

Second-Party Opinion

Amara NZero Green Bond Framework

Evaluation Summary

Sustainalytics is of the opinion that the Amara NZero Green Bond Framework is credible and impactful and aligns with 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 Energy and Energy Efficiency – are aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments in the eligible categories will lead to a positive environmental impact and advance the UN Sustainable Development Goals, specifically SDG 7.



PROJECT EVALUATION AND SELECTION Amara NZero’s Green Bond Committee will evaluate, select and monitor eligible assets according to the eligibility criteria. The committee is a sub-set of Amara NZero’s Sustainability Committee and includes C-level representatives, including the CEO, CFO, CTO and the chief sustainability officer. Amara’s ESG criteria, which include risk identification, apply to all allocation decisions made under the Amara NZero Green Bond Framework. Sustainalytics considers this risk management system and project selection process to be in line with market practice.



MANAGEMENT OF PROCEEDS Amara NZero’s Treasury and Analysis and Controlling departments will allocate and track net proceeds from issuances made under the Amara NZero Green Bond Framework. Amara NZero intends to fully allocate proceeds within 24 months of issuance. Pending allocation, unallocated proceeds will be temporarily held or invested in cash or liquid instruments. This is in line with market practice.



REPORTING Amara NZero intends to report on the allocation of proceeds and the corresponding impact on its website on an annual basis until full allocation. Allocation reporting will include the total amount of proceeds allocated to the eligible assets, a description of the assets to which proceeds are allocated and their geographic location, the share of financed versus refinanced assets and the balance of unallocated proceeds. In addition, Amara NZero commits to report on relevant impact metrics. Sustainalytics views Amara NZero’s allocation and impact reporting as aligned with market practice.



Evaluation Date June 14, 2023

Issuer Location Madrid, Spain

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Introduction

Amara S.A. (“Amara NZero” or the “Company”) is a provider of products and services energy, telecommunications and industrial sectors, focusing on three divisions: renewable energies, electrification of power grids and energy transition services. Headquartered in Madrid, Spain, the Company operates in Spain, Portugal, Italy, China, Brazil, Mexico and the US. As of December 2022, Amara NZero had a workforce of more than 1,600 employees globally.¹

Green BidCo S.A. (“Green BidCo” or the “Borrower”) is a special purpose vehicle without operations that has been established with the sole purpose of acquiring a 100% stake in Amara NZero. Both Green BidCo and Amara NZero are owned by a consortium formed by Cinven.²

The Company has developed the Amara NZero Green Bond Framework dated June 2023 (the “Framework”), under which Green BidCo will issue green bonds and use the proceeds to finance the acquisition of Amara NZero and to allow the Company or its subsidiaries (together the “Issuers”) to issue green bonds to finance or refinance, in whole or in part, existing or future eligible assets that are expected to create a positive environmental impact through investments in renewable energy and energy-efficiency projects. The allocation of net proceeds will be managed by Amara NZero through its internal governance policies and procedures. The Framework defines eligibility criteria in two areas:

1. Renewable Energy
2. Energy Efficiency

Amara NZero engaged Sustainalytics to review the Amara NZero Green Bond Framework and provide a second-party opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP).³ The 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;
- 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 1.13 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 Amara NZero’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. Amara NZero representatives have confirmed (1) they understand it is the sole responsibility of Amara NZero to ensure that the information provided is complete, accurate and 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.

¹ Amara, “Amara NZero Green Bond Framework”, (2023), at: www.amaranzero.com

² Cinven Limited is a private equity firm based in London, England, which will have a majority stake of Green BidCo and Amara.

³ 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/>.

⁴ The Amara NZero Green Bond Framework is available on Amara NZero’s website at: www.amaranzero.com

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.

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

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 assets expected to be financed with bond proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through assets financed under the Framework is the responsibility of the Framework owner. Upon twenty-four (24) months following the evaluation date set stated herein, Amara NZero 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 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 Amara NZero has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Amara NZero Green Bond Framework

Sustainalytics is of the opinion that the Amara NZero Green Bond Framework is credible and impactful and aligns with the four core components of the GBP. Sustainalytics highlights the following elements of the Company's Framework:

- Use of Proceeds:
 - The eligible categories – Renewable Energy and Energy Efficiency – are aligned with those recognized by the GBP.
 - Amara NZero has established a look-back period of up to 24 months for its refinancing activities, which is in line with market practice.
 - Under the Renewable Energy category, Amara NZero may finance expenditures related to the provision of technical expertise or distribution of equipment or key components to support infrastructure for: i) solar PV technology; ii) wind power; or iii) components for hydroelectric power plants. Sustainalytics acknowledges the expected benefits of such products or services in supporting renewable energy sources.
 - Under the Energy Efficiency category, Amara NZero may finance or refinance expenditures related to systems or equipment that reduce energy consumption or improve energy efficiency in residential, commercial or industrial buildings including: i) smart meter solutions (smart grid components);⁶ ii) components that enable energy efficiency in mobile networks (voice and data) and upgrades to 5G technology; and iii) electric vehicle (EV) charging stations to support the electrification of transport.
 - Sustainalytics considers expenditures under this category to be aligned with market practice and further encourages Amara NZero to report on estimated or achieved energy-efficiency gains where feasible.
 - The Issuer may finance the acquisition of entities that derive 90% of more of their revenue from activities that meet the eligibility criteria set in the Framework. Sustainalytics recognizes that the GBP favours project-based lending and financing, which provides more transparency than non-project-based lending in general. Nevertheless, Sustainalytics recognizes that the financing

⁶ Amara has communicated to Sustainalytics that smart grid components may include generation, transmission and distribution cable; corrugated tube; conductors and accessories for high-voltage (HV), medium-voltage (MV) and low-voltage (LV) grids; HV and MV switchgear or substation material; protection and automation; transformer centres; power switches; power insulators; lattice frame towers; LV switchgear and enclosures; instruments and measurements; remote meters and remote measurements; grounding or protection against surges; and electrical channeling.

of pure play companies through green bonds is commonly accepted as an approach which can generate positive impacts. Sustainalytics considers it to be a good practice to allocate bond proceeds for the acquisition in pure plays linked to the fair value of eligible green assets booked under the balance sheet of the target company.

- Project Evaluation and Selection:
 - Amara NZero’s Green Bond Committee (the “Committee”) is responsible for overseeing the implementation of the Framework, including evaluating, selecting and monitoring eligible assets according to the eligibility criteria in the Framework. The Committee consists of the CEO, CFO, CTO, chief sustainability officer and a representative of Cinven.
 - The Committee is also responsible for assessing environmental and social risks associated with all eligible assets financed under the Framework. For additional details, see Section 2.
 - Based on the delegation of responsibility and the presence of adequate environmental and social risk management systems, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - Amara NZero’s Treasury and Analysis and Controlling departments are responsible for tracking net proceeds and allocating them to the eligible assets and assets approved by the Green Bond Committee.
 - Amara NZero intends to fully allocate proceeds within 24 months of issuance. Pending full allocation, unallocated proceeds will be temporarily held or invested in cash or liquid instruments.
 - Based on the use of an internal tracking system and the disclosure of the temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - Amara NZero commits to report on the allocation of proceeds and corresponding impact, which it will publish on its website on an annual basis until full allocation.
 - Allocation reporting will include the total amount of proceeds allocated to the eligible assets; a description of the assets to which proceeds are allocated; the share of financed versus refinanced assets; the geographical distribution of financed assets; and the balance of unallocated proceeds.
 - Impact reporting will include environmental performance indicators published in the Green Bond Investor Report. Potential impact metrics may include GHG emissions avoided (in tCO₂e); the number of beneficiaries in the wind OEM and aftermarket; metres of cable supplied for electrification of grids; and the compound annual growth rate (CAGR) of EV solutions and 5G telecommunication projects.
 - Based on the commitment to both allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2021

Sustainalytics has determined that the Amara NZero Green Bond Framework aligns with 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 Amara NZero

Contribution of framework to Amara NZero’s sustainability strategy

Sustainalytics is of the opinion that Amara NZero demonstrates a commitment to sustainability with a focus on three key environmental areas: i) mitigating the impact of climate change through increased energy efficiency in its operations; ii) enabling the energy transition in its logistics management; and iii) implementing a circular economy through resource management.⁷

Amara NZero is committed to achieving net zero emissions by 2050 by focusing on initiatives related to decarbonization, electrification and energy efficiency, including through digitalization.⁸ To support its sustainability ambitions, Amara NZero has adopted a strategy to reduce its carbon footprint and simultaneously improve energy efficiency in its operations through various actions, including: i) replacing paper-based management with digital management and reducing business travel; ii) replacing the Company’s

⁷ The initiatives that support Amara’s environmental strategy have been shared with Sustainalytics confidentially and are being summarized here.

⁸ Amara’s commitment to achieving net zero emissions by 2050 is part of the Company’s Sustainability Policy, which has been shared with Sustainalytics confidentially.

vehicle fleet with hybrid or EV solutions; iii) substituting traditional lighting with LED; and iv) using 100% renewable energy across offices. Amara NZero is also in the process of formalizing a Net Zero Strategic Plan and Actions 2023-2030, which will help the Company in its energy transition.

In terms of supporting the energy transition in its logistics management and circularity in resources used, Amara NZero focuses on: i) working with suppliers that support the use of repaired or recovered equipment or materials; ii) using recycled materials or sustainably produced products with eco-labels; iii) providing clients with low-emission design options for equipment; and iv) working with equipment and spare parts manufacturers that are in closer proximity to reduce emissions from transportation.

Sustainalytics is of the opinion that the Amara NZero Green Bond Framework is aligned with the Company's overall sustainability strategy and initiatives and will further its action on its key environmental priorities. Amara NZero has communicated to Sustainalytics that it is in the process of formalizing its ESG strategy and setting up quantifiable, time-bound climate-related targets. Sustainalytics encourages the Company to report on its progress as part of its periodic reporting practices.

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 assets that are expected to have a positive environmental impact. However, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks possibly associated with the eligible assets could include issues related to supply chain sustainability; emissions, effluents and waste generated during project execution; and occupational health and safety.

Sustainalytics is of the opinion that Amara NZero is able to manage or mitigate potential risks through the implementation of the following:⁹

- The Company addresses risks related to supply chain sustainability through its Supplier Code of Conduct, which covers human rights issues, such as forced and child labour, wages and occupational health and safety. In addition, Amara NZero assesses all suppliers based on an assessment methodology to determine if the suppliers are equipped to comply with environmental, occupational health and safety, and quality requirements. In January 2023, the Company introduced a Green Offer Initiative that implements life-cycle assessment for solar PV suppliers to ensure the traceability of products delivered throughout the supply chain until the final delivered product. Amara NZero is also a signatory of the UN Global Compact,¹⁰ which shows its commitment to promoting environmental responsibility and sustainability and operating in a manner that protects human rights and eliminates unfair labour practices and corruption.
- Regarding emissions, effluents and waste generated during renewable energy or energy efficiency projects, the Company has developed an Environmental Policy that sets requirements for ensuring that all activities and operations protect the environment and biodiversity, prevent pollution, minimize the adverse impact on the environment and comply with all applicable legal and regulatory regulations related to environmental matters. Regarding waste generation specifically, the policy stipulates that the Company minimizes waste generation by promoting a circular economy, preventing waste generation, reusing waste, enhancing recycling and improving traceability. In addition, Amara NZero's internal environment management system is certified according to the ISO 14001 standard.
- To address occupational health and safety, Amara NZero's Safety, Health and Wellness Policy stipulates that the Company implements and constantly updates its Safety, Health and Wellness Management System. Under the system, Amara NZero reassess all OHS risks associated with its operations through internal and external inspections on an annual basis and reviews its actions to eliminate such risks or minimize their consequences. Finally, the Company is also certified to the ISO 45001 Occupational Health and Safety Management Standard to reduce workplace risk and enhance safety standards across its operations.
- Amara NZero has also established a Sustainability Committee to ensure ESG risks and opportunities are properly managed. The committee is responsible for reviewing and implementing the Strategic Sustainability Plan for the board, as well as implementing and monitoring the sustainability reporting process for internal and external stakeholders.

⁹ Amara NZero has shared its risk management policy documents with Sustainalytics on a confidential basis.

¹⁰ United Nations, "Global Compact", at: <https://unglobalcompact.org/what-is-gc/participants/146542-AMARA-NZERO>

Based on these policies, standards and assessments, Sustainalytics is of the opinion that Amara NZero 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

Both use of proceeds categories are aligned with those recognized by the GBP. Sustainalytics has focused on where the impact is specifically relevant in clean energy supply chains.

Importance of promoting clean energy across supply chains

According to the International Energy Agency, global renewable energy capacity is expected to increase by nearly 2,400 GW or 75% between 2022 and 2027.¹¹ The current growth in renewable energy is mostly driven by expansion policies that are increasingly ambitious in many countries and markets, partly in response to the global energy crisis started in 2021.^{12,13} For example, the REPowerEU Plan launched by the European Commission (EC) proposes to increase the share of electricity generated from renewable sources to 45% by 2030 compared with the previous target of 40%. Under the plan, the EC has also developed a dedicated EU Solar Strategy to double solar PV capacity by 2025 compared with a 2022 baseline and install 600 GW by 2030.¹⁴ In the US, the Inflation Reduction Act is expected to stimulate additional wind and solar capacity by providing financial incentives for the development of renewable energy projects.^{15,16}

Despite the global drive to promote renewable energy, inflation and competition for resources in the renewable energy supply chain, driving up the prices of raw materials and reversing the downward trend in the cost of renewables.¹⁷ This is further exacerbated by the long-term supply chain disruption caused by the COVID-19 pandemic and the fact that the production of key raw materials, minerals and components is concentrated in countries affected by conflict and geopolitical tensions.¹⁸ Suppliers and contractors also have labour market difficulties in retaining qualified, skilled labour, whose demand exceeds supply. The combination of rising raw material prices, resource scarcity and labour shortage have resulted in bottlenecks and delays in the supply chain, which increases project lead times and complicates planning.¹⁹

In May 2023, the G7 countries released the G7 Clean Energy Economic Action Plan, which identifies establishing resilient global supply chains as one of the key actions. The statement calls for addressing vulnerabilities in clean energy supply chains and increasing investments in clean energy manufacturing. It also emphasizes the importance of diversifying supply chains and utilizing financial mechanisms to support the clean energy transition.²⁰

Based on the above, Sustainalytics considers that the use of the proceeds to invest in clean energy manufacturing and supply chains under the Framework, including solar and wind renewables and smart grids, will contribute to the decarbonization efforts in the countries where these investments take place.

¹¹ IEA, "Renewable electricity", (2022), at: <https://www.iea.org/reports/renewables-2022/renewable-electricity>

¹² Ibid.

¹³ IEA, "World Energy Outlook 2022, The Global Energy Crisis", (2022), at: <https://www.iea.org/reports/world-energy-outlook-2022/the-global-energy-crisis>

¹⁴ European Commission, "Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions REPowerEU", (2022), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2022%3A230%3AFIN&qid=1653033742483>

¹⁵ The White House, "Inflation Reduction Act Guidebook", at: <https://www.whitehouse.gov/cleanenergy/inflation-reduction-act-guidebook/>

¹⁶ RWDI, "What the Inflation Reduction Act Means for the Renewable Energy Industry", at: https://rwdi.com/en_ca/insights/thought-leadership/inflation-reduction-act-renewable-energy-industry/

¹⁷ WTW, "2023 Renewable Energy Supply Chain Risk Report", (2023), at: <https://www.wtwco.com/en-gb/insights/2023/05/2023-renewable-energy-supply-chain-risk-report>

¹⁸ Bettoli, A. et al. (2023), "Renewable-energy development in a net-zero world: Disrupted supply chains", McKinsey & Company, at: <https://www.mckinsey.com/industries/electric-power-and-natural-gas/our-insights/renewable-energy-development-in-a-net-zero-world-disrupted-supply-chains>

¹⁹ WTW, "2023 Renewable Supply Chain Risk Report", (2023), at: <https://www.wtwco.com/en-gb/insights/2023/05/2023-renewable-energy-supply-chain-risk-report>

²⁰ The White House, "G7 Clean Energy Economy Action Plan", (2023), at: <https://www.whitehouse.gov/briefing-room/statements-releases/2023/05/20/g7-clean-energy-economy-action-plan/>

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 bonds issued under the Amara NZero Green Bond Framework are expected to advance the following SDGs and targets:

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.
Energy Efficiency		7.3 By 2030, double the global rate of improvement in energy efficiency

Conclusion

Amara NZero has developed the Amara NZero Green Bond Framework, under which it may issue green bonds and use the proceeds to finance or refinance sustainable projects and expenditures related to renewable energy, energy efficiency and electrification of transport. Sustainalytics considers that the assets funded under the Framework are expected to provide a positive environmental impact and contribute to the transition to a low-carbon economy.

The Framework outlines a process by which the proceeds will be tracked, allocated and managed, and makes commitments for reporting on their allocation and impact. Sustainalytics believes that the Framework is aligned with Amara NZero's overall sustainability strategy and that the use of proceeds categories will contribute to the advancement of SDG 7. Additionally, Sustainalytics considers that Amara NZero has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible assets.

Based on the above, Sustainalytics is confident that Amara NZero is well positioned to issue green bonds and that the Amara NZero 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:	Amara S.A.
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	Amara NZero Green Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	June 14, 2023

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 Energy and Energy Efficiency – are aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments in the eligible categories will lead to a 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 checked="" type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input 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):

Amara NZero's Green Bond Committee will evaluate, select and monitor eligible assets according to the eligibility criteria. The committee is a sub-set of Amara NZero's Sustainability Committee and includes C-level representatives, including the CEO, CFO, CTO and the chief sustainability officer. Amara NZero's ESG criteria, which include risk identification, apply to all allocation decisions made under the Amara NZero Green Bond Framework. Sustainalytics considers this risk management system and project selection process 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 checked="" 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):

Amara NZero's Treasury and Analysis and Controlling departments will allocate and track net proceeds from issuances made under the Amara NZero Green Bond Framework. Amara NZero intends to fully allocate proceeds within 24 months of issuance. Pending allocation, unallocated proceeds will be temporarily held or invested in cash or liquid instruments. 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): description of eligible green assets and their geographical location

4. REPORTING

Overall comment on section (if applicable):

Amara NZero intends to report on the allocation of proceeds and the corresponding impact on its website on an annual basis until full allocation. Allocation reporting will include the total amount of proceeds allocated to the eligible assets, a description of the assets to which proceeds are allocated and their geographic location, the share of financed versus refinanced assets and the balance of unallocated proceeds. In addition, Amara NZero commits to report on relevant impact metrics. Sustainalytics views Amara NZero'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): number of beneficiaries of wind OEM and aftermarket; meters of supplied cable; CAGR of EV solutions and 5G projects

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): information published on the website
- 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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