

Second-Party Opinion

Holaluz Green Finance Framework

Evaluation Summary

Sustainalytics is of the opinion that the 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 the Green Loan Principles. Sustainalytics considers that investments in the eligible category will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 7.



PROJECT EVALUATION / SELECTION Holaluz's Treasury team will be responsible for the evaluation and selection of projects based on the criteria defined in the Framework. The selected projects will be submitted to the Impact team representative on the Board for approval, and the CFO has final sign-off right on the selection of projects. Holaluz has adopted internal policies to mitigate environmental and social risks that are applicable to all allocation decisions made under the Framework. Sustainalytics considers this process in line with market practice.



MANAGEMENT OF PROCEEDS Holaluz's Treasury team will be responsible for the management of proceeds. Holaluz intends to achieve full allocation within 36 months of each issuance. Unallocated proceeds will be temporarily held or invested in its Treasury liquidity portfolio including cash or cash equivalents. This is in line with market practice.



REPORTING Holaluz intends to report semi-annually on the allocation of proceeds in the allocation report and annually on associated impact metrics in the annual report on its website until full allocation. Allocation reporting will include the amount of allocated proceeds and the details of expenditures. In addition, Holaluz intends to report on quantitative impacts and has provided impact indicators in the Framework. Sustainalytics views the allocation and impact reporting process as aligned with market practice.



Evaluation date	September 5, 2022
Issuer Location	Barcelona, Spain

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For inquiries, contact the Sustainable Finance Solutions project team:

Pauline Horng (Amsterdam)
Project Manager
pauline.horng@sustainalytics.com
(+49) 69 5060 7894

Hamoda Youssef (Toronto)
Project Support

Kay Tao (Amsterdam)
Project Support

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

Introduction

Holaluz Clidom S.A. (“Holaluz” or the “Company”) is a renewable energy supply company headquartered in Barcelona, Spain. The Company was founded in 2010 and operates in southern Europe, serving more than 386,000 customers with 354 employees as of 2021.¹

Holaluz has developed the Green Finance Framework, dated September 2022 (the “Framework”), under which it intends to issue bonds, loans and promissory notes, and use the proceeds to finance or refinance, in whole or in part, existing or future projects that are expected to create positive environmental impacts by supporting the clean energy transition in southern Europe. The Framework defines eligibility criteria in one area:

1. Renewable Energy

Holaluz engaged Sustainalytics to review the Green Finance Framework and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP)² and the Green Loan Principles 2021 (GLP).³ This Framework will be published in a separate document.⁴

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

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent⁵ 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
- 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 Holaluz’s management team to understand the sustainability impact of their business processes, planned use and management of proceeds and reporting aspects of the Framework. Holaluz representatives have confirmed that: (1) they understand it is the sole responsibility of Holaluz to ensure that the information provided is complete, accurate and up to date; (2) they have provided Sustainalytics with all relevant information; and (3) 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 Holaluz.

Sustainalytics’ Second-Party Opinion reflects on the alignment of the Framework with market standards but 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

¹ Holaluz, “Holaluz ESG Impact Report 2021”, at: https://www.holaluz.com/downloads/investors/holaluz_esg_impact_report.pdf

² 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/>

³ 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/>

⁴ The Green Finance Framework will be available on Holaluz Clidom SA’s website at: <https://www.holaluz.com/en/investors/>

⁵ 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.

herein, Holaluz 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 Holaluz has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Green Finance Framework

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

- Use of Proceeds:
 - The eligible category, Renewable Energy, is aligned with those recognized by the GBP and GLP.
 - Holaluz may finance or refinance the acquisitions of pure play companies that derive at least 90% of their revenue from activities that comply with the eligibility criteria set in the Framework. Sustainalytics recognizes that the GBP and GLP favour project-based financing, which generally provides more transparency than non-project-based financing. Nevertheless, Sustainalytics recognizes that the financing of pure play companies through green bonds is commonly accepted as an approach that can generate positive impacts. Sustainalytics also notes that it is market expectation to allocate proceeds to acquisitions of pure play companies with the fair value of eligible assets booked under the balance sheet. Holaluz has also established a look-back period of 36 months for refinancing activities. Sustainalytics considers these criteria to be in line with market practice.
 - Under the Renewable Energy category, the Company may finance or refinance the following:
 - Electricity sourced from renewable energy, such as through power purchase agreements (PPAs), virtual power purchase agreements and renewable energy certificates. Holaluz has confirmed that the proceeds issued under the Framework will not be allocated to activities involving nuclear and natural gas facilities. Sustainalytics considers this to be aligned with market practice.
 - Installation and management of solar photovoltaic plants. Sustainalytics considers it to be aligned with market practice.
- Project Evaluation and Selection:
 - Holaluz's Treasury team will be responsible for the evaluation and selection of projects based on the criteria defined in the Framework. The selected projects will be submitted to the Impact team representative on the Board for approval, and the CFO has final sign-off authority on the selection of projects.
 - Holaluz has adopted internal policies under the Company's Code of Conduct to mitigate environmental and social risks that are applicable to all allocation decisions made under the Framework. For additional details, see Section 2.
 - Based on the delineation of responsibility, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - Holaluz's Treasury team will manage proceeds under the direct supervision of the CFO, who reports to the board of directors. The proceeds will be recorded and tracked through internal documentation.
 - Holaluz intends to achieve full allocation of proceeds within 36 months of each issuance. The unallocated proceeds will either be temporarily held or invested in the Company's Treasury liquidity portfolio, including cash or cash equivalents.

- Based on the management of the bond proceeds and the disclosure on the temporary use of unallocated proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - Holaluz intends to report semi-annually on the allocation of proceeds in the allocation report and annually on associated impact metrics in the annual report until full allocation. Both reports will be made public on the Company's website.
 - Allocation reporting is expected to include category-wide details on the amount of allocated proceeds and the details of expenditures.
 - Impact reporting is expected to compare the projects' category-wide impacts against respective key performance indicators, including electricity supplied from 100% renewable sources (measured in MW) and annual GHG emissions avoided by the projects in operation (measured in tCO₂e).
 - Based on the commitment to allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2021 and Green Loan Principles 2021

Sustainalytics has determined that the 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 Holaluz

Contribution of the Framework to Holaluz' sustainability strategy

Sustainalytics is of the opinion that Holaluz demonstrates a commitment to sustainability with a long-term vision to connect people to green energy and to facilitate solar roof transformation.⁶ The Company has focused on several key pillars,⁷ out of which Sustainalytics finds Sustainable Business as directly relevant to the eligible activities listed in the Framework. Under the Sustainable Business pillar, Holaluz is committed to increasing the generation, distribution and accessibility of renewable energy, as well as catalyzing green energy industry growth through partnerships with business allies and value chain partners.⁸

Holaluz has sought partnerships with independent green energy producers through PPAs to expand its capacity to supply renewable energy and ensure accessibility to renewable energy with a stable price for customers. The Company signed the PPA with BayWa r.e. for a solar park in Castilla La Mancha, Spain, in February 2022.⁹ The park is expected to generate approximately 37.5 GWh of solar energy in its first year of full production, which will enable Holaluz to connect 9,500 customers to renewable energy.¹⁰ In March 2022, the Company signed another agreement with Greenergy to purchase approximately 66 GWh of green energy generated from seven hydraulic installations in Portugal, which is projected to connect another 20,000 customers to green energy.¹¹

In June 2020, Holaluz launched The Rooftop Revolution plan with the aim of transforming every square metre of viable rooftop in Spain into a renewable energy producer by installing rooftop solar panels.¹² To achieve this, Holaluz announced in July 2021 its strategy to acquire installation companies to increase its operational capacity.¹³ Following this announcement, the Company acquired three companies in January 2022: Katae Energía, Serna Energía and GHC Instalaciones.¹⁴ As of 31 December 2021, The Rooftop Revolution had grown by 29.78% in customers and 59.37% in solar installations with a total of 386,540 customers and 6,410 solar installations compared to 2020.¹⁵

Sustainalytics is of the opinion that the Green Finance Framework is aligned with the Company's overall sustainability strategy and initiatives, and will further the Company's action on its key environmental priorities. Nevertheless, Sustainalytics encourages Holaluz to establish quantified time-bound targets, and to publicly disclose and report on its progress towards them.

⁶ Holaluz, "Green Finance Framework", at: <https://www.holaluz.com/en/investors/>

⁷ Holaluz, "ESG Policy", at: <https://www.holaluz.com/downloads/investors/esg-policy-holaluz.pdf>

⁸ Ibid.

⁹ Holaluz, "Holaluz ESG Impact Report 2021", at: https://www.holaluz.com/downloads/investors/holaluz_esg_impact_report.pdf

¹⁰ Ibid.

¹¹ Ibid.

¹² Ibid.

¹³ Holaluz, "Annual Report 2021", at: https://www.holaluz.com/downloads/investors/consolidated_fy_21_results.pdf

¹⁴ Ibid.

¹⁵ Holaluz, "Holaluz ESG Impact Report 2021", at: https://www.holaluz.com/downloads/investors/holaluz_esg_impact_report.pdf

Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that the net proceeds from the green finance instruments issued under the Framework will be directed towards eligible projects that are expected to have positive environmental impacts. However, 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 occupational health and safety risks for workers during the installation of solar panels, and business ethics and product risks regarding responsible contracting and fair fees for end customers, as well as through PPAs.

Sustainalytics is of the opinion that Holaluz is able to manage or mitigate potential risks through implementing the following:

- Holaluz has established the Health and Safety Policy to address occupational health and safety risks in its operations.¹⁶ Under the Policy, Holaluz considers providing employees with safe and healthy working conditions to prevent work-related injuries and health deterioration to be its main objective. Holaluz is also committed to the continuous improvement of its occupational health and safety management and performance.
- With respect to business ethics and product risks, Holaluz has in place the Holaluz Ethical Code,¹⁷ which applies to all employees, including boards and committees. The Code explains that the Company puts its customers at the centre; customer relations shall be established on transparency and honesty, as well as fair fees and responsible contracting. Some practices include adjusting the monthly contract fee based on the power purchased to lower the bill for its customers, and not applying contract cancellation fees if the customer decides to end the contract.
- Sustainalytics also notes that most of the financing under the Framework will take place in Spain, which is among the list of Designated Countries under the Equator Principles, indicating that environmental and social governance legislation systems and institutional capacity are sufficient to ensure mitigation of the common environmental and social risks.¹⁸

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

Section 3: Impact of Use of Proceeds

All use of proceeds under the Renewable Energy category are aligned with those recognized by the GBP and GLP. Sustainalytics has focused below on where the impact is specifically relevant in the local context.

Importance of renewable energy in Spain

The energy sector was responsible for 77% of the EU's GHG emissions in 2019.¹⁹ To reduce GHG emissions, the European Green Deal set a 2050 target for climate neutrality in the EU, requiring 55% emissions reduction by 2030.²⁰ According to the International Renewable Energy Agency, the widespread adoption of renewable energy sources could deliver 60% of energy-related CO₂ emissions reduction.²¹ In this context, increasing the share of renewables in the EU's energy mix is expected to play a fundamental role in achieving its climate neutrality target by 2050.²² The share of renewable energy in Europe in 2019 was 34.6%,²³ but it is required to increase to 38-40% by 2030 in order to meet the 55% emissions reduction target.²⁴

¹⁶ The occupational health and safety policy was shared with Sustainalytics confidentially.

¹⁷ Holaluz, "Holaluz Ethical Code", at: <https://www.holaluz.com/en/legal-documents/ethical-code/>

¹⁸ Equator Principles, "Designated Countries", at: <https://equator-principles.com/about-the-equator-principles/designated-countries>

¹⁹ UNFCCC, "Summary of GHG Emissions for European Union (Convention)", at: https://di.unfccc.int/ghg_profiles/annexOne/EUA/EUA_ghg_profile.pdf

²⁰ European Commission, "The European Green Deal sets out how to make Europe the first climate-neutral continent by 2050, boosting the economy, improving people's health and quality of life, caring for nature, and leaving no one behind", at: https://ec.europa.eu/commission/presscorner/detail/en/ip_19_6691

²¹ IRENA, "Global Energy Transformation: A Roadmap to 2050 (2019 Edition)", at: <https://www.irena.org/publications/2019/Apr/Global-energy-transformation-A-roadmap-to-2050-2019Edition>

²² European Commission, "European Green Deal", at: https://ec.europa.eu/clima/eu-action/european-green-deal_en

²³ Climate Action Tracker, "EU", (2020), at: <https://climateactiontracker.org/countries/eu/>

²⁴ European Commission, "Renewable Energy Directive - European Commission", (2021), at: https://ec.europa.eu/info/sites/default/files/amendment-renewable-energy-directive-2030-climate-target-with-annexes_en.pdf

To reduce its carbon emissions to net zero by 2050 and comply with the EU targets, Spain currently plans to source 74% of its electricity from renewable sources by 2030 and 100% by 2050.^{25,26} Spain’s interim climate goals – outlined in the national energy and climate plan – set a 23% GHG emission reduction target by 2030 compared to 1990 levels.²⁷ Spain’s electricity production from renewable sources increased to 47% in 2021 from 37.5% in 2019.²⁸ Despite the country’s significant progress in increasing the share of renewable sources in its energy mix, meeting the 2030 goals and implementing the national energy and climate plan will require an additional 59 GW of installed renewable energy capacity by 2030 and investments in the order of EUR 241 billion, 80% of which is expected to come from the private sector.^{29,30}

In this context, Sustainalytics is of the opinion that Holaluz’s focus on facilitating solar roof installations and financing expenditures in the renewable energy sector is expected contribute to the decarbonization of Spain’s economy.

Alignment with and contribution to SDGs

The Sustainable Development Goals (SDGs), set in September 2015 by the United Nations General Assembly, form an agenda for achieving sustainable development by 2030. The bonds and loans issued under the Green Finance Framework advance the following SDGs and targets:

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

Conclusion

Holaluz has developed the Green Finance Framework under which it may issue green bonds or loans and use the proceeds to finance the procurement of renewable energy and installation of solar panels. Sustainalytics considers that the projects funded by the green finance proceeds are expected to provide positive environmental impact.

The 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 Green Finance Framework is aligned with the overall sustainability strategy of the company and that the green use of proceeds category will contribute to the advancement of the UN Sustainable Development Goals 7. Additionally, Sustainalytics is of the opinion that Holaluz 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 Holaluz Clidom SA is well-positioned to issue green bonds and that the 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.

²⁵ Ministerio para la Transición Ecológica, “Borrador Actualizado del Plan Nacional Integrado de Energía y Clima 2021-2030”, at: https://www.miteco.gob.es/images/es/pniec_2021-2030_borradoractualizado_tcm30-506491.pdf

²⁶ Ibid.

²⁷ ECEEE, “Spain finally sends 2030 climate plan to Brussels”, (2020), at: <https://www.eceee.org/all-news/news/spain-finally-sends-2030-climate-plan-to-brussels/>

²⁸ Renewables Now, “Spain closes 2021 with 46.6% renewables share”, at: <https://renewablesnow.com/news/spain-closes-2021-with-466-renewables-share-767998/>

²⁹ Ministerio para la Transición Ecológica, “Borrador Actualizado del Plan Nacional Integrado de Energía y Clima 2021-2030”, at: https://www.miteco.gob.es/images/es/pniec_2021-2030_borradoractualizado_tcm30-506491.pdf

³⁰ International Energy Agency, “Spain 2021 Energy Policy Review”, at: <https://iea.blob.core.windows.net/assets/2f405ae0-4617-4e16-884c-7956d1945f64/Spain2021.pdf>

Appendix

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

Section 1. Basic Information

Issuer name: Holaluz Clidom S.A.

Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: Green Finance Framework

Review provider's name: Sustainalytics

Completion date of this form: September 5, 2022

Publication date of review publication:

Original publication date *[please fill this out for updates]*:

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 category for the use of proceeds, Renewable Energy, is aligned with those recognized by the Green Bond Principles and the Green Loan Principles. Sustainalytics considers that investments in the eligible category will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDGs 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

Overall comment on section (*if applicable*):

Holaluz's Treasury team will be responsible for the evaluation and selection of projects based on the criteria defined in the Framework. The selected projects will be submitted to the Impact team representative on the Board for approval, and the CFO has final sign-off right on the selection of projects. Holaluz has adopted internal policies to mitigate environmental and social risks that are applicable to all allocation decisions made under the Framework. Sustainalytics considers this process in line with market practice.

Evaluation and selection

- | | |
|--|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input 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*):

Holaluz Clidom SA's Treasury team will be responsible for the management of proceeds. Holaluz Clidom SA intends to achieve full allocation within 36 months of each issuance. Unallocated proceeds will be temporarily held or invested in its Treasury liquidity portfolio including cash or cash equivalents. This is in line 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*):

Holaluz Clidom SA intends to report semi-annually on the allocation of proceeds in the allocation report and annually on associated impact metrics in the annual report on its website until full allocation. Allocation reporting will include the amount of allocated proceeds and the details of expenditures. In addition, Holaluz Clidom SA intends to report on quantitative impacts and has provided indicative impact indicators in the Framework. Sustainalytics views the allocation and impact reporting process 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): Electricity supplied from 100% renewable sources (MW)

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 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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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.

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