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1. Introduction

1.1. Overview

Greenvolt – Energias Renováveis, S.A. is a Portuguese renewables’ company listed on Euronext Lisbon with several subsidiaries (“Greenvolt”). Greenvolt’s core strategy is built upon three main axes: electrical power production through residual biomass; utility scale power production through solar and wind sources and development of projects until Ready-to-Build (RtB) or Commercial Operation Date (COD); and distributed generation through small scale units aiming self-production both at residential and Commercial and Industrial (C&I) segments.

Based upon a strong track record achieved in the electrical power production through residual forestry biomass in the Portuguese power stations, Greenvolt might be already considered as a reference player in this segment. Greenvolt intends to expand its operative know-how to other geographies, being the acquisition of Tilbury Green Power (TGP) (a joint venture in which Greenvolt indirectly acquired a 51% stake in June 2021), a waste wood biomass power station in the United Kingdom, the first footstep in this strategic axis.

In what concerns the traditional renewable power production through wind and solar, Greenvolt developed a differentiating and innovative strategy positioning itself at the early stage of the value chain (development phase) in order to maximise its economic returns. With the current operations under development in a wide range of European countries such as Poland, Italy, Romania, Bulgaria, among others, Greenvolt is already a major player in this market niche.

Although electing the development stage as the main segment in which Greenvolt is present, Greenvolt is also building to operate utility scale solar parks and wind farms in Europe.

Lastly, the 3rd strategic axis is designed around self-consumption as Greenvolt perceives this market segment as the one with the highest expected growth rates. Currently Greenvolt owns a majority stake in a Portuguese market player focus in the C&I segment and is also analysing opportunities in the residential segment.

In a nutshell, Greenvolt is a residual biomass power producer that is exporting its know-how and capabilities to other geographies; is already a major player in the development phase of wind and solar projects across a wide range of European countries; and is targeting the distributed generation and small-scale market segment as the fastest growing segment.

Greenvolt is a Portuguese based group with a broad European scope and global ambitions.
1.2. Sustainability Strategy

Greenvolt’s strategy stems from its solid regulated residual forestry biomass and waste wood operations foundation, to be enriched by utility scale solar photovoltaic (solar PV) and wind development and asset rotation, and distributed generation market opportunities.

Greenvolt has designed an innovative business model and strategy that will support the reinforcement of its market presence. Greenvolt’s sustainability strategy is based on its commitment to lead the production of electrical energy from renewable sources and to develop projects for the production of clean and renewable energy.

Greenvolt is a relevant player in the renewables’ market segments which are the most relevant contributors to the energy transition, that will contribute to meet the objective of the European Union (EU) to become carbon neutral by 2050 and to reduce its greenhouse gas emissions by at least 55% by 2030 from 1990 levels.

Greenvolt’s sustainability objectives and goals are updated periodically and support the United Nations Sustainable Development Goals (“SDG”).

Greenvolt is a signatory of the United Nations Global Compact and is committed to the ten principles of this initiative, as well as to fulfilling its fundamental responsibilities in terms of human rights, labour, environment and anti-corruption. Greenvolt will publish annually a Sustainability Report whose framework is in line with the ten principles of the UN Global Compact.
2. The Green Bond Framework

The ICMA Green Bond Principles are a set of voluntary guidelines that promote integrity in the development of the Green Bond market.

The framework defined by Greenvolt is based on and aligned with the Green Bond Principles (GBP), drawn up by the International Capital Market Association (ICMA) and most recently updated in June 2021. Greenvolt’s Green Bond Framework is based on the four core components: 1. Use of proceeds, 2. Process for project evaluation and selection, 3. Management of proceeds, 4. Reporting.

To confirm such alignment, Greenvolt has engaged Sustainalytics as an external reviewer to provide a second-party opinion (“SPO”) on this framework.

This framework may, from time to time, be updated and, will be applied to any green bond issued by Greenvolt under this framework.

Greenvolt believes that the issuance of green bonds is a relevant instrument to accelerate the transition to a low-carbon economy, giving financial backing to existing projects or new ones with the aim to contribute to such transition.

2.1. Use of proceeds

Under this Green Bond Framework, Greenvolt intends to use the proceeds arising from the issue of green bonds to finance and/or refinance new and/or existing renewable energy projects and energy efficiency projects (including but not limited to biomass, wind, solar, decentralised generation and storage), integrated pollution prevention and control, M&A transactions within the renewable energy sector (including without limitation to refinance the funding structure put in place to finance the acquisition of Tilbury Green Power – UK - a joint venture in which Greenvolt indirectly acquired a 51% stake in June 2021) and other related and supporting expenditures such as R&D (“Eligible Green
Projects”). The relevant use of proceeds comprises individual projects and/or investments or a portfolio of projects and/or investments of Greenvolt (and/or of a subsidiary company).

The Eligible Green Projects are aimed to provide clear environmental benefits as a positive environmental impact, by avoiding or reducing greenhouse gas (GHG) emissions. Additionally, a few positive impacts can be added: energy efficiency, decarbonization, job creation and economic growth, reduction of forest fire risk / sustainable forest management practices, partnerships for the goals and enhance circular economy in alignment with Greenvolt’s strategy as indicated above.

Greenvolt incorporates into its strategy those SDGs where potential impact is more relevant and, as regards the Eligible Green Projects, we refer for further detail to table 1. below.

In addition to providing clean and renewable energy and to preventing and controlling pollution, renewable projects aim to contribute, among other, to social and environmental standards that benefit both local communities and territories surrounding the facilities. Hence, Greenvolt may have a positive impact by contributing to the SDGs detailed in table 2. below.
### Table 1: Eligible projects

<table>
<thead>
<tr>
<th>Eligible projects</th>
<th>Description</th>
<th>United Nations Sustainable and Development Goals (SDG)</th>
</tr>
</thead>
</table>
| **Renewable and Clean Energy** | Renewable energy projects and energy efficiency projects (including but not limited to residual forest biomass, wood waste, wind and solar, decentralised generation and storage), M&A transactions within the renewable energy sector (as detailed above in 2.1.) and other related and supporting expenditures such as R&D. | 7. **Affordable and Clean Energy**  
   - SDG Target 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix.  
   - SDG Target 7.3: Improvement in energy efficiency |
| **Energy Efficiency**     |                                                                                                                                                                                                          |                                                                                                                                                                                 |
| **Integrated Pollution Prevention and Control** | Reduction of air emissions and greenhouse gas reduction.  
   Contribution to Decrease GHG emissions.  
   Biomass power plants designed and operated according to the Best Available Techniques reference document (BREF). | 12. **Responsible Consumption and Production**  
   - SDG Target 12.4: By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment. |
### Table 2: Positive impacts / externalities

<table>
<thead>
<tr>
<th>Positive impacts / externalities</th>
<th>Description</th>
<th>United Nations Sustainable and Development Goals (SDG)</th>
</tr>
</thead>
</table>
| Energy Efficiency               | Energy efficiency management systems projects: improving the energy efficiency of industrial production process in a plant, operational energy saving projects, solutions for more efficient transmission and distribution of energy, contributing to the EU targets of energy efficiency. Biomass power plants, whose design and construction follow the Best Available Techniques, as well as all in-House cumulative know-how. | 7. Affordable and Clean Energy  
• SDG Target 7.3: By 2030, double the global rate of improvement energy efficiency. |
| Decarbonisation                 | Contribution to the objective of the EU to reduce 55% of GHG until 2030 by the reduction of greenhouse gas emissions. | 13. Climate Action  
• SDG Target 13.2.: Integrate climate change measures into national policies, strategies and planning. |
| Job Creation and Economic Growth| Direct and indirect job creation, including plant operation and maintenance jobs, forestry biomass and wood waste activities and transportation, having social and economic impact. | 8. Decent Work and Economic Growth  
• SDG Target 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value. |
<table>
<thead>
<tr>
<th>Reduction of Forest Fire Risk / Sustainable Forest Management (&quot;SFM&quot;) Practices</th>
<th>The biomass source is mainly materials resulting from forest cleaning operations, a very important issue concerning forest fires prevention and control.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partnerships for the goals</td>
<td>Fostering partnerships across the value chain (upstream and downstream) for common goals regarding sustainable development</td>
</tr>
<tr>
<td>15. Life on Land</td>
<td>• SDG Target 15.2: By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.</td>
</tr>
<tr>
<td>Enhance Circular Economy</td>
<td>Promote non-hazardous by-products from the biomass power plants usage in downstream industries (such as: cement, ceramics, fertilizers, etc.). As a renewable material, is expectable that the biomass and wood waste valorisation, as primary energy source for electricity production, will be a long-term economic and environmentally sustainable process in all direct and related chain-value activities.</td>
</tr>
<tr>
<td>17. Multi-stakeholder partnerships</td>
<td>• SDG Target 17.7: Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries</td>
</tr>
<tr>
<td>12. Responsible Consumption and Production</td>
<td>• SDG Target 12.4: By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment. • SDG Target 12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.</td>
</tr>
</tbody>
</table>
2.2. Process for project evaluation and selection

Eligible Green Projects as further described under 2.1. Use of Proceeds (including the financing and/or refinancing of new and/or existing projects and/or M&A transactions – including without limitation to refinance the funding structure put in place to finance the acquisition of Tilbury Green Power – UK (a joint venture in which Greenvolt indirectly acquired a 51% stake in June 2021) will be considered for the Green Bond implementation and allocation procedures.

Together with the application of the Green Bond Principles, Greenvolt’s projects and M&A transactions are subject to Environmental, Social and Governance (ESG) standards. In fact, Greenvolt analyses and conducts a thorough pre-screening of the projects in that regard, rejecting those that do not comply with E&S risk assessment or have credibility risk. Therefore, only those projects that successfully pass the referred pre-screening are taken into final consideration by the Investment Working Group (IWG). This group manages and reviews all proposed projects and M&A transactions and is responsible for defining strategies, governance, risk management and monitoring the process, following the mandate from the Board of Directors. This group is formed by Greenvolt directors. Afterwards, the projects and M&A transactions follow to the Green Bond Committee (GBC), which is composed by members who come from several departments of Greenvolt Group (namely, Engineering, Environmental & Sustainability, Legal and Finance) and guarantee that the project and/or M&A transaction has the features and follows the steps to be defined as an Eligible Green Project. Subsequently, the GBC works close together with Greenvolt Treasury department in order to ensure the accurate and well-defined use of proceeds.

2.3. Management of proceeds

The net proceeds of green bonds issued by Greenvolt will be managed on a portfolio basis. Proceeds will be used for the financing and/or refinancing of Eligible Green Projects (i.e. the financing of new projects and/or M&A transactions and/or the refinancing of existing projects and/or M&A transactions as further detailed above in 2.1. Use of Proceeds).

Greenvolt, through its Finance Department, aims to achieve a level of allocation to the Eligible Green Projects portfolio that matches or exceeds the balance of net proceeds from its outstanding green bonds. The Finance Department will guarantee the allocation of net proceeds by following an internal
management system that aims to define the destination of cash-flows, set reserved accounts for not invested funds and adjust periodically the net proceeds. Additional eligible investments and/or projects will be added to the Eligible Green Projects portfolio as needed to ensure that the net proceeds from outstanding green bonds will be allocated to Eligible Green Projects.

Pending allocation of any green bond net proceeds, Greenvolt will temporarily hold and/or invest, at its own discretion, in its treasury liquidity portfolio (in cash or cash equivalents), or in reimbursement/purchase of existing debt, the balance of net proceeds not yet allocated to the Eligible Green Projects portfolio. Proceeds not immediately disbursed will not be invested in non-green projects, GHG intensive activities nor in controversial activities.

2.4. Reporting

As regards allocation and impact reporting, Greenvolt will report annually on its Sustainability Report (which will be made available on its website) until full allocation of the outstanding green bonds. Allocation and impact reporting may be provided also at specific impact reports.

Greenvolt intends to report on the Eligible Green Projects portfolio on an aggregated basis, per type of renewable asset (for example biomass assets, wind assets, solar assets), subject to confidentiality obligations.

The allocation report is expected to include a description of Eligible Green Projects and to disclose a breakdown of the green bond proceeds outstanding, the total amount of the proceeds allocated to eligible categories and the unallocated amount.
<table>
<thead>
<tr>
<th>Eligible categories</th>
<th>Examples of outputs and impact indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewable and Clean Energy</td>
<td>• Installed renewable energy capacity (MW)</td>
</tr>
<tr>
<td>Energy Efficiency</td>
<td>• Expected annual renewable energy generation (MWh)</td>
</tr>
<tr>
<td></td>
<td>• Estimated annual GHG emission avoided or reduced (tCO2e)</td>
</tr>
<tr>
<td>Integrated Pollution Prevention</td>
<td>• Reduction of biomass waste in the forest</td>
</tr>
<tr>
<td>and Control</td>
<td>• Recycled construction and demolition wood waste</td>
</tr>
<tr>
<td></td>
<td>• Estimated annual GHG emission avoided or reduced (tCO2e)</td>
</tr>
<tr>
<td></td>
<td>• Emissions of dust, nitrogen oxides (NOx), sulphur dioxide (SO2)</td>
</tr>
</tbody>
</table>

2.5. **External review**

2.5.1. **Second-Party Opinion**

Greenvolt has appointed Sustainalytics to provide a Second-Party Opinion (“SPO”) on its Green Bond Framework. The SPO and the Green Bond Framework will be made available to the green bond investors on Greenvolt’s website at [www.greenvolt.pt > investors > green funding](http://www.greenvolt.pt)

2.5.2. **Verification**

An independent external party will verify the internal tracking method and allocation of the funds until the full allocation of the outstanding green bonds.
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