



Second-Party Opinion

EEW Green Financing Framework

Evaluation Summary

Sustainalytics is of the opinion that the EEW Green Financing Framework aligns with the four core components of the Green Bond Principles 2018 and Green Loan Principles 2021. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds - Energy Efficiency and Pollution Prevention & Control, Eco-Efficient and Circular Economy Adapted Products, Production Technologies and Processes, Renewable Energy, and Clean Transportation - are aligned with those recognized by the Green Bond Principles 2018. Sustainalytics considers that the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 7, 9, 11 and 12.



PROJECT EVALUATION / SELECTION EEW's internal project evaluation and selection process is overseen by the Company's strategic Steering Committee (the "Committee") comprised of the Management Board, Supervisory Board and Shareholder. The Committee is responsible for reviewing and validating eligible projects, and monitoring the Eligible Project Portfolio. Sustainalytics considers the project selection process in line with market practice.



MANAGEMENT OF PROCEEDS EEW will use its internal tracking and accounting systems to manage the net proceeds from financing instruments issued under the Framework. Pending full allocation of proceeds, EEW is committed to hold the balance of net proceeds in its treasury liquidity reserve and to manage the proceeds in accordance with the Company's cash management policies. The proceeds are expected to be allocated within 36 months. This is in line with market practice.



REPORTING EEW intends to report on the allocation of proceeds annually on its website, until full allocation. The allocation reporting will include a list of eligible projects, total amount allocated for each project from proceeds raised, the share of financing vs. refinancing and any unallocated balance. In addition, where feasible, the Company is committed to reporting on relevant impact metrics such as estimated CO₂ emissions reduction (in tCO₂eq) or total power generated from renewable energy at plant sites (MWh). Sustainalytics views EEW's allocation and impact reporting as aligned with market practice.

Evaluation date	May 25, 2021
Issuer Location	Helmstedt, Germany

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Introduction

EEW Energy from Waste GmbH (“EEW”, or the “Company”) is a thermal waste recovery company founded in 1873. EEW’s main activities include thermal recovery of waste, thermal sewage sludge recovery, treatment of municipal and industrial waste, production of low-carbon power, heat and steam recycling of ferrous and non-ferrous metals and agglomerates. The Company operates 18 plants for thermal waste recovery and has the capacity to recover 4.9 M tonnes of waste annually. Headquartered in Helmstedt, EEW employs over 1,200 people in Germany and neighbouring countries.

EEW has developed the EEW Green Financing Framework (the “Framework”) under which it intends to issue green finance instruments, including green bonds, green loans and green promissory note loans to finance or re-finance, in whole or in part, a portfolio of projects that could contribute to improve the sustainability of EEW operations. The Framework defines eligibility criteria in four areas:

1. Energy Efficiency and Pollution Prevention & Control
2. Eco-Efficient and Circular Economy Adapted Products, Production Technologies and Processes
3. Renewable Energy
4. Clean Transportation

EEW engaged Sustainalytics to review the EEW Green Financing Framework, dated May 2021, and provide a second-party opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2018 (“GBP”) as administered by ICMA and the Green Loan Principles 2021 (“GLP”).^{1,2} This Framework has been published in a separate document.³

Scope of work and limitations of Sustainalytics Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics independent⁴ opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the GBP and GLP;
- 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 1.8.1, 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 EEW’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. EEW representatives have confirmed (1) they understand it is the sole responsibility of EEW 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 EEW.

¹ The Green Bond Principles are administered by the International Capital Market Association and are available at: <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

² The Green Loan Principles are administered by the International Capital Market Association and are available at: <https://www.lsta.org/content/green-loan-principles/>.

³ The EEW Green Financing Framework is available on Energy from Waste’s website at: <https://www.eew-energyfromwaste.com/>.

⁴ 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 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.

In addition, the Second-Party Opinion opines on the intended 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 EEW has made available to Sustainalytics for the purpose of this SPO.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the EEW Green Financing Framework

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

- Use of Proceeds:
 - EEW intends to finance or re-finance, in full or in part, projects in the following categories: (i) Energy Efficiency and Pollution Prevention & Control, (ii) Eco-Efficient and Circular Economy Adapted Products, Production Technologies and Processes, (iii) Renewable Energy and (iv) Clean Transportation, all of which Sustainalytics views as contributing to a low-carbon economy and are aligned with those recognized by the GBP and GLP. Projects will take place in the European Union ("EU"). For refinancing activities, EEW confirms a look-back period of up to 36 months prior to issuance.
 - Within the Energy Efficiency and Pollution Prevention & Control category, EEW plans to finance projects involving process optimization and energy consumption management for electricity, district heating ("DH") and industrial steam generation from thermal waste recovery. Sustainalytics notes that waste input is sourced after separation and material recycling facilities, ensuring that the waste hierarchy is respected.⁵ The waste input is either local authorities waste collected ("LAWC") or commercial & industrial ("C&I") waste, at least 50% of which is biogenic. In addition, EEW may use proceeds to invest in flue gas cleaning to fulfill Best Available Techniques ("BAT") criteria for waste incineration.⁶ These investments could improve the efficiency of EEW operations and reduce its emissions of air pollutants.
 - As for the Eco-Efficient and Circular Economy Adapted Products, Production Technologies and Processes category, EEW plans to invest the proceeds in the following activities:
 - Investments related to the development, building and running of the thermal recovery of sewage sludge and recycling of phosphorus.
 - The recovery of CO₂ from flue gas through carbon capture and utilization ("CCU"). EEW has clarified to Sustainalytics that CO₂ is captured from the Company's own operations. To promote circularity in its processes, EEW uses this captured CO₂ to produce chemicals (sodium bicarbonate) that are subsequently used as an input for the flue gas cleaning process and systems.
 - The recovery of secondary materials from thermal waste treatment residues like ferrous and non-ferrous metals, critical metals and agglomerates. Metals involved are very clean ferrous (8%), copper and aluminum (2%) and stainless steel (0.5%). EEW contracts third-party providers to extract these metals out of its incineration bottom

⁵ The waste management hierarchy is a set of priorities to reduce and manage waste. In the EU, the Waste Framework Directive has laid down a five-step hierarchy of waste management options, as follows: waste prevention, preparing for re-use, recycling, recovery (including energy recovery) and disposal, as a last resort.

EUR-lex, "Directive 2008/98/EC on waste", (2008), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32008L0098>

⁶ European Commission, "New EU environmental standards for waste incineration", (2019), at: <https://ec.europa.eu/jrc/en/news/new-eu-environmental-standards-waste-incineration>

- ash. The providers must meet the highest recycling standards and report on recycling rates, material usage and any other relevant indicators.
- In the Renewable Energy category, EEW may finance the installation, operation and maintenance of solar PV systems and purchase renewable energy through Power Purchase Agreements ("PPAs").⁷
 - As for the Clean Transportation category, EEW plans to use proceeds to install electric vehicles ("EVs") and EV charging stations, helping the Company shift towards low-carbon transportation for its own operations.
 - Project Evaluation and Selection:
 - EEW's internal project selection and evaluation process is managed by the Company's strategic Steering Committee (the "Committee"). The Committee is comprised of the Management Board, Supervisory Board and Shareholder.⁸ The Committee will review and validate the selection of projects according to the Framework's criteria, monitor the project portfolio and remove from the Eligible Project Portfolio any project that no longer meets the criteria, before replacing it with new projects as soon as possible. The Committee will meet on a quarterly basis. Based on these elements, Sustainalytics considers this process to be in line with market practice.
 - Management of Proceeds:
 - EEW's processes for management of proceeds are handled by the Steering Committee through a portfolio approach. EEW will use its internal tracking and accounting systems to manage the net proceeds from financing instruments issued under the Framework. Pending full allocation of proceeds, EEW is committed to hold the balance of net proceeds in its treasury liquidity reserve and to manage the proceeds in accordance with its cash management policies. The proceeds are expected to be allocated within 36 months. Based on these elements, Sustainalytics considers this process to be in line with market practice.
 - Reporting:
 - EEW intends to report on the allocation of proceeds annually on its website, until full allocation. Allocation reporting will include a list of eligible projects, their description, amounts allocated for each project, the share of financing vs. refinancing and any unallocated balance. EEW is committed, where feasible, to reporting on relevant impact metrics, including estimated CO₂ emissions reduction (in tCO₂eq per ton of waste processed), estimated other emissions reduction, total power generated from renewable energy at plant sites (MWh), number of electric vehicles ("EVs") purchased and EV charging stations installed. Based on these elements, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2018

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

Section 2: Sustainability Performance of EEW

Contribution of Framework to Energy from Waste's sustainability strategy

EEW is committed to integrate sustainability in its daily operations, and has developed a sustainability policy focused on three main areas of action, namely (i) strengthening relationships, (ii) taking on challenges and (iii) delivering results.⁹ The first area relates to the Company's relationships with its employees, partners, clients and stakeholders.⁹ The second area encompasses EEW commitments towards the efficient use of resources, the incorporation of energy efficiency in its business activities and its approach to climate change.⁹ The third area includes the Company's initiatives concerning the output of its activities, and seeks to combine economic performance with positive environmental and social impacts.⁹ The two latter areas of action are notably applicable in the context of EEW's Green Financing Framework. More specifically, the green finance instruments issued through the Framework can help advance EEW's sustainability commitments, notably through the following:

⁷ Sustainalytics considers market practice to favour the purchase of medium and/or long-term PPAs directly tied to specific and identifiable renewable energy projects.

⁸ The shareholder is Beijing Enterprises Holdings Limited, and takes part in some of the Supervisory Board meetings where the Committee participates

⁹ EEW, "Sustainability Report", (2019), at: https://www.eew-energyfromwaste.com/fileadmin/content/Umwelt/Nachhaltigkeit/EEW_Nachhaltigkeitsbericht_fuer_2019_GB_high.pdf

- As part of “taking on challenges”, EEW highlights the benefits waste-to-energy projects can contribute to overall climate and resource protection.⁹ EEW underlines the initiatives taken to reduce the impacts of its operations, notably through the improvement of the overall equipment effectiveness (“OEE”), a standard that aims at improving productivity of its plants’ operations, through energy efficiency solutions.⁹ This efficiency improvement could be further supported by several projects funded under the Framework, including process optimization and energy consumption management. In addition, the Company is planning to substitute its employees’ road travel with zero tail-pipe vehicles, such as electric vehicles. Sustainalytics notes the direct contribution of these investments in EVs and associated infrastructure to EEW’s overall sustainability strategy.
- Within the “delivering results” action area, the Company is focused on providing innovative solutions for environmental protection.⁹ In terms of generation and supply of energy, EEW plans to increase the power generated by renewable energy sources through on-site solar generation and renewable electricity and gas purchase.⁹ For on-site generation, the Company plans to install two solar PV systems, noted as an eligible activity in EEW’s Framework, drawing a further direct line between EEW’s strategy and the Framework. For resource reclamation and supply, EEW is dedicated to recover raw materials from thermal waste treatment, such as ferrous and non-ferrous metals, critical metals and agglomerates.⁹ Sustainalytics notes that this activity is included in the Framework and could assist the Company in closing material loops, thus contributing to a more circular economy. Furthermore, EEW is committed to monitoring and reducing its emissions, notably through flue gas cleaning technologies, contributing to the Company’s sustainability strategy.

Sustainalytics is of the opinion that the EEW Green Financing Framework is aligned with the Company’s overall sustainability strategy and initiatives and will further the Company’s action on its key environmental priorities.

Well positioned to address common environmental and social risks associated with the projects

Sustainalytics recognizes that the use of proceeds from the Framework will be directed towards eligible projects that are recognized by the GBP and GLP, and will have an overall positive environmental impact. However, Sustainalytics is aware that the eligible activities under the Framework carry potential environmental and social risks and require mitigation. For example, thermal waste recovery may release harmful pollutants and emissions if not properly managed, and worker health and safety issues in its operations must also be considered. Sustainalytics is of the opinion that EEW can manage and/or mitigate potential risks through the following measures and regulations:

- EEW has implemented an Environmental Management System and an Energy Management System certified against ISO 15001 and ISO 50001, respectively.⁹ The purpose is to ensure that the risks associated with the Company’s activities are properly mitigated, in a holistic approach.⁹
- Concerning potential risks related to worker health and safety, the Company has identified health maintenance and accident prevention as a focus area and is committed to protect its employees from hazards in the workplace and to promote health.⁹ In line with this, EEW has certified its operations against OHSAS 18001, an international framework for occupational health and safety, which is currently being replaced by ISO 45001.⁹ In addition, EEW is targeting a reduction of accidents by 30% by end of 2021 compared to 2018.⁹
- In terms of air pollution, EEW is committed to use state-of-the-art technologies for combustion and air pollution control, in order to filter out organic and inorganic pollutants. The Company is also in compliance with the Industrial Emissions Directive 2010/75/EC. The Directive commits Member States to control and reduce the impact of industrial emissions on the environment through operational requirements and emission limit values based on the best available techniques.

Based on these policies, standards and assessments, Sustainalytics is of the opinion that EEW 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 four use of proceeds categories are aligned with those recognized by the GBP and the GLP. Sustainalytics has focused on one below where the impact is specifically relevant in the local context.

Reducing Waste Management GHG Emissions through Energy Efficient Recovery

In 2018, waste management accounted for 3% of total GHG emissions in the EU-27.¹⁰ These sector-associated emissions are contingent upon on the quantity of waste and on the disposal process, including the levels of recycling, landfill and incineration.¹¹ In the EU, total waste generation¹² increased by 4.2% between 2004 and 2018.¹³ The quantity of waste recovered by either backfilling or incineration with energy recovery grew by 28.2% from 2004 to 2016, while the quantity of waste subject to disposal decreased by 6.3% over the same period.¹³ Landfilling generates large CH₄ emissions while recycling and incineration with energy recovery result in lower GHG emissions.¹⁵ The aforementioned progress in waste management practices have further contributed to the reduction of sector emissions. Between 2009 and 2018, GHG emissions from waste management in the EU-27 dropped by 17.3%.¹⁴

In addition to the positive progress outlined above, energy efficient waste-to-energy processes have the potential to trigger higher amounts of energy recovered.¹⁵ Sustainalytics notes that the projects funded through the Framework, such as process optimization and energy consumption management for DH and steam generation, are expected to increase the amount of energy recovered from waste. In the European context, energy efficiency improvements in processes have the potential to increase the amount of energy recovered from waste by 29%, with the same amount of waste as feedstock.¹⁵ These improvements are likely to further support the EU climate and energy objectives, namely (i) at least 40% cuts in GHG emissions (from 1990) levels and (ii) at least 32.5% improvement in energy efficiency, by 2030.¹⁶ As such, the projects funded through the Framework could assist the EU in meeting its climate and energy targets. Moreover, Sustainalytics notes that EEW has a proven track-record in achieving energy efficiency improvements in process steam and heat generation from waste. In the EEW's Hanover plant, the construction of a new district heating pipeline achieved a 29% higher output efficiency.

Sustainalytics is of the opinion that the Energy Efficiency projects are impactful and could contribute to assist the EU in meeting its climate and energy objectives.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. This green bond advances the following SDG goals and targets:

Use of Proceeds Category	SDG	SDG target
Energy Efficiency and Pollution Prevention & Control	12. Responsible Consumption and Production	12.4 Environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment
Eco-Efficient and Circular Economy Adapted Products, Production Technologies and Processes	9. Industry, Innovation and Infrastructure	9.4 Upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes

¹⁰ In CO₂ equivalent, excluding LULUCF and memo items, including international aviation.

Eurostat, "Greenhouse gas emissions by source sector (source: EEA)", (2021), at: <http://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

¹¹ European Commission, "7th National Communication & 3rd Biennial Report from the European Union under the UN Framework Convention on Climate Change (UNFCCC)", (2017), at: https://unfccc.int/sites/default/files/resource/459381_European%20Union-NC7-BR3-1-NC7%20BR3%20combined%20version.pdf

¹² Excluding major mineral waste.

¹³ Eurostat, "Waste statistics", (2021), at: <https://ec.europa.eu/eurostat/web/waste/data/database>

¹⁴ Eurostat, "Greenhouse gas emissions by source sector (source: EEA)", (2021), at: <http://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

¹⁵ European Commission, "The role of waste-to-energy in the circular economy", (2017), at: <https://ec.europa.eu/environment/waste/waste-to-energy.pdf>

¹⁶ European Commission, "2030 climate & energy framework", (2014), at:

[https://ec.europa.eu/clima/policies/strategies/2030_en#:~:text=The%202030%20climate%20and%20energy,gas%20emissions%20\(from%201990%20levels\)&text=At%20least%2032.5%25%20improvement%20in%20energy%20efficiency](https://ec.europa.eu/clima/policies/strategies/2030_en#:~:text=The%202030%20climate%20and%20energy,gas%20emissions%20(from%201990%20levels)&text=At%20least%2032.5%25%20improvement%20in%20energy%20efficiency)

	12. Responsible Consumption and Production	12.5 Substantially reduce waste generation through prevention, reduction, recycling and reuse
Renewable Energy	7. Affordable and Clean Energy	7.2 Increase substantially the share of renewable energy in the global energy mix
Clean Transportation	11. Sustainable Cities and Communities	11.2 Provide access to safe, affordable, accessible and sustainable transport systems

Conclusion

EEW has developed the EEW Green Financing Framework under which it will issue green bonds, loans and green promissory note loans, and use the proceeds to finance several projects ranging from energy efficient thermal recovery to renewable energy generation. Sustainalytics considers that the projects funded by the green bond proceeds will provide positive environmental impacts, improving the sustainability of EEW's operations.

The EEW Green Financing 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 EEW Green Financing Framework is aligned with the overall sustainability strategy of the company and that the green use of proceeds categories will contribute to the advancement of the UN Sustainable Development Goals 7, 9, 11 and 12. Additionally, Sustainalytics is of the opinion that EEW has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the use of proceeds.

Based on the above, Sustainalytics is confident that EEW is well-positioned to issue green bonds and that the EEW Green Financing Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2018.

Appendices

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

Section 1. Basic Information

Issuer name:	EEW Energy from Waste GmbH
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	EEW Green Financing Framework
Review provider's name:	Sustainalytics
Completion date of this form:	May 25, 2021
Publication date of review publication:	

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs:

- | | |
|--|--|
| ☒ Use of Proceeds | ☒ Process for Project Evaluation and Selection |
| ☒ Management of Proceeds | ☒ Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| ☒ Consultancy (incl. 2 nd opinion) | ☐ Certification |
| ☐ Verification | ☐ Rating |
| ☐ 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 Energy Efficiency and Pollution Prevention & Control, Eco-Efficient and Circular Economy Adapted Products, Production Technologies and Processes, Renewable Energy, Clean Transportation are aligned with those recognized by the Green Bond Principles 2018. Sustainalytics considers that the eligible categories will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 7, 9, 11 and 12.

Use of proceeds categories as per GBP:

- | | |
|--|--|
| ☒ Renewable energy | ☒ Energy efficiency |
| ☒ Pollution prevention and control | ☐ Environmentally sustainable management of living natural resources and land use |
| ☐ Terrestrial and aquatic biodiversity conservation | ☒ Clean transportation |
| ☐ Sustainable water and wastewater management | ☐ Climate change adaptation |
| ☒ Eco-efficient and/or circular economy adapted products, production technologies and processes | ☐ Green buildings |
| ☐ Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | ☐ Other (please specify): |

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

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

EEW's internal project evaluation and selection process is overseen by the Company's strategic Steering Committee (the "Committee") comprised of the Management Board, Supervisory Board and Shareholder. The Committee is responsible for reviewing and validating eligible projects, and monitoring the Eligible Project Portfolio. Sustainalytics considers the project selection process in line with market practice.

Evaluation and selection

- | | |
|--|---|
| ☒ Credentials on the issuer's environmental sustainability objectives | ☒ Documented process to determine that projects fit within defined categories |
| ☒ Defined and transparent criteria for projects eligible for Green Bond proceeds | ☒ 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):

EEW will use its internal tracking and accounting systems to manage the net proceeds from financing instruments issued under the Framework. Pending full allocation of proceeds, EEW is committed to hold the balance of net proceeds in its treasury liquidity reserve and to manage the proceeds in accordance with the Company's cash management policies. The proceeds are expected to be allocated within 36 months. 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):

EEW intends to report on the allocation of proceeds annually on its website, until full allocation. The allocation reporting will include a list of eligible projects, total amount allocated for each project from proceeds raised, the share of financing vs. refinancing and any unallocated balance. In addition, where feasible, the Company is committed to reporting on relevant impact metrics such as estimated CO₂ emissions reduction (in tCO₂eq per ton of waste processed) or total power generated from renewable energy at plant sites (MWh). Sustainalytics views EEW'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*): list of eligible projects, share of financing vs. refinancing and any unallocated balance

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): estimated other emissions reduction, total power generated from renewable energy at plant sites (MWh), number of EVs purchased and EV charging stations installed

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): Separate Impact Report
- ☐ 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:

- | | |
|--|--|
| ☐ Consultancy (incl. 2 nd opinion) | ☐ Certification |
| ☐ Verification / Audit | ☐ Rating |
| ☐ 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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