

Second-Party Opinion

Visa Inc. Green Bond Framework



Evaluation Summary

Sustainalytics is of the opinion that the Visa Inc. Green Bond Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2018. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds – Green buildings, Energy efficiency, Renewable energy, Sustainable Water and Wastewater Management, Clean and Mass Transportation, and Inspiring and Empowering Sustainable Living Behaviors – are aligned with those recognized by the Green Bond Principles 2018. Sustainalytics considers that investments in these areas will lead to positive environmental impacts, both within the scope of Visa’s own operations as well as enabling positive impacts more broadly, and advance the UN Sustainable Development Goals, specifically SDG goals 6, 7, 9, 11 and 12.



PROJECT EVALUATION / SELECTION Projects will be identified by Visa’s Sustainability Team, in consultation with other internal subject-matter expert groups. The identified projects will be presented to Visa’s SVP, Treasurer and the Global Head of Corporate Responsibility & Sustainability, who will be responsible for final approval. Sustainalytics considers the project selection process in line with market practice



MANAGEMENT OF PROCEEDS Visa commits to establishing an internal tracking system for managing green bond proceeds. Unallocated proceeds will be held in cash or liquid securities. This is in line with market practice. Net proceeds of the green bond will be allocated by the maturity date of the bond.



REPORTING Visa intends to annually (or on a timely basis in case of material developments) publish a green bond report on its website until full allocation. The report will contain allocation information at the category level, as well as quantitative impact metrics and a disclosure of the balance of unallocated proceeds. Sustainalytics views Visa’s allocation and impact reporting as aligned with market practice.

Evaluation date	April 9, 2020
Issuer Location	San Francisco, United States

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Introduction

Visa Inc. (“Visa” or the “Company”) is a global payments technology company that facilitates electronic fund transfers globally through its credit, debit and pre-paid credentials. Headquartered in San Francisco, California, United States, Visa operates in over 200 countries and territories and processes transactions in over 160 currencies. With origins dating to 1958 with the BankAmericard, the Company employed over 19,500 people in 2019.

Visa has developed the Visa Inc. Green Bond Framework (the “Framework”) under which it intends to issue one or multiple green bonds and use the proceeds to finance and refinance, in whole or in part, existing and future projects that will help reduce the environmental footprint of its operations, as well as supporting the transition to a low-carbon economy more broadly. The Framework defines eligibility criteria in six areas:

1. Green buildings
2. Energy efficiency
3. Renewable energy
4. Sustainable Water and Wastewater Management
5. Clean and Mass Transportation
6. Inspiring and Empowering Sustainable Living Behaviors

Visa engaged Sustainalytics to review the Visa Inc. Green Bond Framework, dated March 2020, and provide a second-party opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2018 (GBP).¹ A summary of the Framework can be found in Visa’s prospectus supplement filed with Securities Exchange Commission on August 10, 2020. The Framework will also be published in a separate document on Visa’s website.

As part of this engagement, Sustainalytics held conversations with various members of Visa’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 Visa’s Green Bond Framework. Sustainalytics also reviewed relevant public documents and non-public information.

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

¹ The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Visa Inc. Green Bond Framework

Sustainalytics is of the opinion that the Visa Inc. Green Bond Framework is credible and impactful, and aligns with the four core components of the GBP 2018. Sustainalytics highlights the following elements of Visa's Green Bond Framework:

- Use of Proceeds:
 - The eligible categories – green buildings, energy efficiency, renewable energy, sustainable water and wastewater management, clean and mass transportation, and inspiring and empowering sustainable living behaviors – are aligned with those recognized by the GBP 2018. Sustainalytics considers the Framework category “inspiring and empowering sustainable living behaviors” to be aligned with several GBP categories, including “eco-efficient and/or circular economy-adapted products, production techniques, and processes”.
 - Under the green buildings category, Visa may include expenditures related to buildings with third-party sustainability certifications including LEED (Silver, Gold, and Platinum), BREEAM (Very Good, Excellent, and Outstanding), Energy Star, or other internationally and/or nationally equivalent certification such as BCA GreenMark. Sustainalytics views these certifications as credible and aligned with market practice. See Appendix 1 for further description of the referenced building standards.
 - Sustainalytics notes that it considers LEED Gold and above and GreenMark GoldPlus and above as aligned with market practice, and views the use of lower certification levels to be a limitation of the Framework.
 - Visa may include expenditures related to lease agreements for green buildings as described above. Visa has disclosed that it will select only buildings that have been built per its request and specifications and over which it has operational control. Based on these factors, Sustainalytics considers Visa's inclusion of lease expenditures to be in line with market practice.
 - The Framework specifies a variety of energy efficiency initiatives which may be undertaken, noting additionally that Visa has targeted a 15% improvement across its programme. Sustainalytics views favourably the intent to prioritize and track quantitative improvements, and further highlights that the specific referenced project types² are anticipated to deliver positive environmental impacts. Sustainalytics also considers power usage effectiveness (PUE), used by Visa to monitor the efficiency data centers, to be a credible and relevant metric.
 - The Framework defines renewable energy as wind power, solar power, geothermal power with direct emissions less than 100gCO₂/kWh,³ and hydropower with an installed capacity of no more than 25 MW. This is in line with market practice.
 - In addition to investing directly in on-site projects, Visa may procure electricity via power purchase agreements (PPAs). The Framework specifies that PPAs should be long-term agreements, which Sustainalytics views as providing greater assurance of positive impacts and aligned with market practice.
 - Green bond proceeds may also be directed to the marginal costs associated with procuring eligible renewable power from local utilities. Sustainalytics views positively that expenditures in this area apply only to the cost differential.
 - When direct procurement is not practical, the Framework allows for expenditures to purchase energy attribute certificates (EACs) or renewable energy certificates (RECs). Sustainalytics views positively that Visa intends to carry out these purchases when

² These include investments in data centres such as cooling equipment, efficient servers, and electrical infrastructure, as well as expenditures in office facilities such as HVAC, LED lighting, and energy storage.

³ This threshold is considered to be in line with the 2-degree compliant transition, and has been espoused by the EU Technical Expert Group on Sustainable Finance and the Climate Bonds Initiative.

- other options are not viable, and further highlights positively that all RECs are Green-e certified.⁴
- The Framework defines as eligible various water efficiency projects, including waterless cooling, water reuse in data center cooling applications, as well as water saving fixtures. Sustainalytics views these technologies as having positive environmental impacts, and does not consider thresholds for improvement when assessing such impacts projects.
 - Within the area of Clean and Mass Transportation, the Framework describes eligible activities in relation to both Visa's own operations as well as applications of its technology to third-party transit operators.
 - Sustainalytics views positively the implementation of a program to subsidize employee public transit costs, install facilities to promote active transport (such as bike rooms and showers), and enable electric vehicle charging.
 - Sustainalytics views positively Visa's investments to decrease barriers to public transit use,⁵ including expenditures in R&D, hardware, and partnership costs to enable tap to pay, based on the anticipation that this is supporting modal shift to transit.
 - Sustainalytics notes the following with regards to the category of inspiring and empowering sustainable living behaviors:
 - The environmental impacts of this category are based upon shifts in consumer behavior that can be driven by new tools and applications that Visa may provide. These may range from education and awareness to new technological implementations of Visa's offerings. It is recognized that, given its widespread use and substantial global market share, Visa has the potential to drive significant positive impacts by enabling a behavioral shift among consumers.
 - Sustainalytics considers R&D activities to have the potential to drive positive environmental outcomes, while noting that it is more difficult to quantify the direct impacts of R&D related activities until commercialization, as well as that the GBP are commonly focused on project expenditures. We view positively the R&D activities of Visa's Framework, based primarily on (i) that Visa has disclosed specific initiatives that are intended to be its focus, related to both horizontal and vertical implementations⁶ and (ii) that Visa has a demonstrated track record of successfully implementing new and advanced technology, and the specific products targeted for R&D activity are noted to be in deployment and/or near commercial stage.
 - Sustainalytics acknowledges that quantifying the impacts of these activities is challenging, and encourages Visa to continue to develop metrics and methodologies to support impact reporting in relation to the category.
 - Project Evaluation and Selection:
 - Visa's Sustainability Team, with input from internal partners such as Corporate Real Estate, Technology, Sourcing and others, will identify and evaluate projects for eligibility based on the criteria and within the amount of the Green Bond proceeds. Final approval will be made jointly by the SVP, Treasurer and Chief Sustainability Officer.
 - Based on the clear delegation of responsibility and sign-off from senior management, Sustainalytics considers this process to be in line with market practice.
 - Management of Proceeds:
 - The Framework describes that Visa "established an internal tracking system" for green bond proceeds and will allocate an amount equal to the net proceeds to eligible projects by the maturity date of the bond.

⁴ Green-e is a voluntary certification program, developed by the Center for Resource Solutions (CRS), to promote the purchase and use of high-quality renewable electricity. It has a mandatory annual verification process for certified transactions to ensure that the supplied renewable generation meets the following requirements: (i) originated from new renewable electricity generation facilities; (ii) meets resource-type eligibility screens; (iii) contains all environmental attributes of generation; (iv) meets and exceeds Scope 2 GHG accounting based on WRI's Greenhouse Gas Protocol Scope 2 Guidance; (v) fulfills seller's advertising claims; and (vi) not sold more than once, not claimed by multiple end-users, and not counted against relevant electricity mandates. Sustainalytics considers this to be the market-leading programme for RECs.

⁵ A study conducted by Visa in cooperation with Stanford University found that payment barriers, including fare complexities, unique tickets, and "cash-only" policies pose a significant barrier to modal shift to public transit. See Section 3 for further discussion.

⁶ In this context, vertical refers to implementations of Visa's technology to a specific sector to enable that sector to increase its sustainability profile, while horizontal refers to solutions which support insights and enable change across Visa's consumer base.

- Pending allocation, proceeds will be held in cash or liquid securities in accordance with Visa's investment policy. Sustainalytics considers best practice to involve intending to allocate within two years of issuance.
- Based on implementation of formal tracking and the disclosure of temporary instruments Sustainalytics considers this process to be in line with market practice. Sustainalytics notes that the timeframe to full allocation may vary based on bond tenor.
- Reporting:
 - Visa has committed to providing a green bond report annually, or on a timely basis in case of "material; developments", until proceeds are fully allocated. The report will contain allocation information at the category level, as well as quantitative impact metrics and a disclosure of the balance of unallocated proceeds.
 - Impact metrics may include emissions avoided, green buildings certified and associated increases in certified sq. footage, energy or water savings, and brief project descriptions.
 - Based on the commitment to allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2018

Sustainalytics has determined that the Visa Inc. Green Bond Framework aligns to the four core components of the GBP 2018. For detailed information please refer to Appendix 2: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Performance of Visa

Contribution of framework to Visa Inc.'s sustainability strategy

Visa's sustainability strategy is divided into four areas – (i) Empowering People and Economies, (ii) Securing Commerce and Protecting Customers, (iii) Investing in Our Workforce and (iv) Operate Sustainably and Responsibly. Under the 'operate sustainably and responsibly' commitment Visa aims to reduce its environmental footprint both internally (in its facilities as well as its operations), as well as externally (across the industries and communities within which it operates).

Visa recognizes that in order to minimize its operational environmental footprint, it must focus on the material areas of impact which they have been determined to be the following:⁷

- *Energy and Climate:* Energy used in its data centers and business offices has been identified by Visa as one of its largest areas of impact. The Company has been tracking and reporting on its direct GHG emissions since 2009 and notes that, as of 2018, had reduced emissions by 34 percent compared to a 2009 baseline. This reduction in emissions has been driven by Visa's various initiatives such as – focus on improving PUE of its data centers by upgrading to more energy efficient servers and equipment, increasing efficiency of cooling systems and improving building design and operational efficiency of its office buildings, as well as in part due to its commitment to purchase 100 percent renewable energy by the end of 2019.
- *Water:* Visa calculates its water consumption across its offices and data centers and has invested in several water efficiency projects such as: waterless cooling, water reuse, innovations in heat rejection in its data centers, fitting sensors on water fixtures as well as installation of low-flow toilets.
- *Waste:* Visa has waste reduction, recycling and composting initiatives in place, and this has helped the Company increase its landfill diversion rate from 57 percent in 2014 to 76 percent in 2018.
- *Transportation:* Visa identified employee business travel and employee commuting as contributing a substantial amount to its total GHG emissions and has, therefore, initiated programs that encourage use of public transit - such as providing employees with transit subsidies and shuttles between its offices and public transit hubs, as well as promoting virtual meetings when possible. Visa calculated that its employee shuttle programme resulted in avoided emissions of approximately 1,298 tonnes (2,862,000 lbs) of CO₂e in 2018.
- *Purchased Goods and Services:* Beginning in 2019, Visa began measuring and reporting the estimated emission from purchased goods and services and joined the CDP Supply Chain initiative to gather and report on data and to advance data gathering, reporting, and goal setting of Visa's key partners.

⁷ Visa, Corporate Responsibility & Sustainability Report, 2019, at: <https://usa.visa.com/dam/VCOM/download/corporate-responsibility/visa-2018-corporate-responsibility-report.pdf>

Sustainalytics views Visa's progress positively, particularly in the area of climate and energy, and notes the alignment of its sustainability strategy with several categories of the Framework. Additionally, Visa is encouraged to continue to set quantitative targets into the future.

In addition to reducing its direct environmental impact, Visa has stated an intention to extend its sustainability commitments more broadly by inspiring consumers to undertake sustainable lifestyles.⁸

Sustainalytics is of the opinion that the Visa Inc. Green Bond Framework is aligned with the company's overall sustainability strategy and initiatives and will further the Company's action on its key environmental priorities.

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

While Sustainalytics recognizes that the proceeds raised by bonds issued under the Framework will be directed towards eligible projects that are anticipated to have positive environmental impacts, Sustainalytics is aware that any undertaking, in one that involves large data processing facilities and wide-reaching financial technology applications, could lead to potential negative environmental and social outcomes. In the context of the Framework, these risks may include impacts related to construction projects (namely air, water, and soil pollution), workers' health and safety, and legal or consumer finance risks pertaining to financial transactions.

Sustainalytics is of the opinion that Visa has sufficient policies and procedures in place that will help manage associated Environmental, Social and Governance (ESG) risks:

- *Overall ESG risk management:* Visa has an extensive 'Code of Business Conduct and Ethics' which requires all its directors, officers, employees and contingent staff to engage in honest and ethical conduct in performing their duties.⁹ Visa has also adopted a 'Supplier Code of Conduct' that highlights the Company's expectation of its suppliers to abide by laws pertaining to human rights, employment practices, environmental impact, supplier diversity, conflicts of interest and other areas of responsible business.¹⁰ Visa's 'Audit and Risk Committee' actively tracks ESG-related risks.¹¹ In addition, Visa adheres to a number of ethical standards such as the U.K. Modern Slavery Act of 2015, U.S. Foreign Corrupt Practices Act, U.K. Bribery Act, UN Guiding Principles on Business and Human Rights and the ILO's Declaration on the Fundamental Principles and Rights at Work.^{12,13}
- *Environmental risks:* Visa actively monitors and reports its environmental impacts. It recognizes that understanding and measuring its environmental footprint will help the Company minimize its impact and therefore, Visa is a multi-year respondent to the annual Carbon Disclosure Project, it reports on metrics as per the GRI Standards and in 2019 participated in the CDP Supply Chain Initiative.
- *Worker health and safety risk:* Visa's Global Security and Safety (GSS) team is responsible for safeguarding the health and safety of its employees. Visa in Europe was awarded the Gold Award for Occupational Safety and Health by the U.K.'s Royal Society for the Prevention of Accidents (RoSPA) in 2018 for its strong leadership and commitment to occupation health and safety.
- *Illegal Financial Transaction Risks:* Being one of the largest payment processing company in the world, Visa recognizes that it needs to have stringent policies that actively monitor, detect and prevent transactions that are illegal - such as money laundering and bribery, which can in turn support activities that contribute to human rights abuses. In this respect, Visa's Franchise Risk Management (FRM) programs focus on preventing transactions related to illegal gambling, illicit pharmaceutical sale, abuse of intellectual property rights, and child abuse images. Visa is a supporter of the U.S. Financial Coalition Against Child Exploitation and is a member of the International Anti-Counterfeiting Coalition (IACC).¹⁴

Based on these policies, standards and assessments, Sustainalytics is of the opinion that Visa has implemented sufficient measures and is well positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

⁸ Visa, Corporate Responsibility & Sustainability Report, 2019, at: <https://usa.visa.com/dam/VCOM/download/corporate-responsibility/visa-2018-corporate-responsibility-report.pdf>

⁹ Visa, Governance + Ethics, (accessed on March 2020), at: <https://usa.visa.com/about-visa/operating-responsibly.html#3>

¹⁰ Idem

¹¹ Visa, Corporate Responsibility & Sustainability Report, 2019, at: <https://usa.visa.com/dam/VCOM/download/corporate-responsibility/visa-2018-corporate-responsibility-report.pdf>

¹² Visa, Governance + Ethics, (accessed on March 2020), at: <https://usa.visa.com/about-visa/operating-responsibly.html#3>

¹³ Visa, Visa Inc. Anti-Bribery Policy, (accessed on March 2020), <https://usa.visa.com/partner-with-us/info-for-partners/info-for-suppliers/visa-anti-bribery-policy.html>

¹⁴ Visa, Corporate Responsibility & Sustainability Report, 2019, at: <https://usa.visa.com/dam/VCOM/download/corporate-responsibility/visa-2018-corporate-responsibility-report.pdf>

Section 3: Impact of Use of Proceeds

Sustainalytics is of the opinion that Visa's investments to finance projects under the six categories will help contribute to the transition towards a low carbon economy. Sustainalytics has highlighted below a few areas where the impact is specifically relevant in the context of Visa's operations:

Need to improve energy efficiency of data centers

Data centers are known to be energy intensive, as storing, processing, and analyzing data consumes large amounts of electricity. According to various estimates, data centers currently consume between 1% to 3% of the world's electricity^{15,16} and contribute to about 2% of global CO₂ emissions.¹⁷ In the absence of effective energy efficiency measures, it is predicated that data centers may consume about 8 to 11 percent of global electricity by 2030.^{18,19}

In addition to electricity consumed through computing, significant amounts of heat is produced by data centers. This requires data centers to have cooling and air flow systems installed on site. These cooling systems can consume on an average about 40% of the data center's total energy demand.²⁰ Therefore, Visa's initiatives to increase energy efficiency of its data centers by installing improved servers, electrical infrastructure and cooling equipment will make its payment networks more efficient, thereby reducing its environmental footprint.

Importance of enabling responsible consumption

While cashless payment systems can have several benefits such as, making transactions easier, faster and in certain ways safer; studies have shown that the 'willingness to pay' by customers is higher when they use cashless payment systems such as debit or credit cards.²¹ The increase in willingness to pay among consumers, and the theoretical increase in consumption, underscores the importance of supporting consumer responsibility. Visa recognizes its role as a responsible payment facilitator and aims to promote sustainable lifestyles among its employees, consumers and the society at large, including through participation in several initiatives such as Brands for Good and GlobeScan's "Healthy & Sustainable Living".

One area which Visa has identified as having significant potential to enable sustainable activities is in the area of transportation and mobility. These initiatives have a high potential for impact, as the transportation sector accounted for 29% of total greenhouse gas emissions in the United States in 2017.²² In its study "The Future of Transportation: Mobility in the Age of the Megacity", Visa highlights the role that digital commerce plays in driving sustainable growth in the transportation sector. The study identifies lack of convenient and transparent payment technology, as a major barrier to use of public transit systems, with 27% of consumers stating that they would use more public transport if it was easier to pay and 50% would increase use of public transit if there was a consolidated app that enables for both trip planning and payment.²³

Sustainalytics is of the opinion that Visa's investments to facilitate research that helps understand the barriers and drivers of sustainable consumer behavior will be helpful to design solutions that promote conscious consumerism and that its sector-specific technology implementations have the potential to drive more sustainable outcomes within these industries.

¹⁵ Iea, Data centres and data transmission networks, (accessed in March 2020), at: <https://www.iea.org/reports/tracking-buildings/data-centres-and-data-transmission-networks>

¹⁶ Aurecon, Data centres – the world's greatest energy guzzlers, (accessed on March 2020), at: <https://www.aurecongroup.com/thinking/insights/data-centres-for-the-digital-age/data-centres-the-worlds-greatest-energy-guzzlers>

¹⁷ Maria Avgerinou et al., Trends in Data Centre Energy Consumption under the European Code of Conduct for Data Centre Energy Efficiency, September 2017, at: <https://www.mdpi.com/1996-1073/10/10/1470>

¹⁸ Karen Graham, A look at the huge amount of energy consumed by data centers, January 2020, at: <http://www.digitaljournal.com/tech-and-science/technology/a-look-at-the-huge-amount-of-energy-consumed-by-data-centers/article/564520>

¹⁹ Digital Journal, How data centers can become more energy efficient, January 2020, at: <http://www.digitaljournal.com/tech-and-science/technology/a-how-data-centers-can-become-more-energy-efficient/article/565514>

²⁰ Idem

²¹ Emma Runnemark et al., Do Consumers Pay More Using Debit Cards than Cash, December 2016, at: https://research-api.cbs.dk/ws/portalfiles/portal/45532821/jonas_hedman_do_consumers_pay_more_using_debit_cards_than_cash_postprint.pdf

²² EPA, Greenhouse Gas Emissions, (accessed on February 2020), at: <https://www.epa.gov/ghgemissions/sources-greenhouse-gas-emissions>

²³ Visa, "The Future of Transportation Mobility in the Age of the Megacity The Visa", February 2019, at: <https://www.visa.co.uk/content/dam/VCOM/regional/ve/unitedkingdom/PDF/blog/future-of-transportation-mobility-in-the-age-of-the-megacity.pdf>

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. This green bond advances the following SDG goals and targets:

Use of Proceeds Category	SDG	SDG target
Green buildings	11. Sustainable Cities and Communities	11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries
Energy efficiency	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency
Renewable energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.
Sustainable Water and Wastewater Management	6. Clean water and Sanitation	6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity
Clean and Mass Transportation,	11. Sustainable Cities and Communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.
Inspiring and Empowering Sustainable Living Behaviors	9. Industry, innovation and infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
	12. Responsible consumption and production	12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature

Conclusion

Visa has developed the Visa Inc. Green Bond Framework under which it will issue green bonds and use the proceeds to finance eligible assets and projects that reduce the Company's operational footprint as well as promote sustainable behavior among its employees, customers, as well as participants in commerce more broadly. Sustainalytics considers that the projects funded by the green bond proceeds will result in reduction of emissions as well as promote responsible consumption behavior.





The Visa Inc. Green 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 Visa Inc. Green Bond Framework is aligned with the overall sustainability strategy of the company and that the green use of proceeds categories will contribute to the advancement of the UN Sustainable Development Goals 6, 7, 9, 11 and 12. Additionally, Sustainalytics is of the opinion that Visa has sufficient 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 Visa Inc. is well-positioned to issue green bonds and that the Visa Inc. Green Bond Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2018.

Appendices

Appendix 1: Summary of referenced green building certification schemes

	LEED	Energy Star	BREEAM	BCA Green Mark
Background	Leadership in Energy and Environmental Design (LEED) is a US Certification System for residential and commercial buildings used worldwide. LEED was developed by the non-profit U.S. Green Building Council (USGBC) and covers the design, construction, maintenance and operation of buildings.	ENERGY STAR is a U.S. Environmental Protection Agency voluntary program that provides independently certified energy efficiency ratings for products, homes, buildings, and industrial plants. Certification is given on an annual basis, so a building must maintain its high performance to be certified year to year.	BREEAM (Building Research Establishment Environmental Assessment Method) was first published by the Building Research Establishment (BRE) in 1990. Based in the UK, this scheme can be used for new, refurbished and extension of existing buildings.	The BCA Green Mark Scheme provides real estate certifications in Singapore to promote sustainability in the built environment (during project conceptualization and design, as well as during construction.)
Certification levels	<ul style="list-style-type: none"> • Certified • Silver • Gold • Platinum 	<ul style="list-style-type: none"> • 1-100 score, 75 is minimum for certification 	<ul style="list-style-type: none"> • Pass • Good • Very Good • Excellent • Outstanding 	<ul style="list-style-type: none"> • Certified • Gold • Gold Plus • Platinum
Areas of assessment	<ul style="list-style-type: none"> • Energy and atmosphere • Sustainable Sites • Location and Transportation • Materials and resources • Water efficiency • Indoor environmental quality • Innovation in Design • Regional Priority 	<ul style="list-style-type: none"> • Energy use 	<ul style="list-style-type: none"> • Management • Energy • Land Use and Ecology • Pollution • Transport • Materials • Water • Waste • Health and Wellbeing • Innovation 	<ul style="list-style-type: none"> • Climate Responsive Design • Building Energy Performance • Resource Stewardship • Smart and Healthy Buildings • Advanced Green Efforts
Requirements	<p>Minimum requirements independent of level of certification; point-based scoring system weighted by category to determine certification level.</p> <p>The rating system is adjusted to apply to specific sectors, such as: New Construction, Major Renovation, Core and Shell Development, Schools-/Retail-/Healthcare New Construction and Major Renovations, and Existing Buildings:</p>	1-100 score based on energy use, as calculated through the Portfolio Manager tool. Raw score is adjusted based on location, operating conditions, and other factors. The numerical score indicates performance better than at least 75 percent of similar buildings nationwide.	<p>Minimum requirements depending on the level of certification; scoring system weighted by category, producing a percentage-based overall score. The majority of BREEAM issues are flexible, meaning that the client can choose which to comply with to build their performance score.</p> <p>BREEAM has two stages/ audit reports: a 'BREEAM Design Stage' and a 'Post Construction Stage', with different assessment criteria.</p>	<p>Prerequisites for each performance area (to demonstrate minimum criteria met) + numerical scores achieved in accordance with the criteria in each performance area. Performance Areas have different weights.</p> <p>Depending on the level of building performance and numerical score achieved in performance area, building's level of certification is determined.</p> <p>Assessment of compliance with Green Mark criteria is done by the Singapore</p>

	Operation and Maintenance.			Building and Construction Authority (BCA).
Qualitative Considerations	Widely accepted within the industry, both in North America and internationally, and considered a guarantee of strong performance.	Accounts only for energy use, not other measures of environmental performance. Is a key component of other green building certification systems.	Used in more than 70 countries: Good adaptation to the local normative context. Predominant environmental focus, lower levels are less strict than LEED.	Mostly recognized in the East Asian region. Strong assurance of overall quality.
Performance display				

Appendix 2: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	Visa Inc.
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Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: <i>[specify as appropriate]</i>	Visa Inc. Green Bond Framework
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Review provider's name:	Sustainalytics
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Completion date of this form:	April 9, 2020
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Publication date of review publication: <i>[where appropriate, specify if it is an update and add reference to earlier relevant review]</i>	
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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 GBPs:

- | | |
|--|--|
| <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 <i>(please specify):</i> | |

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 categories for the use of proceeds: Green buildings, Energy efficiency, Renewable energy, Sustainable Water and Wastewater Management, Clean and Mass Transportation, and Inspiring and Empowering Sustainable Living Behaviors are aligned with those recognized by the Green Bond Principles 2018. Sustainalytics considers that investments in these areas will lead to positive environmental impacts, both within the scope of Visa’s own operations as well as enabling positive impacts more broadly, and advance the UN Sustainable Development Goals, specifically SDG goals 6, 7, 9, 11 and 12.

Use of proceeds categories as per GBP:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Renewable energy | <input checked="" type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input checked="" type="checkbox"/> Clean transportation |
| <input checked="" type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input checked="" type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input checked="" type="checkbox"/> Other <i>(please specify)</i> : Inspiring and Empowering Sustainable Living Behaviors |

If applicable please specify the environmental taxonomy, if other than GBPs:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section *(if applicable)*:

Projects will be identified by Visa’s Sustainability Team, in consultation with other internal subject-matter expert groups. The identified projects will be presented to Visa’s SVP, Treasurer and the Global Head of Corporate Responsibility & Sustainability, who will be responsible for final approval. Sustainalytics considers the project selection process in line with market practice

Evaluation and selection

- | | |
|--|--|
| <input checked="" type="checkbox"/> Credentials on the issuer’s environmental sustainability 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 Green Bond proceeds | <input 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*):

Visa commits to establishing an 'internal tracking system' for managing green bond proceeds. Unallocated proceeds will be held in cash or liquid securities. This is in line with market practice. Net proceeds of the green bond will be allocated by the maturity date of the bond.

Tracking of proceeds:

- Green 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):

Visa intends to annually (or on a timely basis in case of material developments) publish a green bond report on its website until full allocation. The report will contain allocation information at the category level, as well as quantitative impact metrics and a disclosure of the balance of unallocated proceeds. Sustainalytics views Visa Inc.'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:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Allocated amounts | <input type="checkbox"/> Green Bond financed share of total investment |
| <input type="checkbox"/> Other (please specify): | |

Frequency:

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): | |

Impact reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (please specify): |

Frequency:

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): | |

Information reported (expected or ex-post):

- | | |
|---|---|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input checked="" type="checkbox"/> Energy Savings |
| <input checked="" type="checkbox"/> Decrease in water use | <input type="checkbox"/> Other ESG indicators (please specify): No of certified green buildings |

Means of Disclosure

- | | |
|---|---|
| <input type="checkbox"/> Information published in financial report | <input type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents | <input checked="" type="checkbox"/> Other (please specify): Visa will publish a Green Bond Report |
| <input type="checkbox"/> 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.)

Visa’s green bond report available at: <http://www.visa.com/responsibility>

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 (<i>please specify</i>): | |

Review provider(s):

Date of publication:

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

- i. Second Party Opinion: An institution with environmental 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 Green 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 Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental 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 environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally 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 Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- iii. Certification: An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green 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. Green Bond Scoring/Rating: An issuer can have its Green Bond, associated Green 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 environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

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Sustainalytics

Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that supports investors around the world with the development and implementation of responsible investment strategies. With 13 offices globally, the firm partners with institutional investors who integrate ESG information and assessments into their investment processes. Spanning 30 countries, the world’s leading issuers, from multinational corporations to financial institutions to governments, turn to Sustainalytics for second-party opinions on green and sustainable bond frameworks. Sustainalytics has been certified by the Climate Bonds Standard Board as a verifier organization, and supports various stakeholders in the development and verification of their frameworks. In 2015, Global Capital awarded Sustainalytics “Best SRI or Green Bond Research or Ratings Firm” and in 2018 and 2019, named Sustainalytics the “Most Impressive Second Party Opinion Provider. The firm was recognized as the “Largest External Reviewer” by the Climate Bonds Initiative as well as Environmental Finance in 2018, and in 2019 was named the “Largest Approved Verifier for Certified Climate Bonds” by the Climate Bonds Initiative. In addition, Sustainalytics received a Special Mention Sustainable Finance Award in 2018 from The Research Institute for Environmental Finance Japan and the Minister of the Environment Award in the Japan Green Contributor category of the Japan Green Bond Awards in 2019.

For more information, visit www.sustainalytics.com

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