



Second-Party Opinion EnVolt Limited Green Bond Framework

Evaluation Summary

Sustainalytics is of the opinion that the EnVolt Limited 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 category for the use of proceeds Renewable Energy is aligned with those recognized by the Green Bond 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 AND SELECTION EnVolt's board will evaluate, select and monitor eligible projects. The board consists of the Company's CEO, the CEO of ENL Property Limited, the head of finance of ENL Limited and the business development director of ENL Property Limited. EnVolt has internal processes to address environmental and social risks associated with the eligible assets. Sustainalytics considers these processes to be in line with market practice.



MANAGEMENT OF PROCEEDS EnVolt's board will be responsible for the management and allocation of proceeds to eligible projects through third party independent control mechanisms. EnVolt intends to allocate all proceeds within 36 months of issuance. Pending allocation, unallocated proceeds will be temporarily held in cash or cash equivalents. This is in line with market practice.



REPORTING EnVolt intends to report on the allocation of proceeds on its website on an annual basis. This report will include the net proceeds raised from issuances, description of the financed projects, confirmation that the portfolio projects meet the eligibility criteria, aggregate amount of proceeds allocated, and information on temporarily invested unallocated proceeds. In addition, EnVolt is committed to reporting on relevant impact metrics. Sustainalytics views EnVolt's allocation and impact reporting commitments as aligned with market practice.

Evaluation Date

September 14,
2023

Issuer Location

Moka, Mauritius

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Introduction

EnVolt Limited ("EnVolt" or the "Company"), incorporated in 2013, is the renewable energy development arm of ENL limited ("ENL" or the "Group"), a Mauritius-based holding company founded in 1821 with more than 120 subsidiaries across the following industries: agribusiness, real estate, hospitality, logistics, finance and technology, commerce and manufacturing, and land and investment. As of 2022, the Group had a total workforce of 6,765 employees and USD 2 billion in assets.¹

EnVolt has developed the EnVolt Limited Green Bond Framework dated September 2023 (the "Framework") under which it intends to issue a green bond and use the proceeds to finance and refinance, in whole or in part, existing and future projects that contribute to the Group's and Mauritius' energy transition towards renewable energy use. The Framework defines eligibility criteria in one area:

1. Renewable Energy

EnVolt engaged Sustainalytics to review the EnVolt Limited 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).² The Framework will be 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 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 1.14, 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 EnVolt'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. EnVolt representatives have confirmed (1) they understand it is the sole responsibility of EnVolt 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 EnVolt.

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. Upon twenty-four (24) months following the evaluation date set stated

¹ ENL, "About ENL", at: <https://www.enl.mu/>

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 EnVolt Limited Green Bond Framework will be available at: www.envolt.mu

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.

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

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the EnVolt Limited Green Bond Framework

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

- Use of Proceeds:
 - The eligible category, Renewable Energy, is aligned with those recognized by the GBP.
 - EnVolt has defined a look-back period of 36 months for capex and opex refinancing under the Framework, which Sustainalytics considers to be in line with market expectations.
 - Under Renewable Energy, EnVolt may finance or refinance the following:
 - Onshore and offshore wind energy projects, and solar photovoltaic panels.
 - Geothermal energy plants with 100 gCO₂/kWh direct emissions, or life cycle emissions below 100 gCO₂e/kWh consistent with the Climate Bonds Initiative (CBI) taxonomy.⁵
 - Biomass energy for electricity production from: i) forestry or agriculture residues such as cane trash; and ii) non-food crops. EnVolt confirmed to Sustainalytics that the project will achieve an 80% life cycle emissions reduction compared to a fossil fuels baseline of 183 gCO₂e/MJ and that the production of feedstock will not take place on: i) land with high biodiversity within the last 10 to 15 years; and ii) land with high carbon sequestration capacity within the last 10 to 15 years. Sustainalytics encourages EnVolt to report on the sources of feedstock used in electricity generation facilities and to pursue third-party certifications to validate their sustainability credentials.
 - Hydropower generation projects in operation after 2019, in which: i) the life cycle carbon intensity is below 50gCO₂ e/kW; ii) the power density is greater than 10 W/m²; or iii) the project will be implemented based on run of river flows without artificial reservoir or low storage capacity.
 - Battery storage systems and related infrastructure that support the integration of renewable energy into the grid.
 - Sustainalytics considers these investments to be aligned with market practice.
 - Sustainalytics notes that the Framework provides exclusionary criteria,⁶ which prohibit among others, expenditures associated with the alteration of critical habitat, cultural heritage and relocation of indigenous people.

⁵ CBI, "Geothermal Energy and the Climate Bond Standard", (2016), at:

<https://www.climatebonds.net/files/files/standards/Geothermal/Geothermal%20Energy%20Background%20paper%20and%20Criteria.pdf>

⁶ The Framework excludes activities involving forced labour or child labour, production or trade in any product or activity deemed illegal under the laws of Mauritius or international conventions and agreements, commercial logging operations for use in primary tropical moist forest, production or trade in wood or other forestry products other than from sustainably managed forests, production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals, trade in wildlife or wildlife products regulated under Convention on International Trade in Endangered Species or Wild Fauna and Flora (CITES), facilities with significant controversies related to environmental and social risk or impact such as loss of habitat, biodiversity and displacement of people, production or use of or trade in hazardous materials such as radioactive materials, production or trade in unbounded asbestos fibres and products containing polychlorinated biphenyls, mining of uranium for weaponry and any other use, coal mining and coal-fuelled power plants, cross-border trade in waste and waste products unless compliant to the Basel Convention and the underlying regulations, production, use of or trade in pharmaceuticals, pesticides/herbicides, chemicals, ozone depleting substances and other hazardous substances subject to international phase-outs or bans, significant conversion or degradation of critical habitat, significant alteration, damage, or removal of any critical cultural heritage, and relocation of indigenous people from traditional or customary lands.

- Project Evaluation and Selection:
 - EnVolt’s board is responsible for evaluating, selecting and monitoring eligible assets against the eligibility criteria set in the Framework. The board consists of the Company’s CEO, the CEO of ENL Property Limited,⁷ the head of finance of ENL Limited and the business development director of ENL Property Limited.
 - EnVolt will identify, manage and mitigate environmental and social risks through internal procedures overseen by the board. This process is applicable to all allocation decisions made under the Framework. Sustainalytics considers this risk management process to be adequate and aligned with market expectations. For additional details, please see Section 2.
 - Based on the defined role and responsibility for project evaluation and selection, and the presence of risk management processes, Sustainalytics considers EnVolt’s project evaluation and selection process to be in line with market expectations.
- Management of Proceeds:
 - EnVolt’s board will be responsible for the management of proceeds and will track the allocation of proceeds using an internal tracking system and third-party independent control mechanisms such as approvals from bondholders’ representative and auditors’ reviews of EnVolt’s annual accounts.
 - The Company intends to reach full allocation within 36 months from the issuance of any instrument. Pending allocation, proceeds will be temporarily held in cash or cash equivalents.
 - Based on the presence of a tracking system and disclosure of temporary allocation of proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - EnVolt is committed to reporting on the allocation of proceeds on an annual basis, and where feasible on the corresponding impact within a Green Bond Progress Report which will be available on the Company’s website.
 - Allocation reporting will include the net proceeds raised from issuances, description of the financed projects, confirmation that the portfolio projects meet the eligibility criteria, aggregate amount of proceeds allocated, and information on temporarily invested unallocated proceeds.
 - Where feasible, impact metrics may include annual the renewable power generation capacity, the renewable power generated, and the environmental impact such as the reduction in CO₂ emissions.
 - 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 EnVolt Limited Green Bond Framework aligns to the four core components of the GBP. For detailed information please refer to Appendix 1: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Strategy of EnVolt

Contribution of Framework to EnVolt’s sustainability strategy

EnVolt adheres to ENL Limited’s sustainability policies and strategy. ENL’s sustainability trajectory began in 2020 with the introduction of CAP 23, a three-year strategic plan for the period of 2021-2023 that focuses on incorporating sustainability strategies across the Group’s operations. CAP 23 has four pillars: i) circular economy, ii) innovative capacity and adaptability of business models, iii) territorial anchoring, and iv) skills and employability.⁸

In 2020, two buildings of the Group were certified LEED green and one ISO 50001. The Group also created two funds at a total of MUR 20 million (USD 442,934) to support local communities affected by the COVID-19 crisis. In 2021, the Group implemented a solid waste management project with a target to achieve 75% waste diversion of landfill by June 2023. In 2022, the Group engaged an external consultant to calculate its carbon footprint and to develop an emissions reduction plan.⁹

⁷ ENL Property Limited is a subsidiary of ENL Limited, focused on property development.

⁸ ENL, “Integrated Report”, (2020), [enl-limited-integrated-report-2020.pdf](#)

⁹ ENL, “Integrated Report”, (2022), at: https://www.enl.mu/media/lytfi1n3/web-17315-enl_integrated_report_2022_spread.pdf

ENL has communicated to Sustainalytics that it is in the process of developing a 2030 Sustainability Roadmap with targets and KPIs, which it aims to finalize by the end of 2023. ENL further communicated that the Sustainability Roadmap includes a Climate Response and Social Inclusion category with five key areas: i) energy transition, ii) champion a conscious value chain, iii) restore and protect biodiversity, iv) sustain a harmonious Mauritian lifestyle, v) uphold social inclusion. The Group's Sustainability Strategy will include the aforementioned emissions reduction plan, which will have specific reduction ambitions for scope 1 and scope 2, and a supplier engagement plan to reduce scope 3 emissions. In addition, the issuer communicated to Sustainalytics its intention to conform to the Science Based Targets initiative (SBTi) by the end of 2023.

Further, Sustainalytics notes that the Group is a participant to the United Nations Global Compact and a signatory to the Signe Natir.^{10,11}

Sustainalytics recognizes EnVolts commitment to further its sustainability strategy since 2020. Sustainalytics encourages EnVolt to develop and publicly disclose its sustainability roadmap, establish quantified time-bound targets and report on its progress towards them.

Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that the net proceeds from the bonds issued under the Framework will be directed towards eligible projects that are expected to have positive environmental impact. 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 projects could include issues involving land use, biodiversity loss and emissions, effluents and waste generated during project execution, occupational health and safety, supply chain sustainability and community relations. EnVolt has confirmed to Sustainalytics that it follows the Group's policies.

Sustainalytics is of the opinion that EnVolt is able to manage and/or mitigate potential risks and highlights the following mitigation strategies:

- ENL Limited's Enterprise Risk Management (ERM) framework outlines the Group's strategy to identify assess, manage and report on potential risks across its business operations.¹² The framework is mandatory for all subsidiaries and establishes top-down and bottom-up approaches to ensure that risks from the Group as a whole and from every subsidiaries are considered and managed consistently.¹³ The board of directors is responsible for ensuring risk management is consistent and coherent among entities. The audit and risk management committee supports the board on risk management and maintenance.¹⁴
- Regarding land/use biodiversity and emissions risk management, EnVolt adheres to Mauritius Environmental Protection Act 2002, amended in 2017, which requires full environmental impact assessment to be performed on specific projects such as power generating plants. It also provides a mechanism to develop and control environmental impacts that may arise from projects.¹⁵
- The EnVolt 2022 Health and Safety Policy Statement highlights the Company's commitment to provide a safe work environment in accordance with the ILO Occupational Safety and Health act 2005,¹⁶ and establishes a health and management system to identify and manage risks, and provide health and management training to employees.¹⁷

Sustainalytics notes some of the Group's internal policies and processes to assess and mitigate potential risks have yet to be developed. Sustainalytics encourages EnVolt to continue to elaborate and set policies to address environmental and social risks and to provide full disclosure regarding such policies and processes.

¹⁰ United Nations Global Compact, "ENL Limited", (2023), at: <https://unglobalcompact.org/what-is-gc/participants/157568-ENL-Limited>

¹¹ Signe Natir, "About Signe Natir", at: <https://signenatir.mu/>. Signe Natir is a Mauritius community-based organization that gathers businesses to adopt environmental and social commitments.

¹² ENL, "Risk Management", at: https://www.enl.mu/media/lgtqkhh/enl_enterpriseriskmanagement_framework.pdf

¹³ ENL, "Integrated Report", (2022), at: https://www.enl.mu/media/lytfi1n3/web-17315-enl_integrated_report_2022_spread.pdf

¹⁴ Ibid.

¹⁵ Republic of Mauritius, "Environmental Assessment", <https://environment.govmu.org/Documents/EPA%20as%20amended%20in%202017.pdf>

¹⁶ ILO, "The Occupational Safety and Health Act 2005", (2005), at: <https://www.ilo.org/dyn/natlex/docs/ELECTRONIC/72927/122371/F-23629033/MUS72927%202013.pdf>

¹⁷ ENL, "Occupational Safety & Health – Policy Statement", (2022), at <https://www.enl.mu/media/qflnnpj/occupational-safety-health-policy-statement.pdf>

Section 3: Impact of Use of Proceeds

The use of proceeds category, Renewable Energy, is aligned with the GBP. Sustainalytics has reviewed the renewable energy impact specifically relevant in the local context.

Importance of renewable energy investments in Mauritius

To limit global warming to 1.5°C above pre-industrial levels in accordance with the commitments of the Paris Climate Agreement, global CO₂ emissions need to reach net zero by 2050.¹⁸ Despite Mauritius only contributing 0.01% to global GHG emissions, the country is vulnerable to the impact of global warming due to its location and climate.¹⁹ As a signatory of the Paris Agreement, Mauritius has committed to achieve absolute GHG emissions of 4,140 ktCO₂e by 2030 under its most recent Nationally Determined Contribution, representing a 40% reduction compared to its business-as-usual scenario,²⁰ and to achieve carbon neutrality by 2070.²¹ Mauritius' GHG emissions increased by 82.4% between 2000 and 2021. Due to the use of fossil fuels as its largest source for primary energy generation, Mauritius' energy sector accounted for 79.3% of the country's total GHG emissions in 2021.²²

Mauritius has set up a variety of policies, frameworks and bodies and has deployed a series of actions to meet its decarbonisation targets. In 2019, Mauritius established its Renewable Energy Roadmap 2030 For the Electricity Sector,²³ which lays out a strategic plan and respective measures to achieve 60% of electricity generation from renewable energy by 2030 and is expected to facilitate private sector investments in the power sector.²⁴ In addition to increasing renewable energy capacity, Mauritius plans to reduce GHG emissions from electricity generation by phasing out coal from its energy mix by 2030.²⁵ In 2022, the country's finance minister announced that the government aims to partner with the private sector to set up renewable energy facilities and in this way promote energy efficiency.²⁶

Considering the above, Sustainalytics is of the opinion that EnVolt's renewable energy projects in Mauritius will help contribute to the achievement of the country's GHG emission reduction targets.

¹⁸ IPCC, "Summary for Policymakers", at: <https://www.ipcc.ch/sr15/chapter/spm/>

¹⁹ UNDP, "Climate Promise – Mauritius", at: <https://climatepromise.undp.org/what-we-do/where-we-work/mauritius>

²⁰ This figure was derived from Mauritius' NDC to reduce emissions by 40% by 2030 compared to a BAU scenario.

²¹ Government of Mauritius, "First Biennial Update Report (BUR1) to the UNFCCC", at:

<https://unfccc.int/sites/default/files/resource/First%20Biennial%20Update%20Report%20-%20Republic%20of%20Mauritius.pdf>

²² Government of Mauritius, "National Inventory Report (NIR) to the United Nations framework Convention on Climate Change", at:

https://environment.govmu.org/Documents/CCIC%20Data%20Repository/2.%20Information%20%26%20Reports/Biennial%20Update%20Report/_National%20Inventory%20Report%20-%20Republic%20of%20Mauritius.pdf

²³ Central Electricity Board of Mauritius, "Renewable Energy Roadmap 2030 for the Electricity Sector", (2022), at:

<https://ceb.mu/files/files/publications/RENEWABLE%20ENERGY%20ROADMAP%202030%20FOR%20THE%20ELECTRICITY%20SECTOR.pdf>

²⁴ Privacy Shield Framework, "Mauritius – Energy", at: <https://www.privacyshield.gov/ps/article?id=Mauritius-Renewable-Energy>

²⁵ UNFCCC, "NDC Registry", at: <https://unfccc.int/NDCREG>

²⁶ International Trade Administration, "Energy", (2023), at: <https://www.trade.gov/country-commercial-guides/mauritius-energy>

Alignment with/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 EnVolt Limited Green Bond Framework are expected to advance the following SDG and target:

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

Conclusion

EnVolt Limited has developed the EnVolt Limited Green Bond Framework, under which it may issue green bonds and use the proceeds to finance and refinance, in whole or in part, existing and future projects on Renewable Energy. Sustainalytics considers that the projects funded by the sustainability bond proceeds are expected to provide positive environmental impacts.

The EnVolt Limited Green Bond Framework outlines a process for tracking, allocation and management of proceeds, and makes commitments for EnVolt to report on allocation and impact. Furthermore, Sustainalytics notes that EnVolt adheres to ENL's sustainability strategy, and that ENL is currently developing its Sustainability Strategy and encourages EnVolt to disclose further information in this regard. Sustainalytics believes that the use of proceeds will contribute to the advancement of the UN Sustainable Development Goal 7. Additionally, Sustainalytics notes that the Company is currently developing some of the processes through which environmental and social risk assessments and management will be conducted and encourages EnVolt to disclose further information in this regard.

Based on the above, Sustainalytics is confident that EnVolt is well positioned to issue sustainability bonds and that the EnVolt Limited Green Bond Framework is robust, transparent and in alignment with the four core components of the Green Bond Principles 2021.

Appendix

Section 1. Basic Information

Issuer name:	EnVolt Limited
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	EnVolt Limited Green Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	September 14, 2023
Publication date of review publication: Original publication date <i>[please fill this out for updates]</i> :	

Section 2. Review overview

SCOPE OF REVIEW

The review:

- ☒ assessed the 4 core components of the Principles (**complete review**) and confirmed the alignment with the GBP/SBP/SBG (*delete where appropriate*).
- ☐ assessed only some of them (**partial review**) and confirmed the alignment with the GBP/SBP/SBG (*delete where appropriate*); please indicate which ones:
 - ☐ Use of Proceeds ☐ Process for Project Evaluation and Selection
 - ☐ Management of Proceeds ☒ Reporting
- ☐ assessed the alignment with other regulations or standards (CBI, EU GBS, ASEAN Green Bond Standard, ISO 14030, etc.); please indicate which ones:

ROLE(S) OF INDEPENDENT REVIEW PROVIDER

- ☒ Second Party Opinion ☐ Certification
- ☐ Verification ☐ Scoring/Rating
- ☐ Other (please specify):

Does the review include a sustainability quality score?

- ☐ Of the issuer ☐ Of the project
- ☐ Of the Framework ☐ Other (please specify):
- ☒ No scoring

ASSESSMENT OF THE PROJECT(S)

Does the review include:

- ☒ The environmental and/or social features of the type of project(s) intended for the Use of Proceeds?
- ☒ The environmental and/or social benefits and impact targeted by the eligible Green and/or Social Project(s) financed by the Green, Social or Sustainability Bond?
- ☒ The potentially material environmental and/or social risks associated with the project(s) (where relevant)?

ISSUER'S OVERARCHING OBJECTIVES

Does the review include:

- ☒ An assessment of the issuer's overarching sustainability objectives and strategy, and the policies and/or processes towards their delivery?
- ☒ An identification and assessment of environmental, social and governance related risks of adverse impact through the Issuer's [actions] and explanations on how they are managed and mitigated by the issuer?
- ☒ A reference to the issuer's relevant regulations, standards, or frameworks for sustainability-related disclosure and reporting?
- ☒ The comprehensiveness of the issuer's disclosure to help investors assess its performance holistically?

Overall comment on this section:

Section 3. Detailed review

1. USE OF PROCEEDS

Does the review assess:

- ☒ the environmental/social benefits of the project(s)?
- ☒ whether those benefits are quantifiable and meaningful?

Does the review assess if the issuer provides clear information on:

- ☒ the estimated proceeds allocation per project category (in case of multiple projects)?
- ☒ the estimated share of financing vs. re-financing (and the related lookback period)?

Overall comment on this section:

The eligible category, Renewable Energy, is aligned with those recognized by the GBP. Sustainalytics considers that investments in the eligible category will lead to positive environmental impact and advance the UN Sustainable Development Goals, specifically SDG 7.

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Does the review assess:

- ☒ whether the eligibility of the project(s) is aligned with official or market-based taxonomies or recognised international standards? Please specify which ones.
- ☒ whether the eligible projects are aligned with the overall sustainability strategy of the issuer and/or if the eligible projects are aligned with material ESG-related objectives in the issuer's industry?
- ☒ the process and governance to set the eligibility criteria including, if applicable, exclusion criteria?

☒ the processes by which the issuer identifies and manages perceived social and environmental risks associated with the relevant project(s)?

☒ any process in place to identify mitigants to known material risks of negative social and/or environmental impacts from the relevant project(s)?

Overall comment on this section:

EnVolt's board is responsible for evaluating, selecting and monitoring eligible assets against the eligibility criteria set in the Framework. The board consists of the Company's CEO, the CEO of ENL Property Limited, the head of finance of ENL Limited and the business development director of ENL Property Limited. EnVolt will identify, manage and mitigate environmental and social risks through internal procedures overseen by the board. This process is applicable to all allocation decisions made under the Framework. Sustainalytics notes that the Company is currently developing some of the processes through which environmental and social risk assessments and management will be conducted and encourages EnVolt to disclose further information in this regard.

3. MANAGEMENT OF PROCEEDS

Does the review assess:

☒ the issuer's policy for segregating or tracking the proceeds in an appropriate manner?

☒ the intended types of temporary investment instruments for unallocated proceeds?

☒ Whether an external auditor will verify the internal tracking of the proceeds and the allocation of the funds?

Overall comment on this section:

EnVolt's board will be responsible for the management of proceeds and will track the allocation of proceeds using an internal tracking system and third party independent control mechanisms such as approvals from bondholders' representative and auditors' reviews of EnVolt's annual accounts. The Company intends to reach full allocation within 36 months from the issuance of any instrument. Pending allocation, proceeds will be temporarily held in cash or cash equivalents. Based on the presence of a tracking system and disclosure of temporary allocation of proceeds, Sustainalytics considers this process to be in line with market practice.

4. REPORTING

Does the review assess:

☒ the expected type of allocation and impact reporting (bond-by-bond or on a portfolio basis)?

☒ the frequency and the means of disclosure?

☒ the disclosure of the methodology of the expected or achieved impact of the financed project(s)?

Overall comment on this section:

EnVolt is committed to reporting on the allocation of proceeds on an annual basis, and where feasible on the corresponding impact within a Green Bond Progress Report which will be available on the Company's website. Allocation reporting will include the net proceeds raised from issuances, description of the financed projects, confirmation that the portfolio projects meet the eligibility criteria, aggregate amount of proceeds allocated, and information on temporarily invested unallocated proceeds. Based on the commitment to both allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Section 4. Additional Information

Useful links (e.g. to the external review provider's methodology or credentials, to the full review, to issuer's documentation, etc.)

Analysis of the contribution of the project(s) to the UN Sustainable Development Goals:

Additional assessment in relation to the issuer/bond framework/eligible project(s):

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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