
8.6	Impact Reporting	The impact reporting of the issuers provides quantitative information on CO ₂ emissions of the fleets, summarized on the gCO ₂ per passenger-km and also on the number of mobilized passengers in condition of vulnerability.	✓
8.7	Public Verifier Reports	The Public Verifier Reports are available through Datasite, only accessible to bond holders.	✓
8.8	Availability of information provided to Verifier	Relevant information has been provided to ISS ESG.	✓

9. CLIMATE BOND TAXONOMY


	REQUIREMENTS	FACTUAL FINDINGS	ANALYSIS AGAINST REQUIREMENTS
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9.1	Matching of Climate Bond category	The full amount of the net proceeds was allocated to Eligible Assets which fall within the areas included in the Climate Bonds Taxonomy.	✓
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10. TECHNICAL CRITERIA

	REQUIREMENTS	FACTUAL FINDINGS	ANALYSIS AGAINST REQUIREMENTS
10.1	Sector-specific eligibility criteria	The full amount of the net proceeds is allocated to Eligible Assets related to the aforementioned categories and conform with the relevant eligibility requirements under part B of the Climate Bonds Standards.	✓

ANNEX 2: DETAILED FINDINGS LOW CARBON TRANSPORT

	<p>The Sustainability Bond Asset Pool complies with the Low Carbon Transport criteria of the Climate Bonds Initiative.</p> <p>The net proceeds of the Sustainability Bond were used for the acquisition of public transport buses with a fleet average emissions intensity of 50 gCO₂ per passenger-km or less. The gross proceeds (125,833,511 USD) have been distributed as follows: 44,956,657 USD, 37,287,591 USD and 43,589,263 USD, respectively by GAUP, GMA10 and GMA16. The full amount of the net proceeds (464,726,178,013 COP) has been used to finance the acquisition of Scania K-280 4x2 EURO-6 GNV and Volkswagen Volksbus 11-180 OD Buses, which conforms with the relevant eligibility requirements under the Climate Bonds Initiative “The Land Transport Criteria for the Climate Bonds Standard & Certification Scheme”. GAUP, GMA10 and GMA16 have acquired respectively, 211, 134 and 189 Scania buses and 28, 86 and 53 Volkswagen buses.</p>
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