



## SECOND PARTY OPINION

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# HOKURIKU ELECTRIC POWER COMPANY GREEN BOND PERIODIC REVIEW (#1)

Prepared by: DNV Business Assurance Japan K.K.

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## Table of contents

I. Scope and Objectives	3
II. Responsibilities of Hokuriku Electric Power Company and DNV	4
III. Basis of DNV’s Opinion	5
IV. Work Undertaken	6
V. Findings and DNV’s Opinion	7
Schedule-1 Green Bond Project Outline	11
Schedule-2 Green Bond Eligibility Assessment Protocol	12

Publication history	Contents
October 28, 2021	GREEN BOND FRAMEWORK ELIGIBILITY PRE-ISSUANCE SECOND PARTY OPINION
September 29, 2022 (This report)	<p>GREEN BOND PERIODIC REVIEW (#1)</p> <p>Status of Proceeds Allocation: Completed allocation of 4.72 billion yen out of the total proceeds of 10 billion yen as planned.</p> <p>Environmental Benefits: CO<sub>2</sub> reduction due to hydropower generation (10 sites): 370,414 t-CO<sub>2</sub> (FY2021)</p> <p>Projects Underway: Progress as planned on hydropower.</p>

### Disclaimer

Our assessment relies on the premise that the data and information provided by Issuer 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 Conduct<sup>1</sup> 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.

<sup>1</sup> DNV Code of Conduct is available from DNV website ([www.DNV.com](http://www.DNV.com))

## I. Scope and Objectives

On December 9, 2021, Hokuriku Electric Power Company (hereinafter, "Hokuriku Electric Power Company" or "Issuer") issued the 1<sup>st</sup> Hokuriku Electric Power Company Green Bond (hereinafter, the "BOND"). The issuance amount was 10 billion yen and the redemption period was 10 years. DNV Business Assurance Japan K.K. (hereinafter, "DNV") applied the Green Bond Principles (ICMA 2021, hereinafter, "GBP") and the Green Bond Guidelines (Ministry of the Environment 2020, hereinafter, "GBGLs"), and, where applicable, the technical criteria of the Climate Bond Standard (CBS v3.0, hereinafter, "CBS") to conduct the green bond eligibility assessment.

In April 2019, Hokuriku Electric Power set up the "Hokuriku Electric Power Group 2030 Long-Term Vision," which describes a path to sustainable growth. In April 2021, they furthermore established the "Hokuriku Electric Power Group Roadmap toward Achieving Carbon Neutrality," and announced that they would take on the challenge of becoming carbon neutral by 2050 as a responsible energy company that is trusted and chosen by people in the region, through "decarbonization of power sources," "sophisticating of power transmission and distribution facilities," and "decarbonization support for customers and local communities". In 2022, they also updated the roadmap's target values to accelerate efforts to achieve carbon neutrality in the "Hokuriku Electric Power Group Initiatives to Achieve the Long-term Vision (year 2022)."

Hokuriku Electric Power Company has allocated the proceeds to the following projects and assets categorized as below:

**Renewable energy business  
(Construction, installation, operation and maintenance of power plants,  
facilities, and related facilities)**

- Hydropower generation business

DNV has been commissioned by Hokuriku Electric Power Company to provide periodic reviews of green bonds. Our criteria and information to fulfil this objective are described in the "Work Undertaken" section below. The periodic review was performed based on an interview with Hokuriku Electric Power Company conducted on June 30, 2022 and information provided by Hokuriku Electric Power Company (interviews with Hokuriku Electric Power Company stakeholders and other documents). DNV, as an independent external reviewer, declares that we have no real or perceived conflict of interest associated with the delivery of this second-party opinion for Hokuriku Electric Power Company.

In this report, no assurance is provided regarding the financial performance of the Issuer, the value of any investment in the BOND, or the long-term environmental benefits of the projects.



## **II. Responsibilities of Hokuriku Electric Power Company and DNV**

Hokuriku Electric Power Company 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 Hokuriku Electric Power Company and other interested stakeholders in the Green Bond as to whether the established criteria have been met, based on the information provided to us.

In our work we have relied on the information and the facts presented to us by Hokuriku Electric Power Company. DNV is not responsible for any aspect of the selected assets 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 Hokuriku Electric Power Company and used as a basis for this assessment were not correct or complete.

### III. Basis of DNV's Opinion

To provide Hokuriku Electric Power Company-specific Green Bond Eligibility Assessment Protocol (hereinafter, "DNV's Protocol"), DNV has adapted our green bond assessment methodologies of Green Bond Principles (GBP)<sup>\*1</sup>, Green Bond Guidelines (GBGLs)<sup>\*2</sup>, and Climate Bonds Standard (only at the time of pre-issuance assessment)<sup>\*3</sup>, which incorporate the requirements of GBP.

Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion. The overarching principle behind the criteria are that a green bond should "enable capital-raising and investment for new and existing projects with environmental benefits".

As per DNV's Protocol, the criteria against which the Green Bond 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 bond must use the proceeds to 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 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.
- **Principle Three: 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 proceeds will be handled should be made.
- **Principle Four: Reporting:** The Reporting criteria are guided by the recommendation that at least Sustainability Reporting to the bond investors should be made of the use of bond proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible.

\* 1: Green Bond Principles (ICMA, 2021)

\* 2: Green Bond Guidelines (Ministry of the Environment, 2020)

\* 3: Climate Bonds Standard v3.0 (Climate Bonds Initiative, 2019)

## IV. 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 Hokuriku Electric Power Company 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:

### i. **pre-Issuance review (*\*not included in this report*)**

- Creation of the Issuer-specific Protocol, adapted to the purpose of the Green Bond, as described above and in Schedule-2 to this Assessment;
- Assessment of documentary evidence provided by Hokuriku Electric Power Company on the Bond and supplemented assessment by comprehensive desktop research. These checks refer to current assessment best practices and standards methodology;
- Discussions with Hokuriku Electric Power Company, and review of relevant documentation;
- Documentation of findings against each element of the criteria.

### ii. **Periodic (annual) review (post-issuance)**

- Assessment of evidential documents provided by the Issuer after issuance of the BOND, and supplemental assessment by desk review from a higher perspective;
- Interview with key personnel of the Issuer, and review of the relevant documentation
- Field research and inspection (if necessary);
- Review of the projects and assets at the time of the periodic assessment(described in Schedule-2);
- Document creation of post-issuance assessment result.

These findings are summarized in DNV's opinion (described below in details).

## V. Findings and DNV's Opinion

DNV's findings and opinions are as follows.

### (1) Use of Proceeds

Hokuriku Electric Power Company reported that the proceeds [net proceeds 9.96 billion yen out of a total of 10 billion yen raised] have been refinanced to the following projects and that the financing has been started:

#### (1) Green eligible projects (refinancing):

##### **Renewable energy business**

- Project: Hydropower project (8 sites)	: 1.92 billion yen
<u>Subtotal</u>	<u>: 1.92 billion yen ...(A)</u>

#### (2) Green eligible projects (new allocations):

##### **Renewable energy business**

- Project: Hydropower project (6 sites)	: 2.80 billion yen
As of the end of March 2022	
<u>Subtotal</u>	<u>: 2.80 billion yen ...(b)</u>
	<u>: Balance (5.24 billion yen) ...(C)</u>

<b><u>Total</u></b>	<b><u>: 9.96 billion yen ...(A)+(B)+(C)</u></b>
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Schedule 1 shows the list of these green projects.

DNV has reviewed the above selected projects and assets satisfy eligibility.

### (2) The process for Project Evaluation and Selection

The refinancing or financing of the proceeds have been started as planned to the projects and assets described in Schedule-1. DNV has confirmed through its review that Hokuriku Electric Power Company, in refurbishing and implementing the project, regularly determines and evaluates opportunities (potential) for improvement and implements voluntary activities to reduce negative impacts on the environment and society that arise through the planning and implementation of the action plan.

### **(3) Management of Proceeds**

DNV reviewed the evidence presented by Hokuriku Electric Power Company on how it had traced the proceeds from the bond issuance to the redemption period. During this periodic review, the proceeds management at the end of FY2021 (end of March 2022) was confirmed based on the specific records (documentation) provided by Hokuriku Electric Power Company. All proceeds are managed in cash or cash equivalents until disbursed. The details of disbursements and balances are recorded in accordance with Hokuriku Electric Power Company's internal procedures. The balance of proceeds is reviewed by Hokuriku Electric Power Company in each financial period (year) based on the above management. Based on the evidence provided by Hokuriku Electric Power Company, DNV has confirmed in its periodic review that 1.92 billion yen had been allocated for refinancing, 2.80 billion yen had been allocated for new projects, and 5.24 billion yen was unallocated at the end of FY2021 (end of March 2022).

As noted earlier, no assurance is provided here regarding the financial performance of the BOND, the value of any investment, or the long-term environmental benefits.

### **(4) Reporting**

DNV has confirmed that Hokuriku Electric Power Company provided annual reporting and disclosure of the specific items required by the Green Bond on its website and integrated report. DNV has also confirmed that a project overview, the allocation and management statuses of proceeds, and relevant quantitative and qualitative environmental assessment results (e.g., CO<sub>2</sub> emission reductions in projects related to renewable energy) are included.

Through periodic reviews, DNV has confirmed that the environmental benefits brought by green projects have been properly calculated using the method specified by Hokuriku Electric Power Company before the bond issuance, and that the environmental benefits have generally been achieved as planned.

Table-1 shows the assessment results of the environmental benefits of Hokuriku Electric Power Company Green Bond project that has already started commercial operation.



Table-1 Progress in environmental benefits (FY2021 result)

Project	Environmental benefits
Hydropower project (10 sites)	Annual electricity generated: <b><u>805.599 million kWh</u></b> CO <sub>2</sub> reduction: <b><u>370,414 t-CO<sub>2</sub></u></b> <sup>*1</sup> *Based on the FY2021 result

\*1: CO<sub>2</sub> reduction effect = actual annual electricity generation (kWh) x CO<sub>2</sub> emission factor by electric power supplier (kg-CO<sub>2</sub>/kWh) x 0.95 (excluding transmission losses)/1,000

(CO<sub>2</sub> emission factors by electric power supplier [source: Ministry of the Environment])



On the basis of the information provided by Hokuriku Electric Power Company and the work undertaken, it is DNV's opinion that the Hokuriku Electric Power Company Green Bond meets the criteria established in the Protocol and that it is aligned with the stated definition or purpose of green bond within the GBP and GBGLs, which is to "enable capital-raising and investment for new and existing projects with environmental benefits".

DNV Business Assurance Japan K.K.

September 29, 2022

A handwritten signature in black ink, appearing to read "Mark Robinson".

**Mark Robinson**

Manager, Sustainability Services  
DNV Business Assurance, Australia

A handwritten signature in black ink, appearing to read "Naoki Maeda".

**Naoki Maeda**

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A handwritten signature in black ink, appearing to read "Masato Kanedome".

**Masato Kanedome**

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**Yasuaki Miyamoto**

Assessor  
DNV Business Assurance Japan K.K.

#### 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.

## Schedule-1 Green Bond Project Outline

Nominated Projects and Assets	Green Project Category [Environmental benefits]	Green Project Sub Category	Funded Amount (Net proceeds 9.96 billion yen out of a total of 10 billion yen)	Remarks (location, output (power plant), overview, etc.)
Hydropower project (8 sites) (refinancing)	Renewable energy business [Annual CO <sub>2</sub> emission reduction, annual power generation (MWh)]	Hydropower	1.92 billion yen (allocation completed in FY2021)	In the jurisdiction of Hokuriku Electric Power Company (10 sites) Total 805.599 million kWh (Refinancing: operation started in April 2020) (New: operation started in December 2021)
Hydropower project (6 sites) (new)		Hydropower	2.80 billion yen (The unallocated 5.24 billion yen is planned to be newly allocated by FY2023.)	

## Schedule-2 Green Bond Eligibility Assessment Protocol

The following GBP-1 ~ GBP-4 are DNV's Green Bond Eligibility Assessment Protocol created for Hokuriku Electric Power Company based on the requirements of GBP. The Hokuriku Electric Power Company Green Bond Framework and related legal documents (Amended Shelf Registration Statement) and the periodic report on FY2021 results, which are listed in the table, are separately disclosed as explanatory materials for investors.

### GBP-1 Use of Proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1a	Type of bond	<p>The bond must fall in one of the following categories, as defined by the Green Bond Principles:</p> <ul style="list-style-type: none"> <li>Green Use of Proceeds Bond</li> <li>Green Use of Proceeds Revenue Bond</li> <li>Green Project Bond</li> <li>Others</li> </ul>	<p>Confirmed documents:</p> <ul style="list-style-type: none"> <li>Hokuriku Electric Power Company Green Bond Framework</li> <li>Amended Shelf Registration Statement</li> </ul> <p>Interviews with Hokuriku Electric Power Company's stakeholders (hereinafter referred to as "stakeholders")</p>	<p>The reviewed evidence confirms that the Green Bond falls in the category:</p> <ul style="list-style-type: none"> <li>Green Use of Proceeds Bond</li> </ul>
1b	Green Project Categories	<p>The cornerstone of a green bond is the utilization of the proceeds of the bond which should be appropriately described in the legal documentation for the bond.</p>	<p>Confirmed documents:</p> <ul style="list-style-type: none"> <li>Hokuriku Electric Power Company Green Bond Framework</li> <li>Amended Shelf Registration Statement</li> <li>FY2021 allocation result-related document</li> <li>Project-related documents</li> </ul> <p>Interviews with stakeholders</p>	<p>Based on the decisions made for the purpose of the BOND, the proceeds were refinanced into the following project categories:</p> <p><b>&lt;Renewable energy business&gt;</b></p> <ul style="list-style-type: none"> <li><b>- Refinancing to hydropower projects (8 sites)</b></li> </ul> <p>The proceeds were also allocated to the following projects until 2021:</p> <p><b>&lt;Renewable energy business&gt;</b></p> <ul style="list-style-type: none"> <li><b>- Financing to hydropower projects (6 sites)</b></li> </ul> <p>Through the periodic review, DNV confirmed that the projects were classified according to Green Bond Principles 2021 (renewable energy) and that the CO<sub>2</sub> emission risk was relatively low, as well as that the negative impacts were qualitative and quantitative. DNV also concludes that these</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<p>matters are described in legal documents, including the framework, and that the requirements in 1b are satisfied.</p>
1c	Green benefits	<p>All designated Green Project categories should provide clear greenly sustainable benefits, which, where feasible, will be quantified or assessed by the issuer.</p>	<p>Confirmed documents:</p> <ul style="list-style-type: none"> <li>• Hokuriku Electric Power Company Green Bond Framework</li> <li>• Project-related documents</li> <li>• FY2021 CO<sub>2</sub> reduction result of renewable energy business</li> </ul> <p>Interviews with stakeholders</p>	<p>DNV considers that the hydropower projects have land use and impacts (risks) on the ecosystem through the construction and operation. DNV confirmed through a review of the documentation provided by Hokuriku Electric Power Company that Hokuriku Electric Power Company identified the risks associated with project implementation and appropriate measures to address them. DNV also confirmed that Hokuriku Electric Power Company showed that the project implementation had a clear environmental benefits of CO<sub>2</sub> emission reduction. DNV concludes that the requirement in 1c has been satisfied.</p>
1d	Refinancing share	<p>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.</p>	<p>Confirmed documents:</p> <ul style="list-style-type: none"> <li>• Hokuriku Electric Power Company Green Bond Framework</li> <li>• Amended Shelf Registration Statement</li> <li>• FY2021 allocation result-related document</li> </ul> <p>Interviews with stakeholders</p>	<p>All proceeds (10 billion yen) were allocated to green projects, of which 1.92 billion yen (about 20% of the total amount raised) were allocated as refinancing as planned in FY2021. Hydropower project: 1.92 billion yen (refinancing completed in FY2021)</p>

## GBP-2 Project Selection and Evaluation Processes

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2a	Investment-decision process	<p>The issuer of a Green bond should outline the decision-making process it follows to determine the eligibility of projects using Green bond proceeds. This includes, without limitation:</p> <ul style="list-style-type: none"> <li>• A process to determine how the projects fit within the eligible Green Projects categories;</li> <li>• The criteria making the projects eligible for using the Green bond proceeds; and</li> <li>• The environmental sustainability objectives</li> </ul>	<p>Confirmed documents:</p> <ul style="list-style-type: none"> <li>• Hokuriku Electric Power Company Green Bond Framework</li> <li>• Project-related documents of Hokuriku Electric Power Company</li> </ul> <p>Interviews with stakeholders</p>	<p>Based on the Hokuriku Electric Power Company Green Bond Framework, the Issuer (Hokuriku Electric Power Company) selected projects in accordance with GBP2021 and related criteria. DNV confirmed that the qualified green projects were in line with Hokuriku Electric Power Company's corporate philosophy and environmental policy, and that the following initiatives described in relation to the "Hokuriku Electric Power Group Roadmap toward Achieving Carbon Neutrality" were in line with GBP2021.</p> <p>Hokuriku Electric Power Group Roadmap toward Achieving Carbon Neutrality "Decarbonization of power sources"</p> <p>DNV confirmed that the selection of projects and assets was performed by the relevant departments and responsible persons of Hokuriku Electric Power Company [Head Office Accounting Department]. DNV concludes through document reviews and interviews with Hokuriku Electric Power Company that the requirement in 2a has been satisfied.</p>
2b	Issuer's environmental, social and governance framework	<p>In addition to information disclosed by an issuer on its Green bond process, criteria and assurances, Green bond investors may also take into consideration the quality of the issuer's overall framework and performance regarding green sustainability.</p>	<p>Confirmed documents:</p> <ul style="list-style-type: none"> <li>• Hokuriku Electric Power Company Green Bond Framework</li> <li>• Project-related documents</li> <li>• <a href="https://www.rikuden.co.jp/setsubi/hatsuden.html">https://www.rikuden.co.jp/setsubi/hatsuden.html</a></li> </ul>	<p>DNV confirmed that the green projects to be implemented by the Issuer is consistent with the Issuer's "Hokuriku Electric Power Group 2030 Long-Term Vision" and "Hokuriku Electric Power Group Roadmap toward Achieving Carbon Neutrality". In addition, DNV confirmed that the projects were implemented in a process in which the environmental aspects were fully considered and appropriate measures were taken based on the domestic legal system, etc. DNV also confirmed that the environmental and social impact assessment specific to each category of power plants was performed in reference to relevant technical standard, etc.</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
			Interviews with stakeholders	<p>DNV confirmed, through interviews with Hokuriku Electric Power Company and reviews of documents provided by Hokuriku Electric Power Company, that the company was working towards achieving a sustainable society through its business activities towards carbon neutrality in 2050. Hokuriku Electric Power Company discloses the status of these activities in the Hokuriku Electric Power Company Integrated Report and on the relevant website, with regard to the matters specifically required by the green bond.</p> <p>In addition, Hokuriku Electric Power Company owns more than 150 renewable energy facilities, contributing to the realization of a low-carbon society.</p> <p><a href="https://www.rikuden.co.jp/setsubi/hatsuden.html">https://www.rikuden.co.jp/setsubi/hatsuden.html</a> (See the sections on hydroelectric, wind, and solar power plants.)</p> <p>DNV confirmed that the selection of projects and assets was performed by the relevant departments and responsible persons of Hokuriku Electric Power Company [Head Office Accounting Department]. DNV concludes through document reviews and interviews with Hokuriku Electric Power Company that the requirement in 2b has been satisfied.</p>

### GBP-3 Management of Proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3a	Tracking procedure-1	The net proceeds of Green bond 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 lending and investment operations for Green Projects.	Confirmed documents: <ul style="list-style-type: none"> <li>• Hokuriku Electric Power Company Green Bond Framework</li> <li>• Amended Shelf Registration Statement</li> <li>• Hokuriku Electric Power Company internal procedures (documentation rules)</li> <li>• FY2021 allocation result-related document</li> </ul> Interviews with stakeholders	DNV confirmed through document reviews and interviews that Hokuriku Electric Power Company planned to properly track the proceeds from the time of bond issuance until completion of disbursement. DNV also confirmed that the total amount of proceeds was managed by the Accounting Department of Hokuriku Electric Power Company using the existing accounting system and approval forms for the green bond. DNV confirmed that the balance of the green bond proceeds was manageable and recordable according to Hokuriku Electric Power Company’s internal procedures. DNV concludes that the requirement in 3a has been satisfied.
3b	Tracking procedure-2	So long as the Green bond outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible green investments made until green benefit appearance or completion of proceeds allocation.	Confirmed documents: <ul style="list-style-type: none"> <li>• Hokuriku Electric Power Company Green Bond Framework</li> <li>• Amended Shelf Registration Statement</li> <li>• Hokuriku Electric Power Company internal procedures (documentation rules)</li> <li>• FY2021 allocation result-related document</li> </ul> Interviews with stakeholders	DNV confirmed through document reviews and interviews that Hokuriku Electric Power Company planned to properly track the proceeds from the time of bond issuance until completion of disbursement. DNV also confirmed that the balance of proceeds was decreasing in accordance with the project and asset refinancing schedule. DNV confirmed that the balance of unappropriated proceeds of the bond was reviewed on at least a quarterly basis by the Accounting Department of Hokuriku Electric Power Company. DNV concludes that the requirement in 3b has been satisfied.
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: <ul style="list-style-type: none"> <li>• Hokuriku Electric Power Company Green Bond Framework</li> <li>• Amended Shelf Registration Statement</li> </ul>	The net proceeds of the bond are managed by the Accounting Department using the existing accounting system and approval forms for the green bond. DNV confirmed that the unallocated proceeds were managed in cash or cash equivalents. DNV concludes that the requirement in 3c has been satisfied.





Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
			<ul style="list-style-type: none"><li>• Hokuriku Electric Power Company internal procedures (documentation rules)</li><li>• FY2021 allocation result-related document</li></ul> Interviews with stakeholders	

## GBP-4 Reporting

Ref.	Criteria	Requirements	Work Undertaken	DNV 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 bond proceeds have been allocated including</p> <ul style="list-style-type: none"> <li>- when possible with regards to confidentiality and/or competitive considerations</li> <li>- a brief description of the projects and the amounts disbursed, as well as the expected greenly sustainable impact.</li> </ul>	<p>Confirmed documents:</p> <ul style="list-style-type: none"> <li>• Hokuriku Electric Power Company Green Bond Framework</li> <li>• CO<sub>2</sub> reduction result of renewable energy business (FY2021)</li> <li>• Hokuriku Electric Power Company Green Bond (Hokuriku Electric Power Company 347th Bond (with general mortgage)) Reporting</li> <li>• CO<sub>2</sub> reduction assessment sheet</li> </ul> <p>Interviews with stakeholders</p>	<p>Based on the plan to annually report on specific items required by the green bond, Hokuriku Electric Power Company published the report on its website as the Hokuriku Electric Power Company Green Bond (Hokuriku Electric Power Company 347th Bond (with general mortgage)) Reporting. DNV confirmed that the report included descriptions of projects, allocation status of proceeds, and relevant quantitative and qualitative assessments on environmental impact. DNV also confirmed that Hokuriku Electric Power Company reported the total CO<sub>2</sub> emission reductions based on the operation record (power generation in MWh/year). DNV concludes that the requirement in 4a has been satisfied.</p>