Executive summary

UK Green Investment Bank Limited (“GIB”) has assessed the Green Impact of Galloper Offshore Wind Farm (the “Project”) based on project data provided by its independent advisers, and is pleased to summarise its assessment in this report.

Green Investment classification

- The Project is forecast to have positive Green Impact, as set out below
- An investment in this Project may accordingly be classified as a Green Investment based on GIB’s standard assessment criteria

Green Impact forecasts

GIB’s Green Impact forecasts for the Project are:

- Average annual greenhouse gas savings of 586.1 kt CO2e over its lifetime of 25 years ending in 2042
- A total of 14,650 kt CO2e of greenhouse gas savings over its lifetime
- The further Green Impact metrics set out in the table below

Green Impact Forecast Accuracy: GIB has assessed at Level 3 (Good) its level of confidence in the accuracy of these Green Impact forecasts. Further details of this assessment are provided overleaf.

UK and global climate policy

The Project (and, accordingly, any related investment in the Project) will contribute to the global transition towards a low-carbon economy to the extent set out in this report, and so is consistent with the UK’s commitments under the 2015 UNFCCC Paris Agreement.

Forecast Green Impact metrics

<table>
<thead>
<tr>
<th>Greenhouse gas emissions avoided (carbon dioxide equivalent)</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Remaining lifetime</td>
<td>14,650 kt CO2e</td>
<td></td>
</tr>
<tr>
<td>Average annual</td>
<td>586.1 kt CO2e /yr</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fossil fuel consumption avoided (oil equivalent)</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Remaining lifetime</td>
<td>6,389 ktoe</td>
<td></td>
</tr>
<tr>
<td>Average annual</td>
<td>255.5 ktoe / yr</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other emissions to air avoided (oxides of nitrogen)</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Remaining lifetime</td>
<td>14,680 t NOx</td>
<td></td>
</tr>
<tr>
<td>Average annual</td>
<td>587 t NOx / yr</td>
<td></td>
</tr>
</tbody>
</table>

Green Impact Forecast Accuracy:

Level 3 (Good)

Full details of the Project’s Green Impact forecasts and our opinion on the Green Impact Forecast Accuracy can be found on subsequent pages of this Report.

Important note:

This Report has been prepared by GIB on the basis, and should be read in conjunction with, the methodology, assumptions, limitations and other terms and conditions set out or referred to in Appendix 2 and Appendix 3.
Green Impact forecasts

In this Report, we use the term “Green Impact” to refer to the environmental benefits estimated to be achievable by the Galloper project, and this includes estimated avoidance of greenhouse gas emissions, other emissions to air and resource use avoided (fossil fuel equivalent). Green Impact is calculated based on forecast or actual energy generation figures provided to us by the Project. As the Project is currently under construction, the following Green Impact forecasts are based on the forecast generation. The actual Green Impact is likely to vary annually once the Project is operational. The actual performance of the Project against the generation forecast will be monitored for the lifetime of the investment. Each of the Green Impact forecasts set out below is based on project data provided by independent advisors (see Appendix 1) and is subject to GIB’s assessment of Green Impact Forecast Accuracy (set out on page 3).

Green Impact forecast: Greenhouse gas emissions avoided

Avoidance of greenhouse gas (GHG) emissions (measured in carbon dioxide equivalent – CO₂e), both actual and forecast, is derived by comparing the emissions associated with the Project to a counterfactual (alternative) method of energy generation, in this case UK marginal grid electricity generation.

We forecast that the Project has the potential to avoid emissions of 14.6 million tonnes CO₂e over its remaining lifetime, resulting in an average annual avoidance of 586 thousand tonnes CO₂e for each year of operation.

Green Impact forecast: Other emissions to air avoided

Other emissions to air avoided is a measure of net air pollutant emissions compared to the counterfactual method of energy generation. Quantified air pollutant emissions include oxides of nitrogen (NOₓ), oxides of sulphur (SOₓ), particulates 10 micrometres in diameter (PM₁₀) and particulates 2.5 micrometres in diameter (PM₂.₅).

We forecast that the Project has the potential to avoid emissions equivalent to 587 tonnes NOₓ, 1,107 tonnes SOₓ, 12 tonnes PM₁₀ and 54 tonnes PM₂.₅ annually.
**Green Impact Report**

**Galloper Offshore Wind Farm**

**Green Impact forecast: Fossil fuel consumption avoided**

Fossil fuel consumption avoided is a measure of the net consumption of natural resources compared to the counterfactual method of energy generation, and is normalised to tonnes of oil equivalent (toe) as a proxy measure.

We forecast that the Project has the potential to avoid the consumption of 6.4 million tonnes of oil equivalent over its remaining lifetime, resulting in an average annual avoidance of 255 thousand tonnes of oil equivalent for each year of operation.

![Graph showing fossil fuel consumption avoided per annum (toe/yr) vs. capital cost (US $ million)]

**Measures**

<table>
<thead>
<tr>
<th>Measure</th>
<th>Fossil fuel consumption avoided</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remaining lifetime fossil fuel consumption avoided</td>
<td>6,389 ktoe</td>
</tr>
<tr>
<td>Average annual fossil fuel consumption avoided</td>
<td>255.5 ktoe / yr</td>
</tr>
</tbody>
</table>

**Green Impact Forecast Accuracy**

Green Impact Forecast Accuracy is GIB’s assessment of the level of confidence that can reasonably be placed on the accuracy of any quantified Green Impact forecast. It is based on information provided by the Project (set out in Appendix 1) and on the methodology referred to in Appendix 2.

GIB assesses Green Impact Forecast Accuracy at levels ranging from Level 1 (Low) to Level 5 (Very High), which represent the combined and weighted average of a series of factors as presented on the right.

On the basis of the information provided by the Project, GIB has assessed the Green Impact Forecast Accuracy for the Project at Level 3 (Good). This is a conservative estimate based on the fact that the Project is currently under construction. Following completion of construction, and subsequent collection of actual performance data, the data quality and development stage scores would be anticipated to increase, thereby raising the overall Green Impact Forecast Accuracy score.
Appendix 1

User input: Project data

<table>
<thead>
<tr>
<th>Project Information*</th>
<th>Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Galloper</td>
</tr>
<tr>
<td>Technology</td>
<td>Offshore wind energy</td>
</tr>
<tr>
<td>Country</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>Number of units</td>
<td>56 e.g. number of turbines/PV units</td>
</tr>
<tr>
<td>Stage</td>
<td>Under construction Pre-construction, under construction, or operational</td>
</tr>
<tr>
<td>Remaining Life</td>
<td>25 yrs</td>
</tr>
<tr>
<td>Start date</td>
<td>2017 Year in which commercial operations date will be achieved</td>
</tr>
</tbody>
</table>

Electrical Output

| Capacity          | 336 MWe |
| Generation        | 1,353 GWh/yr |
| Data type         | Forecast data Forecast or actual data |

* Source: data provided provided by GIB’s technical adviser

Appendix 2

Terms and Conditions: Terminology and Methodology

Terminology

Green Investment

“Green Investment” means an investment into a project on which GIB has made an assessment that it will, or is reasonably likely to, deliver Green Impact.

Green Impact

“Green Impact” is a collective term referring to the environmental benefits which have been calculated in accordance with GIB’s methodology to be, or to be reasonably likely to be, delivered by the project which is the subject of this Report. Green Impact includes estimated avoided greenhouse gas emissions, NOx, SOx, particulate matter and fossil fuel use. Green Impact is calculated and reported as defined metrics such as tonnes of carbon dioxide equivalent (t CO2eq), tonnes of oil equivalent (toe), and kilogrammes (kg) of other air pollutant emissions.

Green Impact Forecast Accuracy

“Green Impact Forecast Accuracy” is an expression of the level of confidence that, in the opinion of GIB, can reasonably be placed on the accuracy of any quantified Green Impact forecast. This assessment of forecast accuracy is described in levels as follows: Level 1 (Low), Level 2 (Moderate), Level 3 (Good), Level 4 (High), and Level 5 (Very High).

Methodology

The Green Impact and Green Impact Forecast Accuracy assessments presented in this Report are based on GIB’s approach to assessing Green Impact using its proprietary green investment principles and policies, and have been generated using GIB’s green impact assessment model, developed by Ricardo Energy & Environment on behalf of GIB.

Green Impact calculation

GIB’s initial calculation of the Green Impact of each project is produced by comparing relevant information and data derived from that project against relevant baseline (or counterfactual) data for the assumed environmental impacts that would occur if the project did not take place, based on GIB’s proprietary reference sources or provided to GIB by relevant third parties or obtained from publicly available sources. The resultant estimated Green Impact is then subject to further qualitative evaluation before production of GIB’s formal Green Impact Report.

For grid-connected projects that generate electricity, the baseline (or counterfactual) is assumed to be marginal electricity generated from the national grid in that country. GIB’s methodology calculates the net Green Impact of the project by comparing its likely emissions to those of a marginal grid electricity mix, using the methodology set out in the International Financial Institutions (IFI) approach to GHG accounting for renewable energy projects1 and the IFI approach to GHG accounting for energy efficiency projects2. GIB’s methodology calculates likely Green Impact on an annual and lifetime basis. The Green Impact reported is 100% of the Green Impact of the underlying project(s). There is no proportionate allocation of Green Impact to any particular project investment or to particular investors, all of whom may report the same Green Impact from the underlying project(s).

Green Impact Forecast Accuracy

Green Impact Forecast Accuracy is determined from a number of project parameters that include the project technology, stage of project development, and country in which the project is located, together with GIB’s opinion of the input data quality. These parameters have been assigned values that represent the degree to which they affect the accuracy of the forecast Green Impact, and are used to produce Forecast Accuracy scores for three elements: Data quality, Technology & development stage, and Country governance. The Forecast Accuracy scores for the three elements are weighted and combined to derive an overall level of Green Impact Forecast Accuracy.

Project data

GIB has relied in good faith on publicly available data and data and information made available in connection with the relevant project(s) by the original Recipient and/or relevant third parties others, and has assumed that such data and information is complete, accurate and up to date.

GIB may, at its discretion, conduct limited validation of the data and information provided by original Recipient, based on a high-level telephone interview with the client’s representative(s). GIB has not conducted, and shall not be responsible for conducting, any audit or detailed review or assurance or any other verification exercise of any such data (including data related to allocation of the use of proceeds).

Furthermore, no site-specific environmental or social due diligence has been, or is required to be, conducted by GIB, and GIB does not express any opinion on whether local site-specific environmental and/or social impact have been mitigated appropriately. GIB has not undertaken any review of any underlying project’s environmental and/or social, permitting, licensing or other compliance status.

Reference data

In preparing this Report, GIB has relied upon various sources of data and information provided to GIB by relevant third parties or obtained through public information sources, the content of which no GIB Party has verified or controls.

GIB calculates Green Impact using reference data obtained from, among others, the Ecoinvent life cycle inventory datasets for the calculation of environmental impacts. Green Impact is also calculated based on data supplied by the International Energy Agency (IEA), specifically from the 2015 editions of the World Energy Statistics and Balances dataset and the CO2 Emissions from Fuel Combustion dataset.

Any limitations and caveats that are applicable to the Ecoinvent and IEA datasets, as published on their websites, are also applicable to the results presented in this Report.

GIB’s method is designed to work with a limited number of key inputs and to create results for over 200 different countries and makes some simplifying assumptions in order to achieve this degree of flexibility.

3 Country governance scores are determined from datasets of indicators from the World Bank, Transparency International, and United Nations University Institute for Environment and Human Security.

www.greeninvestmentbank.com

July 2017
Scope and distribution of this document
UK Green Investment Bank Limited ("GIB") has prepared this document (the "Report") for the exclusive use of the person with whom GIB has contracted to produce it (together with its subsidiaries and affiliates (the "Recipient") in connection with the project or projects identified on page 1.
This Report has been prepared on the basis of the scope of work and subject to the terms and conditions set out or referred to in the terms of engagement agreed between GIB and the Recipient (the "Terms of Engagement"). The Terms of Engagement accordingly apply in full to the provision, receipt and use of this Report.

Liability and reliance
Unless GIB has expressly agreed in the Terms of Engagement, neither GIB nor any of its subsidiaries, holding companies (if any), joint ventures or affiliates (the "GIB Group") nor any of the directors, officers, employees, consultants, shareholders, sub-contractors or advisers of any member of the GIB Group (each of the foregoing being a "GIB Party") shall have or assume any liability whatsoever (whether direct or indirect and whether arising in contract, tort or otherwise) to the Recipient, or to any of its affiliated companies or to any other person for or in connection with, and no claim shall be made by the Recipient or any other person in relation to, the provision, receipt or use of this Report or any of its contents or any error or inaccuracy in this Report.

Disclosure and receipt
The disclosure to, or receipt by, any other person of this Report shall not give rise to any legal or contractual relationship between any GIB Party and such other person, nor shall it give rise to any duty or assumption of responsibility in favour of such other person. No third party may rely upon the content of this Report and any use of this Report by such third party shall be at its own risk.

No GIB Party shall be liable to any such third party in relation to such use or reliance.

Intellectual Property Rights
All rights are reserved by GIB which, together with its relevant licensors, shall remain the exclusive owners of all intellectual property rights of whatsoever nature subsisting in (1) this Report, (2) any other document or materials provided by any GIB Party in connection with the evaluation of green impact and/or the preparation of this Report, (3) any systems, methodologies, software, algorithms or outputs used produced or developed by or for GIB in connection with this Report or any of its contents, and (4) otherwise made available for use by any person in connection with this Report.

Nature of the contents of this Report
The forecasts and assessments expressed in this Report are not ratings: they are, and shall be construed solely as, statements of opinion as to the relative prospects that particular environmental benefits can be achieved by a specified project or other asset that is the subject of any securities or other investment, and not as statements of current or historical or scientific fact, or as an endorsement of the accuracy of any data or conclusion or as any assurance that any environmental impact (either positive or negative) or risk will or will not occur.

The contents of this Report may not be relied upon as being a conclusive, complete or accurate representation of all elements and factors relating to any project. Furthermore, this Report is not, and shall not be interpreted or construed as, an assessment of the economic performance or creditworthiness of any person or project.
This Report is valid only as at the date of issue based on the information, data and/or documents provided to GIB by the Recipient or any relevant third party, or obtained using publicly available sources, as at the date of issue and shall not take account of any future information, events or changes with respect to the Recipient or any other person, any business, any financial instrument, any relevant project or transaction, any financial market or any relevant sector or otherwise (unless this Report is specifically amended at GIB’s discretion).

Publication and use of this Report
This Report has been provided at the request of the Recipient and is not for general circulation to the public and must not be provided to any person other than the original Recipient, nor published, reproduced or transmitted, unless such disclosure, publication, reproduction or transmission is expressly permitted by the Terms of Engagement.

Neither the Recipient nor any other person may in any way alter, modify or change this Report without the prior written consent of GIB. Neither the Recipient nor any other person may in any way alter, modify or change this Report without the prior written consent of GIB. Neither the Recipient nor any other person may disclose, publish or reproduce this Report any manner which is misleading or which impairs the relevant data being disclosed, published or reproduced in any manner which creates a false impression as to the origin or value of the information or which has an adverse impact upon GIB’s reputation as a provider of the relevant services. The Recipient’s right to use this Report may be terminated in certain circumstances, as more fully detailed in the Terms of Engagement.

This Report is not for use by the Recipient or any other person in:
(a) evaluating specific technical or scientific aspects of relevant projects,
(b) carrying out financial, commercial, economic or investment-related due diligence in relation to the Recipient or any other person, any financial instruments issued, or to be issued, by the Recipient or any other person, or relevant project(s) or transactions,
(c) providing investment or financial advice, making investment decisions or recommendations or evaluating financial performance of any person or financial instrument;
(d) valuing financial instruments;
(e) verifying the accuracy or completeness of any information, data, documents or representations provided to GIB by the Issuer by any third party;
(f) verifying the accuracy or completeness of any publicly available information, data, documents or representations; or
(g) providing or obtaining advice on legal, regulatory, environmental, accounting or taxation matters.

No GIB Party shall be liable to the Recipient or any third party for any losses suffered in connection with such use.

Governing Law
This Report (including this appendix) and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or use shall be governed by and construed in accordance with the law of England and Wales.

Contact
Gavin Templeton
+44 (0)330 123 2167
Sustainable.Finance@greeninvestmentbank.com