

Second-Party Opinion

American Student Assistance (ASA) Social Bond Framework



Evaluation Summary

Sustainalytics is of the opinion that the American Student Assistance® (ASA) Social Bond Framework is credible and impactful and aligns with the four core components of the Social Bond Principles 2020. This assessment is based on the following:



USE OF PROCEEDS The eligible category for the use of proceeds – Training and Development Initiatives/ Programs Promoting Inclusion – is aligned with those recognized by the Social Bond Principles and seeks to achieve positive socio-economic outcomes for target populations. Sustainalytics considers that the eligible category will lead to positive social impacts and advance the UN Sustainable Development Goals (“SDGs”), specifically SDGs 4 and 8.



PROJECT EVALUATION / SELECTION American Student Assistance’s leadership and program team will be oversee project selection. Projects that exceed US\$5 million will require approval from a committee of the Board of Directors. Projects will be evaluated based on their alignment with the UN SDGs and prioritized based on criteria that weigh reach, depth of impact, population served, and ability to drive long-term systemic change. Sustainalytics considers the project selection process in line with market practice.



MANAGEMENT OF PROCEEDS ASA’s finance team will manage the bond proceeds and investment earnings in a dedicated account as per ASA’s Board-approved Investment policy. The unallocated funds will be invested in U.S. government and other short-term fixed income securities, and highly-rated money market funds. ASA intends to achieve full allocation of the proceeds and any investment earnings within 4 years of issuance. This is in line with market practice.



REPORTING - ASA will report on the financial expenditures from the bond proceeds on its website on an annual basis until full allocation. The Issuer will also publish program-specific key performance indicators such as knowledge and confidence gain, intent to change behavior, and verified behavioral change of an individual, through independent outcome reports. Sustainalytics views American Student Assistance’s allocation and impact reporting as aligned with market practice.

Evaluation date	February 26, 2021
Issuer Location	Boston, Massachusetts, U.S.

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Introduction

American Student Assistance (the “ASA”, or the “Issuer”) is a non-profit organization focused on providing a variety of education services to students through middle- and high-school. ASA’s offerings include career exploration services that help students know themselves, know their options, and make informed choices to achieve their education and career goals.¹ ASA also supports work-based learning services, skill-training programs focused on enhancing employability, and a variety of other programs that help facilitate the transition from high school into postsecondary education and training. With a 60-year legacy as a student loan guarantor,² ASA has helped students pursue and finance a college degree, manage their student loans, and maintain financial wellness.³ In addition to digital programs with a national reach, current grants and in-person programming predominantly serve the New England region of the United States.

ASA has developed the American Student Assistance (ASA) Social Bond Framework (the “Framework”) under which it intends to issue social bonds and use the proceeds to expand the scope of its offerings to the entire country by providing grant funding to partner organizations and funding the creation and distribution of its own in-person and digital programs and resources. The Framework includes one category:

1. Training and Development Initiatives/ Programs promoting inclusion

ASA engaged Sustainalytics to review the American Student Assistance (ASA) Social Bond Framework, dated February 2021, and provide a Second-Party Opinion on the Framework’s social credentials and its alignment with the Social Bond Principles 2020 (SBP).⁴ This Framework has been published in a separate document.⁵

Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent⁶ opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Social Bond Principles 2020, as administered by ICMA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.7, which is informed by market practice and Sustainalytics expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of ASA’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. ASA representatives have confirmed (1) they understand it is the sole responsibility of ASA to ensure that the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Framework and should be read in conjunction with that Framework.

¹ ASA report, “American Student Assistance- 2019 Annual Report”, at: <https://asa.org/2019-annual-report/16/>

² Ibid (p14).

³ ASA website, “About Us”, at: <https://www.asa.org/about-us/>

⁴ The Social Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/social-bond-principles-sbp/>

⁵ The American Student Assistance (ASA) Social Bond Framework is available on American Student Assistance’s website at: <https://www.asa.org/about-us/>

⁶ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and ASA.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realised allocation of the bond proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that ASA has made available to Sustainalytics for the purpose of this SPO.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the American Student Assistance (ASA) Social Bond Framework

Sustainalytics is of the opinion that the American Student Assistance (ASA) Social Bond Framework is credible and impactful, and aligns with the four core components of the SBP. Sustainalytics highlights the following elements of ASA's Social Bond Framework:

- Use of Proceeds:
 - The eligible category – Training and Development/ Programs promoting inclusion – is aligned with those recognized by the SBP.
 - The Framework highlights ASA's intention to continue expanding the scope of its services as well as enable a nationwide rollout of its offerings to students across the country.
 - The Framework defines five broad areas for funding: (i) Career exploration services, (ii) Work-based learning programs, (iii) Employability skills training programs, (iv) Programs focused on enabling transition to post-secondary education and training, and (v) Infrastructure to transform service delivery to meet post-COVID education needs.
 - The projects envisaged under the Framework will target 6th to 12th grade students that are high-need learners or come from low-income communities in the U.S.⁷ ASA identifies high-need learners by looking at multiple factors including but not limited to: socio-economic information and demographics; school and district performance on state and national education assessments; school retention and matriculation rates; graduation rates; rates of postsecondary education and training enrollment; rates of postsecondary education and training completion; access to specific services such as career and technical education programming; advanced placement courses; early college and dual enrollment programs, work-based learning opportunities, etc.
 - Through the proceeds, ASA particularly intends to:
 - Expand⁸ its grant funding (up to US\$5 million) towards eligible programmatic activities of partner organizations for an initial one-year period with incremental investments over time (usually three years) based on the impact achieved.
 - Finance expenditures towards the creation and distribution of ASA's digital and in-person programs that align with ASA's impact goals and target initiatives (refer to Section 2 for more information).

⁷ ASA has communicated that it partners with organizations that serve the abovementioned target population (refer to section 2.2 for more details on ASA's partner evaluation process) and that intends to it intends to conduct targeted outreach for its programs in the near future.

⁸ ASA's current grants average US\$100 thousand to US\$1 million annually for up to three years.

- Sustainalytics notes that the digital and select in-person programs⁹ are accessible to the students at no cost and that the Issuer does not intend to use the proceeds to finance its own operating expenditures.
- Project Evaluation and Selection:
 - The senior leadership of ASA will be responsible for evaluating projects to align with the organization’s key objectives as well as with the criteria highlighted in the Framework.
 - Projects are evaluated using ASA’s Program Assessment Framework that assesses their alignment with the UN SDGs and prioritized based on criteria such as reach, depth of impact, population served, and ability to drive long-term systemic change.
 - The final approval will be granted by ASA’s internal team comprising, the President and CEO, Chief Financial Officer, and Chief Strategy Officer.
 - Projects that exceed US\$5 million will require approval from a committee of the Board of Directors.
 - Based on the use of defined internal procedures, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - The bond proceeds and investment earnings will be managed in a separate, dedicated account by ASA’s finance team, according to its board-approved Investment policy (the “policy”), on an annual basis.
 - The policy specifies that all funds will be invested in highly-rated U.S. government and other short-term fixed income securities, and highly-rated money market funds. ASA intends to achieve full allocation of the proceeds within 4 years of issuance.
 - Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - ASA will report on the financial expenditures from the bond proceeds on its website on an annual basis until full allocation.
 - ASA will also publish program-specific key performance indicators such as knowledge and confidence gain, intent to change behavior, and verified behavioral change in an individual, through independent outcome reports.
 - Based on ASA’s reporting commitments, Sustainalytics considers this process to be in line with market practice.

Alignment with Social Bond Principles 2020

Sustainalytics has determined that the American Student Assistance (ASA) Social Bond Framework aligns to the four core components of the SBP. For detailed information please refer to Appendix 1: Social Bond/Social Bond Programme External Review Form.

Section 2: Sustainability Performance of ASA

Contribution of Framework to American Student Assistance’s mission

Sustainalytics is of the opinion that ASA demonstrates a strong commitment to sustainability with a mission of helping students know themselves, know their options, and make informed choices to achieve their education and career goals. The issuer intends to achieve this mission through the following principles:¹⁰

- Explore – supporting students to “know themselves”, as most middle school students have limited knowledge of personal characteristics, interests, aptitudes, and skills and how they relate to post-secondary and career options.
- Experiment – helping students “know their options” given most early high school students have a shallow understanding of how school relates to post-secondary and career goals and limited awareness of the requisite knowledge and skills.
- Execute – assisting students to “make informed choices” as 70% of students of high school graduation age drop out or are not expected to complete a post-secondary degree on time.¹¹

In line with its mission, ASA has set a strategic goal of expanding its reach beyond the New England region of the U.S. and thereby impact 15 million students¹² nationwide by 2023 through creation of digital programs,

⁹ Sustainalytics has confirmed that the select programs include programs that ASA develops in partnership with schools, the commonwealths (include Kentucky, Massachusetts, Pennsylvania, and Virginia), or other U.S. state governments.

¹⁰ ASA report, “2019 Annual Report”, at: <https://asa.org/2019-annual-report/>

¹¹ Ibid.

¹² As per ASA, this number is approximately 50% of the 6th to 12th graders in the U.S.

partnerships with organizations with a large national reach to target populations and fostering widespread systemic change in ASA's mission space.

The Issuer is following a three-pronged approach currently to achieve this target:¹³

- Innovating products aimed at creating country-wide platforms for students to connect such as free digital solutions that provide educational resources directly to students through social channels.
- Partnering with a variety of national and community-based organizations, educational institutions, policymakers, and businesses that help ASA deliver and scale innovative programs and services for students in middle school and high school.¹⁴
- Funding programs and services through grants to: public schools and non-profits to create career exploration programming, high-need communities to create early college and career pathway programs, and organizations that serve economically disadvantaged populations to support hands-on learning opportunities, etc.

Sustainalytics is of the opinion that the American Student Assistance (ASA) Social Bond Framework is aligned with the Issuer's overall sustainability strategy and initiatives and will further ASA's action on its key social priorities.

Well-positioned to address common social and environmental risks associated with the projects

While Sustainalytics recognizes that the net proceeds from the bonds issued under the Framework will be directed towards eligible projects that are recognized by the SBP to have positive social impact, Sustainalytics is aware that environmental and social risks still exist for such eligible projects. Some key risks associated with the eligible projects include risks of social inequity if funds are not well-managed or appropriately targeted, impacts on local communities and other stakeholders during program implementation, and risk of diversion of funds.

Sustainalytics is of the opinion that ASA is able to manage and/or mitigate potential risks through the following practices and regulations:

- ASA conducts a "scale vs depth" analysis for each of its projects where "scale" is assessed based on the number of students in the target demographic reached annually and "depth" is assessed by the level of impact experienced by ultimate beneficiaries of the project.
- ASA's Finance Due Diligence Policy obligates it to ensure the financial and legal compliance of its potential grantees including evaluation of the grantee's ability to achieve the program goals and intended impact. In addition, the Issuer's Request for Proposal¹⁵ process mandates it to evaluate all funding requests through a scoring matrix with signoff of awards by ASA's senior management. The Issuer's new "Programming Assessment Framework" helps it select programs or partners that cater to a certain target group, generate the intended impact, and align with ASA's strategic objectives.
- Furthermore, given the Issuer's expenditures are governed by its tax-exempt status under Section 501(c)(3) of the U.S. Internal Revenue Code,¹⁶ there are certain obligations related to disclosures and defined activities that help the Issuer address the risk of diversion of funds.

Based on these policies and regulations, Sustainalytics is of the opinion that ASA has implemented adequate measures and is well-positioned to manage and mitigate environmental and social risks commonly associated with the eligible category.

¹³ ASA website, "Our approach", at: <https://www.asa.org/about-us/>

¹⁴ ASA website, "Our ASA Partners", at: <https://www.asa.org/partnerships/>

¹⁵ Applicable to grants over US\$50,000 for school programming.

¹⁶ ASA website, "Consolidating Financial Statements and Schedule of Expenditures of Federal Awards", at: <https://file.asa.org/wp-content/uploads/2018/12/20165703/2018-Consolidating-Financial-Statements-and-Schedule-of-Expenditures-of-Federal-Awards.pdf>

Section 3: Impact of Use of Proceeds

The use of proceeds category is aligned with those recognized by the SBP. Sustainalytics has focused on where the impact is specifically relevant in the local context.

The importance of career exploration, work-based learning, and employability skills training programs

As per the United Nations, “COVID-19 has deepened existing inequalities”,¹⁷ disrupting learning and upending lives, especially for the most vulnerable and marginalized.¹⁸ In the case of the U.S., following the lockdowns in 2020, it is estimated that for about 3 million educationally marginalized students in the country, March 2020 might have been the last time to experience any formal education.¹⁹ In 2019, National Center for Education Statistics reported that only 41% of postsecondary students complete bachelor’s degree within four years while about 59% take up to six years to earn a graduation degree,²⁰ underscoring the need for bridging the gap between course curricula and learning expectations. ASA identified this gap in 2017 and found that the lack of understanding among students leads many to drop out, switch courses, lengthen time to completion, or fail to get the education or formal training that prospective employers find valuable. Additionally, research by the Center for American Progress (the “CAP”) suggests that students in the U.S. usually do not receive sufficient information about the correlation between their courses and careers options, creating an expectation mismatch of jobs for the students.²¹

In terms of employability skills, a report by Public School Review shows that funding issues²² and budget cuts²³ in the U.S. have nudged high schools to drop career-oriented elective courses from their curricula which has prompted many students to lose interest in high school education.²⁴ As per CAP, the future economic growth and the stability of the middle class in the U.S. require high-quality pathways from high school to further training and a good job, which requires “rethinking of how education is funded and governed in the country”.²⁵

ASA’s funding of Eligible Projects is expected to strengthen the Issuer’s strategic goals and support its partner organizations that deliver equitable educational programs with a focus on marginalized or economically disadvantaged communities in the U.S.

Alignment with/contribution to SDGs

The SDGs were set in September 2015 by the United Nations General Assembly and form an agenda for achieving sustainable development by the year 2030. The bonds issued under the American Student Assistance (ASA) Social Bond Framework advances the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Training and Development Initiatives/ Programs Promoting Inclusion	4. Quality Education	4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.
	8. Decent Work and Economic Growth	8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training.

¹⁷ UN website, “Goal of the Month May 2020”, at: <https://www.un.org/sustainabledevelopment/goal-of-the-month-may-2020>

¹⁸ UN website, “Sustainable Development Goal 4”, at: <https://www.un.org/sustainabledevelopment/education/>

¹⁹ Bellwether study, “Missing in the Margins: Estimating the Scale of the COVID-19 Attendance Crisis”, at:

<https://bellwethereducation.org/publication/missing-margins-estimating-scale-covid-19-attendance-crisis>

²⁰ NCES report, “Indicator 23: Postsecondary Graduation Rates”, at: https://nces.ed.gov/programs/raceindicators/indicator_red.asp

²¹ Center for American Progress website, “A Design for Workforce Equity”, at:

<https://www.americanprogress.org/issues/economy/reports/2019/10/16/475875/design-workforce-equity/>

²² Public School Review, “What You Need to Know About Public Schools in a Recession”, at: <https://www.publicschoolreview.com/blog/what-you-need-to-know-about-public-schools-in-a-recession>

²³ Public School Review, “

Public School Review, “Budget Cuts Translate into Higher Costs for Families”, at

²⁴ Public School Review, “Public Technical High Schools: Are They Really Preparing Students for Work After Graduation?”, at:

<https://www.publicschoolreview.com/blog/public-technical-high-schools-are-they-really-preparing-students-for-work-after-graduation>

²⁵ Center for American Progress website, “Building a Strong Middle Class Through Career Pathways Programs”, at:

<https://www.americanprogress.org/issues/education-k-12/reports/2020/05/18/485130/building-strong-middle-class-career-pathways-programs/>

Conclusion

ASA has developed the American Student Assistance (ASA) Social Bond Framework under which it will issue social bonds and use the proceeds to provide grant funding to partner organizations and fund the creation and distribution of its own in-person and digital programs and resources. Sustainalytics considers that the projects funded by the social bond proceeds are expected to provide positive social impact.

The American Student Assistance (ASA) Social Bond Framework outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that the Framework is aligned with the overall sustainability strategy of the company and that the social use of proceed category will contribute to the advancement of the UN Sustainable Development Goals 4 and 8. Additionally, Sustainalytics is of the opinion that ASA has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the use of proceeds.

Based on the above, Sustainalytics is confident that American Student Assistance is well-positioned to issue social bonds and that the American Student Assistance (ASA) Social Bond Framework is robust, transparent, and in alignment with the core components of the Social Bond Principles 2020.

Appendix

Appendix 1: Social Bond/ Social Bond Programme -External Review Form

Section 1. Basic Information

Issuer name:	American Student Assistance
Social Bond ISIN or Issuer Social Bond Framework Name, if applicable:	American Student Assistance (ASA) Social Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	February 26, 2021
Publication date of review publication:	

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 SBP:

- | | |
|--|--|
| <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 REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (please specify): | |

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)*

Please refer to Evaluation Summary above.

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)*:

The eligible category for the use of proceeds – Training and Development Initiatives/ Programs Promoting Inclusion – is aligned with those recognized by the Social Bond Principles and seeks to achieve positive socio-economic outcomes for target population. Sustainalytics considers that the eligible category will lead to positive social impacts and advance the UN Sustainable Development Goals (“SDGs”), specifically SDGs 4 and 8.

Use of proceeds categories as per SBP:

- | | |
|---|---|
| <input type="checkbox"/> Affordable basic infrastructure | <input type="checkbox"/> Access to essential services |
| <input type="checkbox"/> Affordable housing | <input type="checkbox"/> Employment generation (through SME financing and microfinance) |
| <input type="checkbox"/> Food security | <input checked="" type="checkbox"/> Socioeconomic advancement and empowerment |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with SBP categories, or other eligible areas not yet stated in SBP | <input type="checkbox"/> Other (please specify): |

If applicable please specify the social taxonomy, if other than SBP:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section *(if applicable)*:

American Student Assistance’s leadership and program team will be in charge of selecting the projects. Projects that exceed US\$5 million funding will require approval from a committee of the Board of Directors. Projects will be evaluated based on their alignment with the UN SDGs and prioritized based on criteria that weigh reach, depth of impact, population served, and ability to drive long-term systemic change. Sustainalytics considers the project selection process in line with market practice.

Evaluation and selection

- | | |
|---|---|
| <input checked="" type="checkbox"/> Credentials on the issuer’s social objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Social Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |

- Summary criteria for project evaluation and selection publicly available Other (please specify):

Information on Responsibilities and Accountability

- Evaluation / Selection criteria subject to external advice or verification In-house assessment
- Other (please specify):

3. MANAGEMENT OF PROCEEDS

Overall comment on section *(if applicable)*:

ASA's finance team will manage the bond proceeds and investment earnings in a dedicated account as per ASA's Board-approved Investment policy. The unallocated funds will be invested in highly-rated U.S. government and other short-term fixed income securities, and highly-rated money market funds. ASA intends to achieve full allocation of the proceeds and any investment earnings within 4 years of issuance. This is in line with market practice.

Tracking of proceeds:

- Social 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:

- Allocations to future investments only Allocations to both existing and future investments
- Allocation to individual disbursements Allocation to a portfolio of disbursements
- Disclosure of portfolio balance of unallocated proceeds Other (please specify):

4. REPORTING

Overall comment on section (if applicable):

ASA will report on the financial expenditures from the bond proceeds on its website on an annual basis until full allocation. The Issuer will also publish program-specific key performance indicators such as knowledge and confidence gain, intent to change behavior, verified behavior change of an individual, and the highest level of impact, through independent outcome reports. Sustainalytics views American Student Assistance's allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:

- Project-by-project
 On a project portfolio basis
- Linkage to individual bond(s)
 Other (please specify):

Information reported:

- Allocated amounts
 Social Bond financed share of total investment
- Other (please specify):

Frequency:

- Annual
 Semi-annual
- Other (please specify):

Impact reporting:

- Project-by-project
 On a project portfolio basis
- Linkage to individual bond(s)
 Other (please specify):

Information reported (expected or ex-post):

- Number of beneficiaries
 Target populations
- Other ESG indicators (*please specify*): Knowledge and confidence gain, intent to change behavior, verified behavioral change in an individual.

Frequency:

- Annual
 Semi-annual
- Other (please specify):

Means of Disclosure

- Information published in financial report
 Information published in sustainability report
- Information published in ad hoc documents
 Other (please specify): ASA's website
- 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.)

www.asa.org

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- | | |
|--|--|
| <input type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification / Audit | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (please specify): | |

Review provider(s):

Date of publication:

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

- i. **Second-Party Opinion:** An institution with social 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 Social 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 Social Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to social sustainability, and an evaluation of the social features of the type of projects intended for the Use of Proceeds.
- ii. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or social criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the socially 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 Social Bond proceeds, statement of social impact or alignment of reporting with the SBP, may also be termed verification.
- iii. **Certification:** An issuer can have its Social Bond or associated Social Bond framework or Use of Proceeds certified against a recognised external social 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.
- iv. **Social Bond Scoring/Rating:** An issuer can have its Social Bond, associated Social 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 social performance data, process relative to the SBP, or another benchmark. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material social risks.

Disclaimer

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These are based on information made available by the issuer and therefore are not warranted as to their merchantability, completeness, accuracy, up-to-dateness or fitness for a particular purpose. The information and data are provided "as is" and reflect Sustainalytics' opinion at the date of their elaboration and publication. Sustainalytics accepts no liability for damage arising from the use of the information, data or opinions contained herein, in any manner whatsoever, except where explicitly required by law. Any reference to third party names or Third Party Data is for appropriate acknowledgement of their ownership and does not constitute a sponsorship or endorsement by such owner. A list of our third-party data providers and their respective terms of use is available on our website. For more information, visit <http://www.sustainalytics.com/legal-disclaimers>.

The issuer is fully responsible for certifying and ensuring the compliance with its commitments, for their implementation and monitoring.

In case of discrepancies between the English language and translated versions, the English language version shall prevail.

About Sustainalytics, a Morningstar Company

Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. The firm works with hundreds of the world’s leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. The world’s foremost issuers, from multinational corporations to financial institutions to governments, also rely on Sustainalytics for credible second-party opinions on green, social and sustainable bond frameworks. In 2020, Climate Bonds Initiative named Sustainalytics the “Largest Approved Verifier for Certified Climate Bonds” for the third consecutive year. The firm was also recognized by Environmental Finance as the “Largest External Reviewer” in 2020 for the second consecutive year. For more information, visit www.sustainalytics.com.

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