

# Second-Party Opinion

## Opdenenergy Green Finance Framework



### Evaluation Summary

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



**USE OF PROCEEDS** The eligible category for the use of proceeds, Renewable Energy, is aligned with those recognized by the Green Bond Principles and Green Loan Principles. Sustainalytics considers that investments in the eligible category will lead to positive environmental impact and advance the UN Sustainable Development Goals, specifically SDG 7.



**PROJECT EVALUATION AND SELECTION** Opdenenergy's Development Team leads the internal process for evaluating and selecting projects. The Executive Committee oversees all project pipeline and selection decisions ahead of final approval by the Board of Directors. Opdenenergy will carry out environmental and social impact assessments prior to projects taking place in collaboration with local stakeholders. Sustainalytics considers the project selection process to be aligned with market practice.



**MANAGEMENT OF PROCEEDS** Opdenenergy's CFO, along with the support of the Treasury Team, will monitor and track the allocation of proceeds using separate accounts or appropriate control systems. Opdenenergy intends to allocate proceeds within three years of issuance. Unallocated proceeds will be temporarily held in cash or cash equivalents or invested in Opdenenergy's treasury liquidity portfolio. Sustainalytics considers this to be aligned with market practice.



**REPORTING** Opdenenergy intends to report on the allocation of proceeds on an annual basis until full allocation on its website or through other corporate presentations. Allocation reporting may include the total amount allocated to eligible projects and the balance of unallocated proceeds. In addition, Opdenenergy is committed to reporting on relevant impact metrics. Sustainalytics views Opdenenergy's allocation and impact reporting commitment as aligned with market practice.

**Evaluation date** December 19, 2022

**Issuer Location** Madrid, Spain

### Report Sections

Introduction.....	2
Sustainalytics' Opinion .....	3
Appendix .....	8

**For inquiries, contact the Sustainable Finance Solutions project team:**

**Flora Mile (Amsterdam)**  
Project Manager  
flora.mile@sustainalytics.com

**Taotao Yue (Amsterdam)**  
Project Support

**Vedang Kulkarni (Mumbai)**  
Project Support

**Diego Gomez (London)**  
Client Relations  
susfinance.emea@sustainalytics.com  
(+44) 20 3880 0193

## Introduction

OPDE Group (“Opdenenergy” or the “Company”) is an independent renewable energy producer focused on the financing, development, construction and operation of solar photovoltaic and onshore wind energy projects. Founded in 2005, Opdenenergy is headquartered in Madrid, Spain, and currently operates in seven countries in Europe and Latin America, plus the United States. The Company has a total of 1.8 GW of gross renewable energy capacity in operation or under construction, as well as a pipeline of projects estimated at an additional generation capacity of 12 GW.

Opdenenergy has developed the Opdenenergy Green Finance Framework (the “Framework”), under which it intends to issue green financing instruments that may include bonds, promissory notes, loans and commercial papers to finance in whole or in part, existing or future solar and wind energy projects. These expenditures are expected to support the increase of the share of renewable energy in the regions in which Opdenenergy operates. The Framework defines eligibility criteria in the following area:

### 1. Renewable Energy

Opdenenergy engaged Sustainalytics to review the Opdenenergy Green Finance Framework, dated November 2022,<sup>1</sup> and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP)<sup>2</sup> and the Green Loan Principles 2021 (GLP).<sup>3</sup> The Framework has been published in a separate document.<sup>4</sup>

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

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent<sup>5</sup> opinion on the alignment of the reviewed Framework with 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, and the Green Loan Principles 2021, as administered by LMA, APLMA and LSTA;
- 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 1.12, 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 Opdenenergy’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. Opdenenergy representatives have confirmed (1) they understand it is the sole responsibility of Opdenenergy 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 Opdenenergy.

<sup>1</sup> The Framework updates and replaces Opdenenergy’s 2021 Green Finance Framework, for which Sustainalytics had provided a previous Second-Party Opinion, available at: <https://opdenenergy.com/wp-content/uploads/2021/12/Opdenenergy-Green-Finance-Framework-Second-Party-Opinion-Sustainalytics.pdf>

<sup>2</sup> 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/>.

<sup>3</sup> The Green Loan Principles are administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications & Trading Association and are available at <https://www.lsta.org/content/green-loan-principles/>

<sup>4</sup> The Opdenenergy Green Finance Framework is available on Opdenenergy’s website at: <https://opdenenergy.com/en/commitment-and-sustainability/>

<sup>5</sup> 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.

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 and loan proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner. Upon twenty-four (24) months following the evaluation date set stated herein, Opdenenergy is encouraged to update the Framework, if necessary, and seek an update to the Second-Party Opinion to ensure ongoing alignment of the Framework with market standards and expectations.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realized allocation of the bond and loan 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 Opdenenergy has made available to Sustainalytics for the purpose of this Second-Party Opinion.

## Sustainalytics' Opinion

### Section 1: Sustainalytics' Opinion on the Opdenenergy Green Finance Framework

Sustainalytics is of the opinion that the Opdenenergy Green Finance Framework is credible and impactful and aligns with the four core components of the GBP and GLP. Sustainalytics highlights the following elements of the Framework:

- Use of Proceeds:
  - The eligible category, Renewable Energy, is aligned with those recognized by the GBP and GLP.
  - Opdenenergy intends to finance or refinance existing or new solar PV and onshore wind energy generation projects, and stand alone and hybrid energy storage systems in Europe, Latin America and the US.
  - The Framework includes refinancing opex but does not define a look-back period for such expenditures. Sustainalytics notes that it is good practice to define a look-back period of no more than three years for the refinancing of opex.
  - Opdenenergy has communicated to Sustainalytics that the eligible expenditures may also include the cost of mergers and acquisitions of pure play companies which derive at least 90% of their revenue from activities that comply with the Framework criteria. Sustainalytics acknowledges that the GBP, SBP and SBG favor project-based lending and financing, which provide more transparency in general than non-project-based lending, but notes that financing pure play companies through green and social bonds is commonly accepted in the market as an approach that can generate positive impact.
  - Sustainalytics considers the financing of renewable energy generation projects to provide a positive environmental impact in increasing the share of renewables and aligned with market practice.
- Project Evaluation and Selection:
  - Opdenenergy's Development Team leads the internal process for evaluating and selecting projects. The Company's Executive Committee oversees project pipeline and selection decisions ahead of final approval by its Board of Directors. The Executive Committee comprises the Company's CEO, COO, CFO, the Head of Development, the Human Resources Director, the Legal Director and the Investor Relations and Communications Director.
  - The Company's Development Team, in collaboration with local stakeholders and the Project Management Team, will conduct environmental and social impact assessments and technical studies prior to projects taking place. For additional details, see Section 2
  - Based on a cross-functional oversight of project selection and the presence of environmental and social risk management processes, Sustainalytics considers this process to be aligned with market practice.
- Management of Proceeds:
  - Opdenenergy's CFO, with the support of the Treasury Team, will oversee the management of proceeds and track allocation through dedicated accounts or appropriate control systems.

- Opdenenergy intends to fully allocate proceeds within three years of issuance. Unallocated proceeds will be temporarily held in cash or cash equivalents or invested in Opdenenergy's treasury liquidity portfolio.
- Based on the clear management systems and disclosure of the temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:
  - Opdenenergy intends to report on allocations and the impact of proceeds on an annual basis until full allocation. The Company will make the reporting available on its website or in its corporate presentations, financial statements, sustainability reports or specific reports, in accordance with stock market regulations.
  - Allocation reporting may include the total amount allocated to eligible projects and the balance of unallocated proceeds.
  - In addition, the Company commits to reporting on relevant impact metrics, such as installed renewable energy capacity (measured in MW), renewable energy production (measured in MWh) and annual GHG emissions avoided (measured in tCO<sub>2</sub>e).
  - Based on Opdenenergy's commitment to allocation and impact reporting, Sustainalytics considers this process in line with market practice.

### **Alignment with Green Bond Principles 2021 and Green Loan Principles 2021**

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

## **Section 2: Sustainability Strategy of Opdenenergy**

### **Contribution to Opdenenergy's sustainability strategy**

Sustainalytics is of the opinion that Opdenenergy, as an independent power producer focused on solar PV and wind energy that considers renewable energy sources across all of its developed assets, has a business model that is supportive of positive environmental outcomes and is expected to contribute to the Company's objective of promoting a low-carbon economy and mitigating climate change through the use of renewable energy.

Opdenenergy is committed to integrating ESG into its overall strategy and business model and periodically reports information on its ESG performance through Sustainability Reports. Opdenenergy developed a Sustainability Master Plan in 2021, which outlines the Company's road map to achieve ESG objectives and targets for the 2022-25 period.<sup>6</sup> The material environmental objectives in Opdenenergy's master plan include: i) contributing to the decarbonization of the economy; ii) maximizing renewable energy generation, availability and efficiency; iii) monitoring and managing activities' environmental impact; and iv) improving environmental performance in procurement and life cycle management.<sup>7</sup>

Opdenenergy has set targets to achieve its renewable energy objectives, including: i) reach 3.3 GW of renewable energy projects in operation and under construction by 2025; and ii) produce 5,000 GWh per year of renewable energy in operation in 2025.<sup>8</sup> As of the third quarter of 2022, Opdenenergy had a capacity in operation and construction of almost 1.8 GW, plus a pipeline of nearly 12 GW in different stages of maturity.

As part of its efforts to improve its environmental performance, the Company has been tracking its carbon footprint since 2019 and aims to achieve carbon neutrality for scope 1 and 2 emissions, with the issuance of an offsetting plan by 2024.<sup>9</sup> The Company has reportedly avoided more than 155,000 tCO<sub>2</sub>e through direct renewable energy generation in 2021 and expects to avoid approximately 18.01 million tCO<sub>2</sub>e from all the projects commissioned and connected to date over their lifetime.<sup>10</sup> In 2021, the Company managed to significantly reduce scope 2 and 3 emissions by 24% and 47%, respectively, compared to 2020.<sup>11</sup> Furthermore, to improve its carbon footprint management, Opdenenergy has plans to establish a Carbon Footprint Reduction Plan before 2023, as well as seeking for alignment with internationally recognized schemes, such as TCFD, SBTi or NetZero, among other initiatives.<sup>12</sup>

<sup>6</sup> Opdenenergy, "Sustainability Report 2021, at: [https://opdenenergy.com/wp-content/uploads/2022/06/Sustainability\\_Report\\_2021\\_Opdenenergy\\_EN.pdf](https://opdenenergy.com/wp-content/uploads/2022/06/Sustainability_Report_2021_Opdenenergy_EN.pdf)

<sup>7</sup> Ibid.

<sup>8</sup> Ibid.

<sup>9</sup> Ibid.

<sup>10</sup> Ibid.

<sup>11</sup> Ibid.

<sup>12</sup> Ibid.

Given the above, Sustainalytics is of the opinion that the Framework is aligned with Opdenenergy's sustainability strategy and will contribute to the Company's key sustainability objectives.

### Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that the net proceeds from the green financing instruments issued under the Framework will be directed towards eligible projects in the renewable energy sector and are expected to have positive environmental and social impact. However, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key risks possibly associated with the eligible projects could include issues related to land use and biodiversity risks associated with large-scale infrastructure projects, waste management, health and safety during project construction, community engagement and supply chain sustainability.

Sustainalytics is of the opinion that Opdenenergy is able to manage or mitigate potential risks associated with the use of proceeds through implementation of the following:

- To manage land use and biodiversity risks, Opdenenergy conducts environmental impact assessments (EIA) in the first phase of projects. As part of an EIA, the Company identifies environmental factors associated with the projects, including applicable permits, standards or regulations and monitoring of bird life, archaeology and land use.
- To manage projects' ecological impact, the Company takes and implements preventive and corrective measures as identified in the EIAs. The corrective and compensatory measures may include rehabilitating degraded areas, installing vegetation screens, implementing habitat improvement plans, protecting soil and habitats, reforestation, soil compensating and protecting and monitoring endangered species.<sup>13</sup>
- Opdenenergy has established an environmental management system to prevent and mitigate waste and pollution. As part of its environment management system, Opdenenergy collects data from contractors to identify the activities and products that may generate waste with significant effects and monitors the amount of hazardous and non-hazardous waste generated at its project locations.<sup>14</sup> Opdenenergy's environmental management system has been certified to ISO 14001:2015.<sup>15</sup>
- Opdenenergy has in place an occupational health and safety management policy and system to provide employees with safe and healthy working conditions.<sup>16</sup> The management system is based on and certified according to the requirements of ISO 45001:2018.<sup>17</sup> In addition, the Company has internal processes to reduce safety hazards and work-related injuries, such as periodic health and safety risks assessments, annual inspections of energy assets and employee training.<sup>18</sup>
- Regarding community engagement, Opdenenergy conducts social impact assessments in accordance with the requirements applicable in each geographical area, which usually includes public participation, public consultation and the development of monitoring programmes. Before commencing the construction of its projects, the Company meets with local authorities and stakeholders to present details on social impact and publishes project information on web pages, in letters and in information leaflets. Additionally, the Company sets up contact channels to resolve claims and complaints during the project execution stage.<sup>19</sup>
- Opdenenergy has established a monitoring and control mechanism to ensure its suppliers' compliance with applicable regulations. This includes evaluating its suppliers based on environmental and social criteria, audits, inspection and follow-up visits. Furthermore, the Company promotes the implementation of raw material traceability protocols to identify the source of material inputs in its product and track the movement of these inputs throughout its entire supply chain.<sup>20</sup>

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

<sup>13</sup> Ibid.

<sup>14</sup> Ibid.

<sup>15</sup> Opdenenergy, "Quality, Environment and Health and Safety Certifications", at: <https://opdenenergy.com/wp-content/uploads/2022/02/Quality-Environment-and-Health-and-Safety-Certifications.pdf>

<sup>16</sup> Opdenenergy, "Our Commitment", (2021), at: [https://opdenenergy.com/wp-content/uploads/2022/03/20220131\\_Codes-and-policies-book.pdf](https://opdenenergy.com/wp-content/uploads/2022/03/20220131_Codes-and-policies-book.pdf)

<sup>17</sup> Opdenenergy, "Quality, Environment and Health and Safety Certifications", at: <https://opdenenergy.com/wp-content/uploads/2022/02/Quality-Environment-and-Health-and-Safety-Certifications.pdf>

<sup>18</sup> Opdenenergy, "Our Commitment", (2021), at: [https://opdenenergy.com/wp-content/uploads/2022/03/20220131\\_Codes-and-policies-book.pdf](https://opdenenergy.com/wp-content/uploads/2022/03/20220131_Codes-and-policies-book.pdf)

<sup>19</sup> Opdenenergy, "Sustainability Report 2021", at: [https://opdenenergy.com/wp-content/uploads/2022/06/Sustainability\\_Report\\_2021\\_Opdenenergy\\_EN.pdf](https://opdenenergy.com/wp-content/uploads/2022/06/Sustainability_Report_2021_Opdenenergy_EN.pdf)

<sup>20</sup> Ibid.

### Section 3: Impact of Use of Proceeds

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

#### Importance of financing renewable energy projects in the EU and Americas

The energy sector was responsible for more than two-thirds of total GHG emissions globally by 2021.<sup>21</sup> It is estimated that global electricity demand will more than double between 2020 and 2050, with the largest absolute rise in electricity use.<sup>22</sup> To achieve net zero by 2050 the share of renewables in total electricity generation globally should increase from 29% in 2020 to over 60% in 2030 and to nearly 90% in 2050.<sup>23</sup> In addition, the global annual investment in energy sector should expand to approximately USD 5 trillion by 2030 from USD 2 trillion in 2021 to achieve net zero emissions by 2050.<sup>24</sup>

The EU energy sector accounts for 75% of the bloc’s total GHG emissions.<sup>25</sup> The EU has set intermediate targets to reduce its GHG emissions by at least 40% by 2030 relative to 1990 levels and to increase the share of renewable energy to at least 32% by 2030.<sup>26</sup> Total electricity production from renewable sources will need to range between 60% and 65% of all EU electricity production to achieve these targets.<sup>27</sup> In 2020, this share was estimated to be 22%.<sup>28</sup> As part of the REPowerEU plan, the EU aims to install new solar PV systems with a capacity of more than 320 GW by 2025 and almost 600 GW by 2030.<sup>29</sup>

The Americas region accounted for approximately 20% of total CO<sub>2</sub> emissions from energy globally in 2021.<sup>30</sup> Solar PV capacity is expected to see a five-fold increase between 2020 and 2030, while onshore wind is predicted to nearly double in North America.<sup>31</sup> Specific to Latin America, the Renewable Energy for Latin America and the Caribbean Initiative (RELAC) was launched in December 2019 with the aim to accelerate the carbon neutrality of the region’s electricity system and achieve at least a 70% share of renewable energy in the region’s electricity matrix by 2030.<sup>32</sup>

Based on the above, Sustainalytics is of the opinion that Opdenenergy’s investments in solar PV and wind power are expected to contribute to lowering energy-related GHG emissions and supporting low-carbon economy transitions in the countries in which Opdenenergy operates.

#### Contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by 2030. The green financing instruments issued under the Opdenenergy Green Finance Framework are expected to help advance the following SDG and target:

Use of Proceeds Category	SDG	SDG target
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix

<sup>21</sup> IEA, “Greenhouse Gas Emissions from Energy Data Explorer”, (2021), at: <https://www.iea.org/data-and-statistics/data-tools/greenhouse-gas-emissions-from-energy-data-explorer>

<sup>22</sup> IEA, “Net Zero by 2050 A Roadmap for the Global Energy Sector”, (2021), at: [https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroBy2050-ARoadmapfortheGlobalEnergySector\\_CORR.pdf](https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroBy2050-ARoadmapfortheGlobalEnergySector_CORR.pdf)

<sup>23</sup> Ibid.

<sup>24</sup> Ibid.

<sup>25</sup> European Commission, “Powering a climate-neutral economy: Commission sets out plans for the energy system of the future and clean hydrogen”, (2020), at: [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_20\\_1259](https://ec.europa.eu/commission/presscorner/detail/en/ip_20_1259)

<sup>26</sup> European Commission, “2030 climate & energy framework”, at: [https://climate.ec.europa.eu/eu-action/climate-strategies-targets/2030-climate-energy-framework\\_en](https://climate.ec.europa.eu/eu-action/climate-strategies-targets/2030-climate-energy-framework_en)

<sup>27</sup> French Institute of International Relations, “More renewables in the European Union? Yes, we can”, (2018), at: <https://www.ifri.org/en/publications/editoriaux-de-lifri/edito-energie/more-renewables-european-union-yes-we-can>

<sup>28</sup> Eurostat, “Renewable energy statistics”, at: [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Renewable\\_energy\\_statistics](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Renewable_energy_statistics)

<sup>29</sup> European Commission, “REPowerEU: affordable, secure and sustainable energy for Europe”, at: [https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/repowereu-affordable-secure-and-sustainable-energy-europe\\_en](https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal/repowereu-affordable-secure-and-sustainable-energy-europe_en)

<sup>30</sup> Statista, “Carbon dioxide emissions from energy worldwide from 1965 to 2021, by region”, (2022), at: <https://www.statista.com/statistics/205966/world-carbon-dioxide-emissions-by-region/>

<sup>31</sup> Offshore Technology, “North America’s energy transition to accelerate over the next decade”, (2022), at: <https://www.offshore-technology.com/comment/north-america-energy-transition/>

<sup>32</sup> IRENA, “Renewable Energy in Latin America and the Caribbean Towards a Regional Energy Transition”, (2022), at: <https://www.irena.org/events/2022/Jun/Renewable-Energy-in-Latin-America-and-the-Caribbean-Towards-a-Regional-Energy-Transition>



---

## Conclusion

Opdenergy has developed the Opdenergy Green Finance Framework, under which it may issue green financing instruments that may include bonds, promissory notes, loans or commercial papers and use the proceeds to finance renewable energy projects. Sustainalytics considers that the projects funded by the proceeds will promote the deployment of renewable energy and accelerate the transition to a low-carbon economy.

The Opdenergy Green Finance Framework outlines a process by which proceeds will be tracked, allocated and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that the Framework is aligned with the overall sustainability objectives of Opdenergy and that the use of proceeds under the Framework will contribute to the advancement of the UN Sustainable Development Goal 7. Additionally, Sustainalytics is of the opinion that Opdenergy 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 Opdenergy is well positioned to issue green financing instruments and that the Opdenergy Green Finance Framework is robust, transparent and in alignment with the four core components of the Green Bond Principles 2021 and Green Loan Principles 2021.

## Appendix 1

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

#### Section 1. Basic Information

Issuer name:	Opdenenergy
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	Opdenenergy Green Finance Framework
Review provider's name:	Sustainalytics
Completion date of this form:	December 19, 2022
Publication date of review publication: Original publication date:	Update to 2021 Sustainalytics SPO, published in month of December

#### 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 <sup>nd</sup> 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 category for the use of proceeds, Renewable Energy, is aligned with those recognized by the Green Bond Principles and Green Loan Principles. Sustainalytics considers that investments in the eligible category will lead to positive environmental impact and advance the UN Sustainable Development Goals, specifically SDG 7.

#### Use of proceeds categories as per GBP:

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Renewable energy  | <input 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 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 <i>(please specify)</i> :   |

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

#### 2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Opdenenergy's internal process for evaluating and selecting projects is led by its Development Team. Opdenenergy's Executive Committee oversees all project pipeline and selection decisions ahead of final approval by its Board of Directors. Opdenenergy will carry out environmental and social impact assessments prior to projects taking place in collaboration with local stakeholders. Sustainalytics considers the process of project selection process to be aligned 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 checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |

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

#### Information on Responsibilities and Accountability

- Evaluation / Selection criteria subject to external advice or verification       In-house assessment

- Other (*please specify*):

### 3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

Opdenenergy's CFO, with the support of the treasury team will monitor and track the allocation of proceeds using separate accounts or appropriate control systems. Opdenenergy intends to allocate proceeds within three years of issuance. Unallocated proceeds will be temporarily held in cash or cash equivalent or invested in Opdenenergy's treasury liquidity portfolio. Sustainalytics considers this to be aligned with market practice.

#### 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*):

Opdenenergy intends to report on the allocation of proceeds on an annual basis until full allocation on its website or via other corporate presentations. Allocation reporting may include the total amount allocated to eligible projects and the balance of unallocated proceeds. In addition, Opdenenergy is committed to reporting on relevant impact metrics. Sustainalytics views Opdenenergy's allocation and impact reporting commitment 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*): Balance of unallocated proceeds, average balance position

**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: Renewable energy capacity (measured in MW), renewable energy production (measured in MWh)

**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):

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 <sup>nd</sup> 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.

## Disclaimer

**Copyright ©2022 Sustainalytics. All rights reserved.**

The information, methodologies and opinions contained or reflected herein are proprietary of Sustainalytics and/or its third-party suppliers (Third Party Data), and may be made available to third parties only in the form and format disclosed by Sustainalytics, or provided that appropriate citation and acknowledgement is ensured. They are provided for informational purposes only and (1) do not constitute an endorsement of any product or project; (2) do not constitute investment advice, financial advice or a prospectus; (3) cannot be interpreted as an offer or indication to buy or sell securities, to select a project or make any kind of business transactions; (4) do not represent an assessment of the issuer's economic performance, financial obligations nor of its creditworthiness; and/or (5) have not and cannot be incorporated into any offering disclosure.

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

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

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

## About Sustainalytics, a Morningstar Company

Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. For more than 30 years, the firm has been at the forefront of developing high-quality, innovative solutions to meet the evolving needs of global investors. Today, Sustainalytics works with hundreds of the world's leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. Sustainalytics also works with hundreds of companies and their financial intermediaries to help them consider sustainability in policies, practices and capital projects. With 17 offices globally, Sustainalytics has more than 1500 staff members, including more than 500 analysts with varied multidisciplinary expertise across more than 40 industry groups.

For more information, visit [www.sustainalytics.com](http://www.sustainalytics.com)

Or contact us [contact@sustainalytics.com](mailto:contact@sustainalytics.com)

