



VERIFICATION REPORT

INPEX CORPORATION

GREEN LOAN POST-FUNDING VERIFICATION REPORT

Prepared by: DNV Business Assurance Japan K.K.

Location: Kobe, Japan

Date: 8 July 2024

Ref. Nr.: PRJN-252709-2021-AST-JPN-2-R.1

Table of Contents

I Scope and Objectives	3
II Responsibility of INPEX Management and DNV	3
III Basis of DNV’s Opinion	4
IV Work Undertaken	5
V Findings and DNV’s Opinion	6
Schedule-1 List of Green Projects	11
Schedule-2 Green Loan Eligibility Assessment Protocol	12
Schedule-3 CBS v3.0 Requirements	16

Revision history

Issue Date	Remarks
8 July 2024	Issue of post-funding verification reports for green loan executions

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 limitations of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. Because of the selected nature (sampling) and other inherent limitations of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. DNV expressly disclaims any liability or co-responsibility for any 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. We have complied with the requirements 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. We have complied with the DNV Code of Conduct¹ during the assessment and maintain independence where required by relevant. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV maintains complete impartiality towards stakeholders. DNV maintains complete impartiality towards stakeholders interviewed during the assessment process.

¹ DNV Code of Conduct is available from the DNV website (www.DNV.com)



I Scope and Objectives

In May 2024, INPEX Corporation (hereinafter "INPEX") commissioned DNV Business Assurance Japan K.K. (hereinafter "DNV" or "we") to conduct verification for its green loan eligibility for post-funding requirements against Climate Bonds Standard Version 3.0 (hereinafter "CBS") developed by Climate Bonds Initiative (hereinafter "CBI").

As an independent verifier, DNV's purpose of the green loan post-funding verification is to verify that the INPEX green loans and nominated eligible green projects are aligned with the CBS and following sector eligibility criteria (offshore wind power of marine renewable energy).

DNV has conducted verification considering that the CBS is fully aligned with the Green Loan Principles 2021 (hereinafter "GLP") and Green Loan Guidelines 2022 (hereinafter "GLGL").

- (Offshore wind power) The Marine Renewable Energy Sector Eligibility Criteria of the Climate Bonds Standard (July 2020)

DNV refers to the GLGL in terms of conformance with relevant criteria, apart from the green loan post-funding verification aimed at conformance with the CBS and related sector eligibility criteria.

DNV holds no other engagements with INPEX, including its direct shareholders, for which we foresee conflict of interest to carry out the scope of work as defined in the agreement with INPEX. In this report, no assurance is provided regarding the financial performance of the green loan, the value of any investments in the green loan, or the long-term environmental benefits of transaction.

II Responsibility of INPEX Management and DNV

INPEX management has provided information and data used by DNV during delivery of this review. DNV's statement represents an independent opinion and is intended to inform INPEX management and other interested stakeholders in the Green Loan as to whether the established eligibility criteria have been met, based on the information provided to us. In our work, we have relied on the information and facts presented to us by INPEX.

DNV is not responsible for any aspect of the nominated projects and 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 INPEX's management and used as a basis for this assessment were not correct or incomplete.



III Basis of DNV's Opinion

To provide as much flexibility as possible for INPEX, DNV has applied our green loan assessment methodology, which incorporates the requirements of the GLP, CBS, and GLGL, to create the Issuer-specific Green Loan Eligibility Assessment Protocol (hereinafter, "DNV's Protocol"). The DNV's Protocol is applicable to green loans under the GLP, CBS, and GLGL. Schedule-2 of this report outlines the DNV's Protocol and Findings.

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

As per DNV's protocol, the criteria against which the loan has been reviewed are grouped under the four Principles:

- **Principle 1: Use of Proceeds:** The Use of Proceeds criteria are guided by the requirement that a fundraiser of a green loan must use the proceeds by green loans for eligible projects. The eligible projects should produce clear environmental benefits.
- **Principle 2: Process for Project Evaluation and Selection:** The Process for Project Evaluation and Selection criteria are guided by the requirements that a fundraiser of a green loan should outline the process which it follows when determining eligibility of an investment using green loan proceeds, and outline any impact objectives which it will consider.
- **Principle 3: Management of Proceeds:** The Management of Proceeds criteria are guided by the requirements that a green loan should be tracked within the green loan executive organization, that separate portfolios should be created when necessary and that a declaration should be made on how unallocated funds will be handled.
- **Principle 4: Reporting:** The Reporting criteria are guided by the recommendation that at least reporting to the loan borrowers should be made of the use of loan proceeds and that quantitative and/or qualitative performance indicators should be used where available.

IV Work Undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by INPEX 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-funding verification of green loans

- Creation of INPEX-specific DNV's Protocol;
- Assessment of documentary evidence provided by INPEX and supplemented by a high-level desktop research;
- Interview with INPEX managements and review of relevant documentation; and
- Documentation of findings against each element of the eligibility criteria

ii. Post-funding verification of green loans (covered in this report*)**

- Assessment of documentary evidence provided by INPEX after green loan execution, and supplemented by a high-level desktop research;
- Interview with INPEX managements and review of the relevant documentation;
- Site surveys and inspections (if required);
- Review of the subject project and assets at a post-funding point in time (including updating the list of them in Schedule-1); and
- Reporting of findings based on eligibility criteria at the post-funding verification

The work undertaken are used as direct evidence of our verification results and are additionally checked for adequacy as necessary through interviews with key personnel.



V Findings and DNV's Opinion

DNV conducted post-funding verification of this green loan following pre-funding verification in accordance with ISAE 3000 (assurance engagements other than audits or reviews of historical financial information). The verification included:

- i) checking whether the provisions of the CBS were consistently and appropriately applied; and
- ii) the collation of evidence supporting the verification.

DNV's verification approach draws on an understanding of the risks associated with conformity with the CBS and the controls in place to mitigate the risks. DNV planned and performed the verification by obtaining evidence and other information and explanations that DNV considers necessary to give limited assurance that the green loan meets the CBS requirements. As green loan's compliance with the GLGL can be linked to its compliance with the CBS, the verification results were summarized in one form as described below.

The findings and DNV's opinions are as follows:

Principle 1: Use of Proceeds

DNV confirmed that the proceeds raised by INPEX have been allocated to the projects related to the development, construction, operation, and refurbishment of offshore wind renewable energy. DNV also confirmed that the proceeds have been allocated to the following green projects as refinancing.

Table-1: Allocation status of the proceeds (as of May 2024)

Item	Amount
Net proceeds	USD 250 MM
Allocated amount (fully refinanced)	USD 250 MM
Unallocated amount	0

The allocated green projects are listed in Schedule-1 "Project Summary" in this report.

For the overseas offshore wind power projects which proceeds are allocated, wind surveys and environmental impact assessment processes are conducted in accordance with the systems of the country where the projects are located and internal processes and the findings have been disclosed by the operators as appropriate.

It has also been confirmed that no significant concerns have been found at the time of the assessment for the subject project.

Therefore, these projects meet the relevant CBS sector eligibility criteria as below.



- (Offshore wind power) The Marine Renewable Energy Sector Eligibility Criteria of the Climate Bonds Standard (July 2020)

All proceeds have been refinanced to green projects. These green projects have been bringing clear environmental benefits as CO₂ emission reduction projects and contribute to achieving the environmental sustainability targets set out by INPEX in its “Long-Term Strategy and Medium-Term Business Plan (INPEX Vision @2022).”

Principle 2: Process for Project Evaluation and Selection

DNV confirmed that the nominated green projects listed in Schedule-1 are in line with the goals and path towards achieving net zero carbon society in 2050 in the “Long-Term Strategy and Medium-Term Business Plan (INPEX Vision @2022).”

In addition, DNV confirmed that the Finance and Accounting Division selects candidate projects based on the eligibility criteria, and the projects are approved through an appropriate internal decision process in consultation with the Renewable Energy and New Business Division and the Corporate Strategy & Planning Division, in the INPEX’s selection process of eligible green projects.

INPEX considers the CBS requirements when evaluating and selecting projects.

DNV confirmed through verification activities that the evaluation and selection of eligible green projects are approved through the appropriate internal determination process. It was confirmed that these processes are aligned with the requirements of CBS, GLP, and GLGL.

Principle 3: Management of Proceeds

DNV reviewed how INPEX tracked and managed the net proceeds during the period from funding to redemption or repayment. It was confirmed that the Finance and Accounting Division managed the allocation status of proceeds for each eligible project.

DNV reviewed how INPEX tracks and manages the allocation of proceeds after the funding of the green loan. The details are as follows:

- All proceeds through green loans are allocated to eligible green projects.
- The Finance and Accounting Division registers and manages the allocation status in the internal management system for each eligible green project for management of proceeds.
- The allocation status for each project is managed by the Finance and Accounting Division.
- DNV confirmed that it was managed that the total amount of eligible projects would not fall below the amount of proceeds through the green loans.

- The allocation status is regularly reported to the director in charge of Finance and Accounting.

As a result, DNV confirmed that INPEX's methodology to manage the total amount of proceeds is appropriate and it is aligned with the CBS, GLP, and GLGL.

Principle 4: Reporting

DNV confirmed that INPEX will disclose the information on the allocation status and environmental benefits in the Integrated Report. The scope of reporting includes the allocated amount and the approximate amount (or percentage) of refinancing of proceeds. INPEX also plans to disclose following indicators as environmental benefits of the designated project.

- Annual CO₂ emission reduction (t-CO₂/y)^{*1}
- Installed capacity (MW)

*1 Annual CO₂ emission reduction is limited to nine months after the proceeds allocated.

Table-2: Environmental benefits by the project to be allocated

Type	Installed capacity (INPEX equity)	Environmental benefits ^{*1} (INPEX equity CO ₂ emission reductions)
Renewable energy: Offshore wind power	860.5 MW (174.2 MW)	105,604 t-CO ₂

*1: To calculate the reduction effect, it was adopted the CO₂ emission factor from EMBER, a European-based global climate change data think-tank, from this time. Calculation method of environmental benefits: Actual power generation (MWh) x CO₂ emission factor (t-CO₂/MWh)

The actual power generation is calculated by multiplying the INPEX equity of the installed capacity.

These meet the requirements of the CBS, GLP, and GLGL.



Post-funding verification results summary

As a result, based on the limited assurance protocol conducted by DNV, nothing has come to our attention that causes to believe that the green loan was not, in all material respects, in compliance with the CBS requirements and the associated sector eligibility criteria.

In this report, no assurance is provided regarding the financial performance of the green loan, the value of any investment, or the long-term environmental benefits.

From the above, DNV confirmed through post-funding verification that the INPEX Green Loan is implemented in accordance with CBS v3.0, GLP2021, and GLGL2022.



DNV Business Assurance Japan K.K.

July 8, 2024

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

Naoki Maeda
Managing Director/SCPA Senior Vice President
DNV Business Assurance Japan K.K.

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

Masato Kanedome
Technical Reviewer
DNV Business Assurance Japan K.K.

A handwritten signature in black ink, appearing to read "Jun Chokai".

Jun Chokai
Team Leader
DNV Business Assurance Japan K.K.

A handwritten signature in black ink, appearing to read "Hisashi Hashimoto".

Hisashi Hashimoto
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. 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 List of Green Projects

DNV verified the status of green loans for several green projects (as of May 2024) of offshore wind power as renewable energy, including their outlines. The projects are disclosed in an aggregated form because they partially contain confidential information, but the information necessary for verification has been provided to DNV, the verifying agency.

No.	Category	Sub Category	Eligibility Criteria	Allocated Amount	Project Summary
1	Renewable energy	Offshore wind power generation	(Offshore wind power) The Marine Renewable Energy Sector Eligibility Criteria of the Climate Bonds Standard (July 2020)	USD 250MM* ¹ (fully refinanced)	<ul style="list-style-type: none"> Multiple overseas offshore wind farms. Projects already in operation. The designated project meets the CBS technical criteria and has been assessed for its environmental impact in accordance with internal regulations and environmental impact assessment system.

*1 The currency units of the funding amount and the amount allocated to each project are different, but we confirmed that the funding amount and the allocated amount match.

Schedule-2 Green Loan Eligibility Assessment Protocol

Following GLP1~GLP4 are DNV Green Loan Eligibility Assessment Protocol, which was created based on the Green Loan Principles 2021 (including key elements of the GLGL).

GLP-1 Use of Proceeds

Ref.	Criteria	Requirements	Work Undertaken (Items checked)	DNV Findings
1a	Type of funds	The green loan must fall in one of the following categories, as defined by the GBP/GLP: <ul style="list-style-type: none"> • (Standard) Green Use of Proceeds Loan (loan) • Green Use of Proceeds Revenue Finance • Green Project Finance • Other 	<ul style="list-style-type: none"> • Interviews with stakeholders • Document review 	The loan falls into the category below: <ul style="list-style-type: none"> • (Standard) Green Use of Proceeds Loan
1b	Green project categories	The cornerstone of the Green Loan is the utilization of the proceeds of the loan which should be appropriately described in the legal documentation for the security.	<ul style="list-style-type: none"> • Interviews with stakeholders • Document review 	DNV confirmed that the loan agreement and related documents properly stated that net proceeds are all allocated to refinancing for “projects related to development, construction, operation, and refurbishment of offshore wind renewable energy.”
1c	Environmental benefits	All designated Green Project categories should provide clear environmentally sustainable benefits, which, where feasible, will be quantified or assessed by the issuer.	<ul style="list-style-type: none"> • Interviews with stakeholders • Document review 	DNV confirmed that the green project has environmental benefits as a reduction of CO ₂ emissions, INPEX evaluates them, and those environmental benefits will be reported annually.
1d	Refinancing share	In the event that a proportion of the proceeds may be used for refinancing, it is recommended that the fundraiser provides an estimate of the share of financing vs. re-financing, and where appropriate, also clarifies which investments or project portfolios may be refinanced.	<ul style="list-style-type: none"> • Interviews with stakeholders • Document review 	DNV confirmed that INPEX clarified the “approximate amount (or ratio) of the proceeds that was allocated to refinancing” through the reporting of the allocation status.

GLP-2 Process for Project Evaluation and Selection

Ref.	Criteria	Requirements	Work Undertaken (items checked)	DNV Findings
2a	Investment-decision process	Green loan fundraiser should outline the decision-making process which it follows to determine the eligibility of projects using green loan proceeds. This includes, without limitation: <ul style="list-style-type: none"> • A process to determine how the fundraiser and designated project fit within the eligible green project categories; • The criteria making the projects eligible for using the green loan proceeds; and • The environmental green objectives 	<ul style="list-style-type: none"> • Interviews with stakeholders • Document review 	DNV confirmed that INPEX has a process to determine the eligibility of projects to use green loan proceeds.
2b	Fundraiser's environmental governance framework	In addition to information disclosed by a fundraiser on its Green Loan process, criteria and assurances, Green Loan lenders may also take into consideration the quality of the fundraiser's overall framework and performance regarding environmental sustainability.	<ul style="list-style-type: none"> • Interviews with stakeholders • Document review 	<p>DNV confirmed that the Green Project implemented by INPEX is fully considered for the environmental aspect based on the legal system of each country, and is in the process of being disclosed in sequence.</p> <p>The designated projects are also in line with INPEX's "Long-Term Strategy and Medium-Term Management Plan (INPEX Vision @2022)," which sets out specific goals and pathways towards the realization of net zero carbon society in 2050.</p>

GLP-3 Management of Proceeds

Ref.	Criteria	Requirements	Work Undertaken (Items checked)	DNV Findings
3a	Tracking procedure-1	The net proceeds of green loan should be credited to a sub-account, moved to a sub-portfolio or otherwise tracked by the fundraiser in an appropriate manner and attested to by a formal internal process that will be linked to the fundraiser's lending and investment operations for Green Projects.	<ul style="list-style-type: none"> • Interviews with stakeholders • Document review 	The net proceeds relating to the proceeds through the green loan are managed in a traceable manner in INPEX's internal system and are also verified in accordance with the internal rules and regulations. DNV also confirmed that the currency units managed at the time of funding and in the internal system are different, but appropriately managed.
3b	Tracking procedure-2	So long as the Loans are outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible green investments or loan disbursements made during that period.	<ul style="list-style-type: none"> • Interviews with stakeholders • Document review 	DNV confirmed the green loan proceeds have been fully allocated.
3c	Temporary holdings	Pending such investments or disbursements to eligible Green Projects, the fundraiser should make known to investors or lenders the intended types of temporary investment instruments for the balance of unallocated proceeds.	<ul style="list-style-type: none"> • Interviews with stakeholders • Document review 	DNV confirmed that the all proceeds have been allocated to green projects and there are no unallocated proceeds.

GLP-4 Reporting

Ref.	Criteria	Requirements	Work Undertaken (Items checked)	DNV Observations.
4a	Periodical reporting	<p>In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, fundraisers should provide at least annually a list of projects to which green loan proceeds have been allocated, including:</p> <ul style="list-style-type: none"> - when possible, with regard to confidentiality and/or competitive considerations - a brief description of the projects and the amounts disbursed, as well as the expected environmentally sustainable impact. 	<ul style="list-style-type: none"> • Interviews with stakeholders • Document review 	<p>DNV confirmed that INPEX would issue an annual reporting on the Green Loan and would disclose the status of the projects, to which the proceeds are allocated.</p>

Schedule-3 CBS v3.0 Requirements

Summary of conformity condition for CBS v3.0

The criteria against which the relevant projects and assets have been reviewed prior to their inclusion of bond eligible projects and assets are grouped under the requirements as detailed within the CBS v3.0 and associated Sector Criteria. The main requirements of CBS v3.0 and Sector Criteria are roughly classified into Part A to Part C in the table below.

In the following, “bonds,” “issuers,” and “investors” may be read as “loans,” “fundraisers,” and “lenders” respectively, as appropriate.

Part A: Pre-Issuance Requirements

Scope	Requirements
1. Use of Proceeds	The Net Proceeds of the Bond shall be allocated to the Nominated Projects & Assets.
2. Process for Evaluation and Selection of Projects & Assets	The Issuer shall establish, document and maintain a decision-making process which it uses to determine the eligibility of the Nominated Projects & Assets.
3. Management of Proceeds	The Net Proceeds of the Bond can be credited to a sub-account, moved to a sub-portfolio, or otherwise tracked by the Issuer in an appropriate manner and documented.
4. Reporting Prior to Issuance	The Fundraiser must clearly identify the use of proceeds and list of the Nominated Projects & Assets, finance/refinance plan, management process of unallocated proceeds, selected criteria, report including project information, and the disclosure of the Framework.

Part B: Post-Issuance Requirements *Covered in this verification report

Scope	Requirements
5. Use of Proceeds	The Net Proceeds of the Bond shall be allocated to the Nominated Projects & Assets. Nominated Projects & Assets shall not be nominated to other Certified Climate Bonds and Loans. The Net Proceeds of the Bond shall be no greater than the Issuer’s total investment exposure or debt obligation to the Nominated Projects & Assets.

6. Process for Evaluation and Selection of Projects & Assets	The Issuer shall document and maintain a decision-making process which it uses to determine the continuing eligibility of the Nominated Projects & Assets.
7. Management of Proceeds	The Net Proceeds of the Bond shall be credited to a sub account, moved to a sub- portfolio or otherwise identified by the Issuer in an appropriate manner, and documented.
8. Reporting Prior to Issuance	The Issuer shall prepare an Update Report at least annually while the Bond remains outstanding. The Update Report shall include amounts allocated, impact reporting of environmental aspects, information of the projects and assets. This information shall be provided to the Verifier and to the Climate Bonds Standard Board to support the assessment of conformance with the Climate Bonds Standard.

Part C: Eligibility of Project & Assets

Scope	Requirements
9. Climate Bonds Taxonomy	Nominated Projects & Assets shall fall into one or more of the investment areas listed as included in the Climate Bonds Taxonomy.
10. Sector Eligibility Criteria	<p>Nominated Projects & Assets shall meet the specific eligibility requirements provided in the relevant Sector Eligibility Criteria documents.</p> <p>Followings are outline of the sector criteria against the verification.</p> <p>(1) Offshore wind power <u>Criteria: Projects and assets that meet the requirements listed below</u></p> <ul style="list-style-type: none"> •Offshore wind power assets under construction or in operation •Information disclosure component •Mitigation component •Adaptation and resilience assessment