

Greenvolt – Energias Renováveis S.A.

Type of Engagement: Annual Review

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Introduction

In November 2021, Greenvolt – Energias Renováveis S.A. (“Greenvolt”)¹ issued green bonds aimed at refinancing the acquisition of Tilbury Green Power (“TGP”), a joint venture, in which Greenvolt indirectly acquired a 51% stake, in June 2021 in the UK. The green bonds have financed² a project according to the categories listed in the Framework, namely – Renewable and Clean Energy, Energy Efficiency, and Integrated Pollution Prevention and Control. In October 2021, Sustainalytics provided a Second-Party Opinion³ on the Greenvolt – Energias Renováveis S.A. Bond Framework (the “Greenvolt Green Bond Framework” or the “Framework”).⁴ In March 2022, Greenvolt engaged Sustainalytics to review the projects funded through the issued 2021 green bonds and provide an assessment as to whether the projects met the Use of Proceeds criteria and the Reporting commitments outlined in the Green Bond Framework.

Evaluation Criteria

Sustainalytics evaluated the projects and assets funded with proceeds from the 2021 green based on whether the projects and programmes:

1. Met the Use of Proceeds and Eligibility Criteria outlined in the Greenvolt Green Bond Framework; and
2. Reported on at least one of the Key Performance Indicators (KPIs) for each Use of Proceeds criteria outlined in the Greenvolt Green Bond Framework.

Table 1 lists the Use of Proceeds, Eligibility Criteria, and associated KPIs.

Table 1: Use of Proceeds, Eligibility Criteria, and associated KPIs

Use of Proceeds	Eligibility Criteria	Key performance indicators (KPIs)
Renewable and Clean Energy / Energy Efficiency	Renewable energy projects and energy efficiency projects (including residual forest biomass, wood waste, wind and solar, decentralized generation and storage), M&A transactions within the renewable energy sector, and other related and supporting expenditures such as R&D	<ul style="list-style-type: none"> • Installed renewable energy capacity (MW) • Expected annual renewable energy generation (MWh) • Estimated annual GHG emission avoided or reduced (tCO₂e)
Integrated Pollution Prevention and Control	Projects contribute to decreased air and GHG emissions. Biomass power plants designed and operated according to the Best Available Techniques reference document (BREF). ⁵	<ul style="list-style-type: none"> • Reduction of biomass waste in the forest • Recycled construction and demolition wood waste • Estimated annual GHG emission avoided or reduced (tCO₂e) • Emissions of dust, nitrogen oxides (NO_x), and sulphur dioxide (SO₂)

¹ Greenvolt – Energias Renováveis, S.A., Portuguese company and subsidiary of the Altri Group.

² The proceeds were fully allocated in 2021.

³ Sustainalytics’ Second-Party Opinion on the Framework is available at: https://greenvolt.pt/fileManager/comunicados/pdf_en_81.pdf

⁴ The Greenvolt Green Bond Framework is available at: https://greenvolt.pt/fileManager/comunicados/pdf_en_79.pdf

⁵ EU, “Best Available Techniques (BAT) for Large Combustion Plants”, (2010), at: <https://op.europa.eu/en/publication-detail/-/publication/c31e5e11-db60-11e7-a506-01aa75ed71a1/language-en>

Issuing Entity's Responsibility

Greenvolt is responsible for providing accurate information and documentation relating to the details of the projects that have been funded, including description of projects, amounts allocated, and project impact.

Independence and Quality Control

Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors, conducted the verification of Greenvolt's Green Bond Use of Proceeds. The work undertaken as part of this engagement included collection of documentation from Greenvolt employees and review of documentation to confirm the conformance with the Green Bond Framework.

Sustainalytics has relied on the information and the facts presented by Greenvolt with respect to the Nominated Projects. Sustainalytics is not responsible nor shall it be held liable if any of the opinions, findings, or conclusions it has set forth herein are not correct due to incorrect or incomplete data provided by Greenvolt.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight over the assessment of the review.

Conclusion

Based on the limited assurance procedures conducted,⁶ nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the reviewed bond projects, funded through proceeds of Greenvolt's Green Bond, are not in conformance with the Use of Proceeds and Reporting Criteria outlined in the Green Bond Framework. Greenvolt has disclosed to Sustainalytics that the proceeds of the green bond were used to refinance the acquisition of TGP, which took place in June 2021.

Detailed Findings

Table 2: Detailed Findings

Eligibility Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the projects funded by the green bond in 2021 to determine if projects aligned with the Use of Proceeds Criteria outlined in the Green Bond Framework and above in Table 1.	All projects reviewed complied with the Use of Proceeds criteria.	None
Reporting Criteria	Verification of the projects funded by the green bond in 2021 to determine if the impact of projects was reported in line with the KPIs outlined in the Green Bond Framework and above in Table 1. For a list of KPIs reported please refer to Appendix 1.	All projects reviewed reported on at least one KPI per Use of Proceeds criteria.	None

⁶ Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the projects that have been funded, including description of projects, estimated and realized costs of projects, and project impact, which were provided by the Issuer. The Issuer is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

Appendices

Appendix 1: Allocation Reporting by Eligibility Criteria

Use of Proceeds Category	Eligibility Criteria	Number of Projects	Total Allocated Amount (EUR)
Renewable and Clean Energy / Energy Efficiency	Acquisition of Tilbury Green Power	1	100,000,000
Integrated Pollution Prevention and Control			
Allocated proceeds (EUR)			103,372,653
Net proceeds raised from the issuance (EUR)			100,000,000
Percentage of net proceeds allocated			100%

Appendix 2: Impact Reporting by Eligibility Criteria

Use of Proceeds Category	Eligibility Criteria	Green Bond Impact Reported by Eligibility Criteria			
		Project capacity (MW)	Renewable energy generated (MWh) ⁷	CO ₂ emissions avoided (tCO ₂ e) ⁸	Wood waste recycled from construction and demolition (ton) ⁹
Renewable and Clean Energy / Energy Efficiency / Integrated Pollution Prevention and Control	Acquisition of Tilbury Green Power ¹⁰	41.6	161,849	34,365	132,305

⁷ Renewable energy injected by project in the reference period, between July and December 2021

⁸ Avoided emissions. Avoided emissions are those corresponding to the emissions that would occur if the electricity produced resulted from the national system, using as a reference the emission factor of the national grid, available at:

<https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2021>

⁹ Biomass consumed by Tilbury Green Power, in the reference period, between July and December 2021

¹⁰ Data from July to December 2021

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