

Second-Party Opinion

Greenvolt Green Bond Framework



Evaluation Summary

Sustainalytics is of the opinion that the Greenvolt Green Bond Framework is credible and impactful and aligns to the four core components of the Green Bond Principles 2021. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds – Renewable and Clean Energy, Energy Efficiency and Pollution Prevention and Control – are aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments in the eligible categories may increase the share of renewable energy and advance the UN Sustainable Development Goals, specifically SDG 7 and 12.



PROJECT EVALUATION / SELECTION Greenvolt – Energias Renováveis, S.A.'s internal process in evaluating and selecting projects will be overseen by the Green Bond Committee (GBC) which will comprise of members from Engineering, Environmental & Sustainability, Legal and Finance departments. The GBC will select projects from the list prepared by Investment Working Group which is prepared after reviewing and selecting projects that pass the pre-screening based on E&S risk assessment and credibility risk. Greenvolt – Energias Renováveis, S.A environmental and social risk assessment and mitigation process are applicable to allocation decisions made under the Framework. Sustainalytics considers this to be in line with market practice.



MANAGEMENT OF PROCEEDS Greenvolt – Energias Renováveis, S.A. processes for management of proceeds will be managed by the Finance department. The use of proceeds will be tracked using an internal management system. All proceeds from the first issuance will be immediately allocated to the acquisition of Tilbury Green Power. This transaction closed in June 2021. Sustainalytics notes that for future issuances there is no look-back period and time to allocation specified.



REPORTING Greenvolt – Energias Renováveis, S.A. intends to report on allocation and impact of proceeds on an annual basis until full allocation in its Sustainability Report/website. Allocation reporting will include allocations made towards types of renewable asset. In addition, Greenvolt – Energias Renováveis, S.A is committed to reporting on relevant impact metrics. Sustainalytics views Greenvolt – Energias Renováveis, S.A.'s allocation and impact reporting as aligned with market practice.

Evaluation Date October 22, 2021

Issuer Location Porto, Portugal

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Introduction

Greenvolt – Energias Renováveis, S.A. (“Greenvolt”, the “Issuer” or the “Company”) is a Portuguese renewable energy company focused on electrical power production through residual biomass. Greenvolt is also active in the solar – including decentralised generation – and wind power space developing projects in different countries across Europe and The United Kingdom. The Company was founded in 2002 and is based in Porto, Portugal.

Greenvolt has developed the Greenvolt Green Bond Framework (the “Framework”) under which it intends to issue green bond and use the proceeds to finance and/or refinance, in whole or in part, existing and future projects that increase the share of renewable energy. The Framework defines eligibility criteria in the following areas:

1. Renewable and Clean Energy,
2. Energy Efficiency, and
3. Pollution Prevention and Control

Greenvolt engaged Sustainalytics to review the Greenvolt Green Bond Framework, dated October 2021, and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP).¹ This Framework has been published in a separate document.²

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

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent³ 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 Green Bond Principles 2021, 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 1.11, 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 Greenvolt’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. Greenvolt representatives have confirmed (1) they understand it is the sole responsibility of Greenvolt 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.

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

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

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/>.

² The Greenvolt Green Bond Framework is available on Greenvolt – Energias Renováveis, S.A.’s website at: <https://www.greenvolt.pt/en/investors/green-funding>.

³ 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.

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 Greenvolt has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Greenvolt Green Bond Framework

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

- Use of Proceeds:
 - The eligible categories – Renewable and Clean Energy, Energy Efficiency and Pollution Prevention and Control – are aligned with those recognized by the GBP.
 - Under the eligible categories, Greenvolt intends to use the issuances under this Framework to finance and refinance the growth of its portfolio either by directly financing projects that make part of its business expansion or through merger and acquisitions of companies engaged in activities that comply with the criteria set forth in the Framework. Projects may include biomass power plants that use forest and wood waste as feedstock, wind power plants, solar power plants using PV technologies, decentralised generation and storage technologies. Sustainalytics notes the following:
 - Greenvolt has confirmed that the first issuance under this Framework will refinance the funding structure put in place to finance the acquisition of Tilbury Green Power in the UK – a joint venture in which Greenvolt indirectly acquired a 51% stake in June 2021. The power plant uses feedstock from wood waste (grade B and C, which is wood containing minor contaminants as well as wood with various non-hazardous contaminants) generated on construction and demolition sites. Sustainalytics considers use of wood waste of grade B and C for power generation to be in line with market practice.
 - Greenvolt may finance or refinance other biomass power plants using residual forest biomass. This may include improvements and enhancements to existing plants as well as new projects which will use Best Available Techniques referenced under the European Commission's BAT references (BREFs).⁴
 - Greenvolt may also finance or refinance projects related to energy storage such as stationary batteries. Sustainalytics considers these investments to be in line with market practice.
 - Greenvolt may also finance or refinance the development of prototypes for emerging technologies such as biogas facilities that meet the eligibility criteria mentioned above and floating solar which may include the financing of pilot projects or prototypes. Greenvolt has confirmed to Sustainalytics that such costs will not make up more than 10% of issuance volume per instrument. Sustainalytics encourages Greenvolt to disclose more detailed information on such projects once they are included in the green asset portfolio.
 - Sustainalytics is of the opinion that the investments financed by issuances under this Framework will deliver positive environmental impact in the markets in which Greenvolt operates and that financing projects with the specified technologies is aligned with market practice.

⁴ BAT reference documents available at : <https://eippcb.jrc.ec.europa.eu/reference/>

- Project Evaluation and Selection:
 - Greenvolt has established a Green Bond Committee (GBC) which is composed of members from the following departments: Engineering, Environmental & Sustainability, Legal and Finance. The GBC is in charge of selecting eligible assets after proposed projects and merger and acquisition (M&A) transactions have been reviewed by Greenvolt’s Investment Working Group.
 - Greenvolt analyses and conducts pre-screening of projects considering environmental and social risks. Projects that do not comply with E&S risk assessment or have credibility risk will be rejected and not be taken into consideration.
 - Based on the above, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - Greenvolt will manage the proceeds of the bonds on a portfolio basis using an internal management system. This process is overseen by the Finance department.
 - All proceeds from the first issuance will be immediately allocated to the acquisition of Tilbury Green Power. This transaction closed in June 2021. Look-back period and time to allocation are therefore in line with market practice. Greenvolt has not specified a look-back period and time until full allocation for future issuances and Sustainalytics encourages Greenvolt for further issuances to allocate proceeds within 36 months of the transaction date.
 - Pending allocation, Greenvolt will temporarily hold and/or invest in its treasury liquidity portfolio (in cash or cash equivalents), or in reimbursement/purchase of existing debt. Proceeds not immediately disbursed will not be invested in non-green projects, GHG intensive activities nor in controversial activities.
 - Based on the above, Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - Greenvolt will report within the Sustainability Report on an annual basis on the allocation and impact of proceeds until full allocation. The issuer may also provide separate impact reporting documents. Reporting will be based on a portfolio approach per type of renewable asset.
 - Allocation reporting is expected to include a description of projects, disclose a breakdown of the proceeds outstanding, the total amount of the proceeds allocated and the unallocated amount.
 - Impact reporting will include indicators such as installed renewable energy capacity (MW), expected annual renewable energy generation (MWh), reduction of biomass waste in the forest and estimated annual GHG emission avoided or reduced (tCO₂e).
 - Based on the above, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2021

Sustainalytics has determined that the Greenvolt Green Bond Framework aligns to the four core components of the GBP. For detailed information please refer to Appendix 1: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Strategy of Greenvolt

Contribution of framework to Greenvolt – Energias Renováveis, S.A.’s sustainability strategy

Sustainalytics is of the opinion that Greenvolt demonstrates a commitment to sustainability with a focus on growing its renewable energy portfolio.

Greenvolt is an independent renewable energy producer focused on development, construction, operation and maintenance of wind, solar and biomass plants. The Company is a pioneer in producing energy using biomass from residual forestry waste and currently owns five biomass plants in Portugal and intends to use the proceeds from the planned issuance under this Framework to refinance the funding structure put in place to finance the acquisition of its latest biomass facility in the UK. Greenvolt also has plans to further its presence in the biomass market by developing or acquiring other biomass power facilities across Europe.

Within the solar and wind energy sector, Greenvolt plans to position itself in the upstream value chain through the acquisition of V – Ridium which is a utility scale renewable energy developer based out of Poland. The Company also invests in decentralised energy generation which include installations of solar PV and EV charging stations.

By 2025, Greenvolt plans to develop renewable energy capacity of approximately 3.6 GW in European market which includes on shore wind and solar photovoltaic power projects.⁵ Greenvolt's sustainability strategy is based on a progressive demand to use physical and human resources that has limited impact on environment and is aligned with the Company's investments in wind, solar and biomass projects.⁷

Sustainalytics is of the opinion that the Greenvolt 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 net proceeds from the bonds issued under the Framework will be directed towards eligible projects that are expected to have positive environmental impact, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks associated with the eligible projects could include land use and biodiversity issues associated with large-scale renewable energy project development, waste generated in construction, occupational health and safety, and community relations issues.

Sustainalytics is of the opinion that Greenvolt is able to manage and/or mitigate potential risks through implementation of the following:

- The feedstocks for the proposed biomass projects will be sourced from Altri (parent group) Florestal forest units which are certified under the FSC® and PEFC responsibly forestry certification schemes and from other controlled sources (private or public).
- Regarding worker health and safety, Greenvolt complies with the EU Directive on Worker Health and Safety which prescribes minimum safety and health requirements throughout job sites in Europe and requires the employers to "ensure the safety and health of workers in every aspect related to the work".⁶ The Company is compliant with OHSAS 18001 and ISO 45001.⁷
- The countries where Greenvolt operates are classified as "Designated Countries" by the Equator Principles, suggesting the existence of strong environmental and social governance systems and institutional capacity designed to protect the local environment and communities.⁸
- Projects must also comply with the EU's Environmental Impact Assessment (EIA) Directive (the "Directive"). The Directive is aimed at ensuring that projects which are likely to have a significant impact on the environment are adequately assessed before approval. With respect to biodiversity, the Directive instructs that measures must be taken to "avoid, prevent, reduce and, if possible, offset significant adverse effects on the environment, in particular on species and habitats". Concerning land use, the Directive notes that the "EIA shall identify, describe and assess land use related impacts".⁹
- The Company is compliant with ISO 14001 that specifies the requirements for an environmental management system that Greenvolt can use to enhance its environmental performance and fulfill compliance obligations.
- With respect to effluents and emissions, the Company complies with EU's Industrial Emissions Directive 2010/75/EU (IED).¹⁰ The IED takes an integrated approach to industrial emissions, regulating the whole environmental performance of an industrial plant. This includes emissions to air, water and land, generation of waste, use of raw materials, energy efficiency, noise, prevention of accidents and restoration of the site upon closure. The member states issue permits to the industry operators, which provides guidance on all the measures necessary to achieve a high level of environmental protection and sets emission limit values which are based on the Best Available Techniques.¹¹

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

⁵ Greenvolt, "Greenvolt Institutional Presentation", at: https://www.greenvolt.pt/fileManager/comunicados/pdf_pt_34.pdf

⁶ EU, "Directive 89/391/EEC on the introduction of measures to encourage improvements in the safety and health of workers at work", (1989), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:31989L0391&from=FR>

⁷ Greenvolt, "Sustainability" at <https://www.greenvolt.pt/en/sustainability/certifications>

⁸ The Equator Principles, "Designated Countries", at: <https://equator-principles.com/designated-countries/>

⁹ EU, "Directive 2014/52/EU on the assessment of the effects of certain public and private projects on the environment", (2014), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32014L0052>.

¹⁰ EU, "Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control)", at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32010L0075>

¹¹ 'Best available techniques' means the most effective and advanced stage in the development of activities and their methods of operation, which indicates the practical suitability of particular techniques for providing the basis for emission limit values and other permit conditions designed to prevent and, where that is not practicable, to reduce emissions and the impact on the environment as a whole

Section 3: Impact of Use of Proceeds

All three use of proceeds categories are aligned with those recognized by the GBP. Sustainalytics has focused on Renewable and Clean Energy, Energy Efficiency and Pollution Prevention and Control below where the impact is specifically relevant in the local context.

Importance of renewable energy in Portugal

The EU 2030 Climate & Energy Framework outlined three key targets, including that at least 32% of total energy generation in Europe would come from renewable sources by 2030.¹² Portugal's share of renewable energy sources is significantly higher than the European average, as well as the share of renewable energy sources within the country's electricity mix.¹³ The country's climate commitments under the National Energy and Climate Plan 2021 – 2030,¹⁴ include (i) decarbonizing Portugal's economy, (ii) prioritizing energy efficiency and (iii) reinforcing investment in renewable energies and reducing the country's energy dependency. Portugal has a net zero objective by 2050 and intends to reduce emissions by between 45-55% by 2030 and 65-75% by 2040, in relation to 2005 levels.¹⁴

Within the development of the renewable energy sector, wind power is expected to make a large contribution, along solar and hydropower.¹⁵ Between January - July 2020, 60% of Portugal's energy demand was met with renewables, including 28% from hydropower, 23% from wind, 2.6% from solar power and 7% from biomass.¹⁶ To promote renewable energy generation using biomass, the Portuguese government approved an incentive scheme for biomass energy plants near high fire-risk forest areas; therefore, wood-based biomass is used as raw material for such thermal projects.¹⁷

In this context, Greenvolt's investments in renewable energy facilities, primarily producing energy from biomass and wood-based waste through their acquisition of Tilbury power plant, is expected to deliver environmental benefits by supporting the growth of the renewable energy sector.

Alignment with/contribution to SDGs

The Sustainable Development Goals (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 Greenvolt Green Bond Framework advances the following SDGs and targets:

Use of Proceeds Category	SDG	SDG target
Renewable and Clean Energy	7. Affordable and clean energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
Energy Efficiency	7. Affordable and clean energy	7.3. By 2030, double the global rate of improvement in energy efficiency
Pollution Prevention and Control	12. Responsible Consumption and Production	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

Conclusion

Greenvolt has developed the Greenvolt Green Bond Framework under which it may issue green bonds and use the proceeds to finance projects in the renewable energy space, mainly biomass power plants. Sustainalytics

¹² European Commission, "2030 climate & energy framework", at: https://ec.europa.eu/clima/policies/strategies/2030_en

¹³ European Commission, "Portugal: National Energy and Climate Plan 2021-2030", (2019) at: [pt_final_necp_main_en.pdf \(europa.eu\)](https://ec.europa.eu/energy/sites/default/files/2019-07/pt_final_necp_main_en.pdf)

¹⁴ LSE, "Climate targets: Economy-wide, at: [Economy-wide - Climate Targets - Portugal - Climate Change Laws of the World \(climate-laws.org\)](https://www.lse.ac.uk/ClimateChange/ClimateTargets/Portugal)

¹⁵ Roedl, "Renewable energy in Portugal", (2020), at: [Renewable energy in Portugal | Rödl & Partner \(roedl.com\)](https://www.roedl.com/en/insights/renewable-energy-in-portugal)

¹⁶ Renewables Now, "Portugal's power was 60% renewables in Jan-July 2020" (2020), at: <https://renewablesnow.com/news/portugals-power-was-60-renewable-in-jan-july-2020-709231/>

¹⁷ Renewables Now, "Portugal okays new guidelines for biomass plants, 2019", at: <https://renewablesnow.com/news/portugal-okays-new-guidelines-for-biomass-plants-666248/>

considers that the projects funded by the green bond proceeds are expected to have positive environmental impact.

The Greenvolt 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 Greenvolt 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 7 and 12. Additionally, Sustainalytics is of the opinion that Greenvolt has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the proceeds.

Based on the above, Sustainalytics is confident that Greenvolt – Energias Renováveis, S.A. is well-positioned to issue green bonds and that the Greenvolt Green Bond Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2021.

Appendix

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

Section 1. Basic Information

Issuer name:	Greenvolt – Energias Renováveis, S.A.
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	Greenvolt Green Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	October 22, 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 GBP:

- | | |
|--|--|
| <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 Renewable and Clean Energy, Energy Efficiency and Pollution Prevention and Control, are aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments in the eligible categories may increase the share of renewable energy and advance the UN Sustainable Development Goals, specifically SDG 7 and 12.

Use of proceeds categories as per GBP:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Renewable energy | <input checked="" type="checkbox"/> Energy efficiency |
| <input checked="" 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 type="checkbox"/> Clean transportation |
| <input 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 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 GBP | <input type="checkbox"/> Other (please specify): |

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

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

Greenvolt – Energias Renováveis, S.A.'s internal process in evaluating and selecting projects will be overseen by the Green Bond Committee (GBC) which will comprise of members from Engineering, Environmental & Sustainability, Legal and Finance departments. The GBC will select projects from the list prepared by Investment Working Group which is prepared after reviewing and selecting projects that pass the pre-screening based on E&S risk assessment and credibility risk. Greenvolt – Energias Renováveis, S.A. environmental and social risk assessment and mitigation process are applicable to allocation decisions made under the Framework. Sustainalytics considers this to be 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 |
| <input type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> 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):

Greenvolt – Energias Renováveis, S.A. processes for management of proceeds will be managed by the Finance department. The use of proceed will be tracked using an internal management system. All proceeds from the first issuance will be immediately allocated to the acquisition of Tilbury Green Power. This transaction closed in June 2021. Sustainalytics notes that for future issuances there is no look-back period and time to allocation specified.

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):

Greenvolt – Energias Renováveis, S.A. intends to report on allocation and impact of proceeds on an annual basis until full allocation in its Sustainability Report/website. Allocation reporting will include allocations made towards types of renewable asset. In addition, Greenvolt – Energias Renováveis, S.A is committed to reporting on relevant impact metrics. Sustainalytics views Greenvolt – Energias Renováveis, S.A.'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
 Green 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):

- GHG Emissions / Savings
 Energy Savings
- Decrease in water use
 Other ESG indicators (please specify):
- Installed renewable energy capacity (MW)
 - Expected annual renewable energy generation (MWh)
 - Reduction of biomass waste in the forest
 - Recycled construction and demolition wood waste
 - Emissions of dust, nitrogen oxides (NO_x), sulphur dioxide (SO₂)

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):
- Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review): Allocation of funds will be third party verified

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.)

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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