

# Second-Party Opinion

## Greenalia Green Finance Framework



### Evaluation Summary

Sustainalytics is of the opinion that the Greenalia Green Finance Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2021 and the Green Loan Principles 2023. This assessment is based on the following:



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



**PROJECT EVALUATION AND SELECTION** Greenalia’s management committee will oversee the project evaluation and selection of eligible investments as per the criteria defined in the Framework. The committee consists of the President, CEO, Chief Financial Officer and senior representatives from the corporate development, operations and maintenance, brand and communications, and construction teams. Greenalia has adopted an internal procedure to address environmental and social risks associated with projects being financed. This is aligned with market practice.



**MANAGEMENT OF PROCEEDS** Greenalia’s finance team will oversee the process for management of proceeds under the supervision of the CFO. Greenalia will use an internal tracking system to track the allocation of net proceeds. Greenalia intends to fully allocate net proceeds within 12 months of issuance. Should any proceeds remain unallocated, they will be temporarily held in cash or cash equivalents. This is aligned with market practice.



**REPORTING** Greenalia commits to report on the allocation of proceeds on its website on an annual basis until full allocation. Allocation reporting will include details such as the amount invested in the eligible projects and the balance of unallocated proceeds. In addition, Greenalia intends to report on the corresponding impact of the use of proceeds. Sustainalytics views Greenalia’s allocation and impact reporting as aligned with market practice.

**Evaluation date** January 15, 2024<sup>1</sup>

**Issuer Location** A Coruña, Spain

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<sup>1</sup> This document updates the Second-Party Opinion originally provided by Sustainalytics in November 2021.

## Introduction

Greenalia S.A. (“Greenalia” or the “Company”) is a pure play renewable energy producer with operations in Spain and the United States. Established in 1996, Greenalia is headquartered in A Coruña, Spain, and produces renewable energy from wind, solar, hydrogen and biomass from certified plantation residues. Greenalia had 114 employees and owned a project portfolio with an operational output of 6.3 GW as of 2022.<sup>2</sup>

Greenalia has developed the Greenalia Green Finance Framework dated January 2024 (the “Framework”), under which it intends to issue green bonds, loans, promissory notes and other financing instruments (collectively, the “Green Finance Instruments”)<sup>3</sup> and use the proceeds to finance or refinance, in whole or in part, existing or future projects that are expected to support the clean energy transition in Spain and advance the Company’s sustainability strategy. The Framework defines eligibility criteria in one green area:

### 1. Renewable Energy

Greenalia engaged Sustainalytics to review the Framework and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP)<sup>4</sup> and the Green Loan Principles 2023 (GLP).<sup>5</sup> The Framework will be published in a separate document.<sup>6</sup>

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

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent<sup>7</sup> opinion on the alignment of the reviewed Framework with current market standards and the extent to which the eligible project categories are credible and impactful.

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

- The Framework’s alignment with the Green Bond Principles 2021, as administered by ICMA, and the Green Loan Principles 2023, as administered by LMA, APLMA and LSTA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.15, 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 Greenalia’s management team to understand the sustainability impact of its business processes and planned use of proceeds, as well as the management of proceeds and reporting aspects of the Framework. Greenalia representatives have confirmed that: (1) they understand it is the sole responsibility of Greenalia 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.

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

Sustainalytics’ Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics’ Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond and loan proceeds but does not measure the actual impact. The

<sup>2</sup> Greenalia, “FY22 Annual Report (ESG)”, (2023), at: [https://greenalia.es/docs/UV\\_Annual\\_Report\\_FY2022\\_ENG.pdf](https://greenalia.es/docs/UV_Annual_Report_FY2022_ENG.pdf)

<sup>3</sup> Sustainalytics has reviewed only those financial instruments that are specified in the Framework.

<sup>4</sup> The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

<sup>5</sup> The Green Loan Principles are administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association and are available at <https://www.lsta.org/content/green-loan-principles/>

<sup>6</sup> The Greenalia Green Finance Framework is available at: <https://greenalia.es/sostenibilidad/>

<sup>7</sup> When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

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 potential allocation of proceeds but does not guarantee the realised allocation of the bond and loan proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Greenalia has made available to Sustainalytics for the purpose of this Second-Party Opinion.

## Sustainalytics' Opinion

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

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

- Use of Proceeds:
  - The eligible category, Renewable Energy, is aligned with those recognized by the GBP and GLP.
  - Greenalia has confirmed to Sustainalytics that the refinancing activities will be limited to capital expenditures and therefore no look-back period was defined under the Framework.
  - Under the Renewable Energy category, Greenalia may use the proceeds to finance or refinance the development, operation and maintenance of renewable energy generation projects related to solar, wind, biomass and energy storage systems.
    - Greenalia has informed Sustainalytics that solar projects will be limited to solar PV.
    - Additionally, Greenalia has confirmed to Sustainalytics that waste biomass projects will be limited to feedstock from forestry residues. Sustainalytics notes positively Greenalia's use of waste feedstock from forestry biowaste recognized under the Sustainable Resources Verification Scheme (SURE).<sup>8</sup> Sustainalytics views this certification to be credible and aligned with market practice.
    - For energy storage projects, Greenalia has confirmed to Sustainalytics that the energy storage projects will be connected to renewable sources.
    - Sustainalytics considers the financing of renewable energy and energy storage projects to be aligned with market practice.
- Project Evaluation and Selection:
  - Greenalia's management committee oversees the evaluation and selection of projects as per the eligibility criteria of the Framework. The committee consists of the Company's President, CEO, CFO and senior representatives from the corporate development, operations and maintenance, brand and communications, and construction teams.
  - The management committee will also be responsible for assessing the environmental and social risks associated with eligible projects. Along with its commitments to ensure compliance with Greenalia's sustainability policies and relevant environmental regulations and permits, the Company will also conduct environmental and social risk assessments for all investments under the Framework. Refer to Section 2 for further information on the Company's risk evaluation and mitigation practices.
  - Based on this selection process with cross-divisional participation and the adequate processes in place for environmental and social risk mitigation, Sustainalytics considers Greenalia's project selection process to be aligned with market practice.
- Management of Proceeds:
  - Greenalia's finance team will be responsible for the allocation and tracking of net proceeds to eligible projects, under supervision of the CFO. The net proceeds will be managed on a portfolio basis using dedicated accounts and the Company's internal tracking system.

<sup>8</sup> SURE: <https://sure-system.org/en/>

- Greenalia intends to allocate all proceeds to eligible activities under the Framework within 12 months of issuance. Pending allocation, unallocated amounts will be held in cash or cash equivalents.
- Greenalia has communicated to Sustainalytics that instruments issued under the Framework may include multi-tranche loan facilities. Greenalia intends to label only those tranches of such facilities whose proceeds will be allocated according to the eligibility criteria in the Framework.
- Based on the delineation of responsibility and the disclosure of the temporary use of proceeds, Sustainalytics considers this to be aligned with market practice.
- Reporting:
  - Greenalia commits to report on the allocation and impact of net proceeds on its website on an annual basis until full allocation. The allocation reporting will be included in the Company's financial and non-financial presentations and the impact reporting will be included in the annual report or a standalone impact report.
  - Greenalia has communicated to Sustainalytics that if it obtains revolving credit facilities under the Framework, it will report on allocation until loan maturity.
  - The allocation report will include the total amount invested in the development, engineering, procurement, construction, operation and maintenance of eligible projects and the balance of unallocated proceeds.
  - In addition, Greenalia intends to report on the environmental impact of expenditures through impact metrics, including the increase of renewable energy capacity (in MW), increase of production of renewable energy (in MWh) and annual GHG emissions avoided by the projects in operation (in tCO<sub>2</sub>e).
  - Based on the commitment to both allocation and impact reporting, Sustainalytics considers this process to be aligned with market practice.

#### **Alignment with the Green Bond Principles 2021 and Green Loan Principles 2023**

Sustainalytics has determined that the Greenalia Green Finance Framework aligns with the four core components of the GBP and GLP.

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

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

Sustainalytics is of the opinion that, as a developer and operator of renewable energy projects, Greenalia's overall business model is supportive of positive environmental outcomes. The Company demonstrates a commitment to sustainability through an Environmental Policy, which is based on multiple pillars: i) developing a sustainable business model that respects biodiversity; ii) going beyond regulatory standards for environmental preservation; iii) preventing pollution and reducing the environmental impacts of operations; iv) promoting research and innovation for environmental practices; and v) conserving, protecting and promoting natural heritage.<sup>9</sup>

In line with its ambition to support the global energy transition and sustainably create value by generating electricity through renewable sources, Greenalia developed its 2019-2022 Sustainability Plan, which laid out quantitative targets for key focus areas, including: i) reducing 53% of direct emissions per functional unit of EBITDA; ii) sourcing 100% of wood from controlled forests and 90% from sources certified under the Forest Stewardship Council (FSC)<sup>10</sup> or Programme for the Endorsement of Forest Certification (PEFC);<sup>11</sup> iii) investing EUR 350.2 million in energy transition; and iv) investing 976 hours of environmental monitoring and 540 hours of archaeological monitoring.<sup>12</sup> As part of its commitment to supporting decarbonization, Greenalia has set SBTi-validated targets to reduce its scope 1 and 2 emissions by 25% by 2030 versus 2020 and achieving net zero emissions by 2040.<sup>13</sup>

By the end of 2022, Greenalia had achieved its 2022 targets of reducing direct emissions per functional unit of EBITDA by 53%, largely owing to 100% of the Company's electricity coming from renewable sources since 2020. By 2022, the Company had also achieved its targets of sourcing 90% of wood from FSC- or PEFC-certified sources and investing 976 hours and 540 hours of environmental monitoring and archaeological

<sup>9</sup> Greenalia, "Green Book: Greenalia's Policies", at: <https://greenalia.es/download/green-book-corporate-policies/?wpdmdl=3162>

<sup>10</sup> FSC: <https://fsc.org/en/about-us>

<sup>11</sup> PEFC: <https://www.pefc.org/>

<sup>12</sup> Greenalia, "FY22 Annual Report (ESG)", (2023), at: <https://greenalia.es/download/integrated-report-fy22/?wpdmdl=6179>

<sup>13</sup> Ibid.

monitoring activities, respectively, one year ahead of plan. In 2022, Greenalia invested EUR 350.2 million or 34.8% of the total 2023 investment target for energy transition under its Sustainability Plan.<sup>14</sup>

Greenalia focuses on developing and operating five renewable technologies: onshore wind power, floating offshore wind power, solar photovoltaic, storage and biomass. As of 2022, the Company's projects had a combined operational output of 125 MW and an additional 6,171 MW of planned capacity in the pipeline, including projects in early stage, advanced development stage and under construction.<sup>15</sup>

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

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

Sustainalytics recognizes that the proceeds from the instruments issued under the Framework will be directed towards eligible projects that are expected to have positive environmental or social impacts. 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 may include issues involving land use and loss of biodiversity associated with large-scale development; water use, waste and effluents generated in construction; community relations and occupational health and safety.

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

- To address risks related to land use and impact on biodiversity, Greenalia implements an Environmental Monitoring Program, under which it conducts environmental and social impact assessments for its energy generation assets. These assessments are conducted by a multidisciplinary team of independent experts during each phase of a project: construction, operation, maintenance and decommissioning. Under the impact assessments, Greenalia analyzes and evaluates the potential impact on protected areas, fauna, flora, soil, air, water resources, ecosystems and cultural heritage, as well as aspects concerning human health, such as noise and electromagnetic emissions. The resulting environmental impact statement and environmental impact report inform project location selection and protection measures that the Company implements.<sup>16</sup> Greenalia also follows the International Union for Conservation of Nature Red List species or other national and regional catalogues to identify protected species during the construction phase of all its projects. In 2020, the Company signed the agreement for the conservation and recovery plan for *Centaurea ultriae* in the Monte Castelo area, with a key objective to minimize the possible impact on this species and promote its conservation.<sup>17</sup>
- Under its Water Policy,<sup>18</sup> Greenalia focuses on reducing water consumption and continuously improving the processes of its facilities to promote reuse and recycling of water.
- To minimize and manage waste generated from its operations, Greenalia monitors and classifies waste generation in its facilities in accordance with the European Waste List.<sup>19</sup> The Company's Circular Economy Policy promotes collection and sorting of waste generated in operations with the purpose of promoting recycling and reducing the use of non-renewable natural resources.<sup>20</sup> Greenalia also seeks to reduce environmental impacts, such as pollution in its value chain by engaging with suppliers and contractors to integrate environmental regulations into their businesses.<sup>21</sup>
- Greenalia fosters community relations by establishing an open dialogue with local communities throughout all phases of project development, focusing on timely identification and mitigation of risks.<sup>22,23</sup> In addition to open dialogue with community stakeholders to mitigate potential socio-economic impacts that Greenalia's project development activities may cause, Greenalia also focuses

<sup>14</sup> Greenalia, "FY22 Annual Report (ESG)", (2023), at: <https://greenalia.es/download/integrated-report-fy22/?wpdmdl=6179>

<sup>15</sup> Ibid.

<sup>16</sup> Ibid.

<sup>17</sup> Ibid.

<sup>18</sup> Greenalia, "Green Book: Greenalia's Policies", at: <https://greenalia.es/download/green-book-corporate-policies/?wpdmdl=3162>

<sup>19</sup> Ibid.

<sup>20</sup> Ibid.

<sup>21</sup> Greenalia, "Ethics Charter for Supplier Companies", at: <https://greenalia.es/download/supplier-ethics-charter/?wpdmdl=4887>

<sup>22</sup> Greenalia, "Green Book: Greenalia's Policies", at: <https://greenalia.es/download/green-book-corporate-policies/?wpdmdl=3162>

<sup>23</sup> Greenalia, "Greenalia Green Finance Framework", (2024), at: <https://greenalia.es/sostenibilidad/>

on strengthening its community relationships through social initiatives that work for the benefit of the communities in which it operates.<sup>24</sup>

- Greenalia's Occupational Health and Safety Policy<sup>25</sup> promotes a safe working environment by providing training to all personnel to ensure the effective performance of their duties and requiring all contractors to comply with relevant health and safety regulations. The Company also conducts a periodic Occupational Risk Assessment to identify potential occupational health and safety risks, and design preventive measures. The Company regularly monitors its project areas to ensure a safe working environment and implements the necessary measures to reduce the risk and potential consequences of accidents at its project sites.<sup>26</sup>

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

The use of proceeds category is aligned with those recognized by the GBP and GLP and is relevant in the local context.

#### Importance of renewable energy to climate change mitigation in Spain

The energy sector was responsible for more than three-quarters of total GHG emissions globally by 2021.<sup>27</sup> Global electricity demand is expected to more than double between 2020 and 2050.<sup>28</sup> To achieve net zero by 2050, the share of renewables in total electricity generation globally should increase from 29% in 2020 to more than 60% in 2030 and to nearly 90% in 2050.<sup>29</sup> In addition, the global annual investment in the energy sector should expand to USD 5 trillion by 2030 from USD 2 trillion in 2021 to achieve net zero emissions by 2050.<sup>30</sup>

The EU energy sector accounts for 75% of the EU's total GHG emissions and 6.2% of the global power sector emissions.<sup>31,32</sup> As part of its goal to achieve climate neutrality by 2050, the European Commission committed to reducing GHG emissions by 55% by 2030 relative to 1990 levels.<sup>33</sup> In May 2022, the European Commission released its REPowerEU Plan,<sup>34</sup> which proposes to increase the share of renewable energy in the EU's final energy consumption from 40% to 45% by 2030 and aims to install new solar PV systems with a total capacity of more than 320 GW by 2025 and almost 600 GW by 2030.<sup>35,36,37</sup> The plan also includes targets for the EU to have an installed capacity of more than 60 GW of offshore wind by 2030 and 300 GW by 2050.<sup>38</sup>

As a member state of the EU, Spain is bound by the EU's energy and climate change related targets. In line with these commitments, Spain has established the Integrated National Energy and Climate Plan (INECP) for the 2021-2030 period. In the NECP, the government has set objectives to achieve a 23% reduction in GHG emissions from 1990 levels, a 42% share of renewables in energy end-use and a 74% share of renewables in electricity generation.<sup>39</sup> In 2023, the Government of Spain presented an updated draft of INECP for 2023 to 2030, projecting a reduction in GHG emissions of 32% by 2030 (from 23% in the original INECP) from a 1990

<sup>24</sup> Greenalia, "FY22 Annual Report (ESG)", (2023), at: <https://greenalia.es/download/integrated-report-fy22/?wpdmdl=6179>

<sup>25</sup> Ibid.

<sup>26</sup> Greenalia, "FY22 Annual Report (ESG)", (2023), at: <https://greenalia.es/download/integrated-report-fy22/?wpdmdl=6179>

<sup>27</sup> IEA, "Greenhouse Gas Emissions from Energy Data Explorer", (2023), at: <https://www.iea.org/data-and-statistics/data-tools/greenhouse-gas-emissions-from-energy-data-explorer>

<sup>28</sup> IEA, "Net Zero by 2050: A Roadmap for the Global Energy Sector", (2021), at: [https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroBy2050-ARoadmapfortheGlobalEnergySector\\_CORR.pdf](https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroBy2050-ARoadmapfortheGlobalEnergySector_CORR.pdf)

<sup>29</sup> Ibid.

<sup>30</sup> Ibid.

<sup>31</sup> European Council and Council of the European Union, "5 facts about the EU's goal of climate neutrality", (2023), at:

<https://www.consilium.europa.eu/en/5-facts-eu-climate-neutrality/#:~:text=Energy%20production%20and%20use%20is,of%20EU%20greenhouse%20gas%20emissions.>

<sup>32</sup> Ember, "European Union", (2023), at: <https://ember-climate.org/countries-and-regions/regions/european-union/>

<sup>33</sup> European Commission, "2030 climate & energy framework", at: [https://ec.europa.eu/clima/policies/strategies/2030\\_en](https://ec.europa.eu/clima/policies/strategies/2030_en)

<sup>34</sup> European Commission, "REPowerEU: Affordable, secure and sustainable energy for Europe", at: [https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/repowereu-affordable-secure-and-sustainable-energy-europe\\_en](https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/repowereu-affordable-secure-and-sustainable-energy-europe_en)

<sup>35</sup> Ibid.

<sup>36</sup> ECCO, "REpowerEU", (2023), at: <https://eccoclimate.org/repowereu/#:~:text=Indeed%2C%20with%20the%20REPowerEU%20some,40%20to%2045%20per%20cent>

<sup>37</sup> European Commission, "REPowerEU: New industrial Alliance to boost the EU's solar power and energy security", (2022), at:

[https://ec.europa.eu/commission/presscorner/detail/en/IP\\_22\\_7617](https://ec.europa.eu/commission/presscorner/detail/en/IP_22_7617)

<sup>38</sup> European Commission, "Offshore renewable energy", at: [https://energy.ec.europa.eu/topics/renewable-energy/offshore-renewable-energy\\_en](https://energy.ec.europa.eu/topics/renewable-energy/offshore-renewable-energy_en)

<sup>39</sup> Simões, H.M. et al. (2021), "EU progress on climate action – how are the Member States doing?", European Parliament, at:

[https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/690579/EPRS\\_BRI\(2021\)690579\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/690579/EPRS_BRI(2021)690579_EN.pdf)

baseline. In this update, the government estimates an investment of EUR 294 billion to achieve energy and climate ambitions, out of which 40% is expected to be allocated for renewable energy generation, 29% towards energy efficiency and 18% for energy networks.<sup>40</sup>

Based on the above context, Sustainalytics is of the opinion that Greenalia's investments in renewable energy projects offer the potential to increase low-carbon energy production and contribute to Spain's INECP.

### 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 instruments issued under the Greenalia Green Finance Framework are expected to help advance the following SDG and target:

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

### Conclusion

Greenalia has developed the Greenalia Green Finance Framework, under which it may issue green bonds, loans, promissory notes and other financing instruments and use the proceeds to finance or refinance renewable energy generation projects. Sustainalytics considers that the eligible projects are expected to provide positive environmental impacts.

The Framework outlines a process for tracking, allocation and management of proceeds, and makes commitments for reporting on allocation and impact. Sustainalytics considers that the Framework is aligned with the overall sustainability strategy of Greenalia and that the use of proceeds will contribute to the advancement of UN Sustainable Development Goal 7. Additionally, Sustainalytics is of the opinion that Greenalia has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects.

Based on the above, Sustainalytics is confident that Greenalia is well positioned to issue green bonds and that the Greenalia Green Finance Framework is robust, transparent and in alignment with the four core components of the Green Bond Principles 2021 and Green Loan Principles 2023.

<sup>40</sup> European Commission, "Draft Update of the Plan Integrated National Energy And Climate 2023-2030", (2023), at: [https://commission.europa.eu/system/files/2023-07/EN\\_SPAIN%20DRAFT%20UPDATED%20INECP.pdf](https://commission.europa.eu/system/files/2023-07/EN_SPAIN%20DRAFT%20UPDATED%20INECP.pdf)

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