SECOND PARTY OPINION

Green & Sustainability-linked Financing Framework

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Project Team Leader:

Anne CHANON
Head of CSR Services
anne.chanon@ethifinance.com

SCOPE OF THE MISSION

- EthiFinance has been given the assignment to issue an independent, expert opinion on VOLTALIA's initial *Green and/or Sustainability-linked Financing Framework* (September 2020).
- As stated by VOLTALIA, this framework is designed as an overarching framework, allowing the issuance of various Green and/or Sustainability-linked financing instruments, i.e. use-of-proceeds or KPI-linked instruments, such as bonds, convertible bonds, private placements (e.g. US PP, Euro PP, Schuldschein), loans, project financings or any other financing instruments in various formats and currencies.
- This opinion is based on in-house expert methodology (see *Methodology* on page 18), in line with ICMA's Green Bond Principles (GBPs) and Sustainability-linked Bond Principles (SLBPs) and LMA's Green Loan Principles (GLPs) and Sustainability-linked Loan Principles (SLLP).
- This analysis was conducted in September 2020.

Opinion Summary

Opinion Score	Green bond section	Sustainability-linked section
4.4 / High	4.3	4.4

Scoring System

Scoring Legend	Low	Moderate	Medium	Advanced	High
Scoring Scale	X < 1,5	1,4 < X < 2,5	2,4 < X < 3,5	3,4 < X < 4,39	X > 4,4 (5 max)

Introduction

VOLTALIA is an international player in the renewable energy market. As of June 2020, VOLTALIA had a workforce of 994 employees in 20 countries and is able to act worldwide on behalf of its clients. VOLTALIA's main business activity is the production and sale of energy generated by the wind, solar, hydropower, biomass and storage plants that it owns and operates. The company also provides services linked to the development, construction and operation-maintenance of commissioned power plants. The company is currently active in 3 continents (installed capacity: Latin America 73%, Europe 23%, Africa 4%, as of June 2020).

To support its development, VOLTALIA has decided to embark on Sustainable Financing and has formalized an over-arching issuance framework, one which is twofold (both Sustainability-linked and Green projects). This framework explains the company's commitment to comply with market's standards of reference (ICMA and LMA) and, more generally, market best practices.

Specialized in ESG assessment of SMIDs, EthiFinance has been given the assignment to issue an independent expert opinion on the ESG value of this framework. This opinion assesses its compliance with ICMA and LMA standards and provides additional analysis about the issuer, its strategy, its ESG risk management, and expected impacts of eligible projects. It has been conducted in September 2020.

EthiFinance Global Opinion

EthiFinance's opinion is that VOLTALIA's Green and Sustainability-linked financing framework is of high quality, provided some additional details are provided for each specific issuance:

1. Compliance with ICMA and LMA standards : High

- Compliance with Green Bond Principles (and thus with Green Loan Principles)
- Compliance with Sustainability-linked Bond Principles (and thus with SL Loan Principles)

Areas of improvement lie in further disclosure of more precise information about eligibility criteria, KPIs and targets.

2. Issuer's ESG Performance: Advanced

The Issuer's ESG profile is excellent and compares positively with those of similar companies. It is not affected by any serious ESG controversy.

3. Issuance sustainability: High

Eligible projects as defined in the issuance framework are 100% in line with the company strategy. In our view, VOLTALIA is well positioned to address common environmental and social risks associated with eligible projects. Eligible projects are likely to contribute to at least 3 major SDGs (*#7 Affordable and clean energy; #9 Industry, Innovation, Infrastructure; #13 Climate Action)* but, over time, more details should be provided on expected impacts.

I. Green Bond Section

4.3 / Advanced

Compliance with Green Bond Principles (High)

1. **Use of proceeds:** EthiFinance considers that eligible categories, namely renewable energy projects, definitely support the objective of promoting a transition to low-carbon growth. We recommend, however, more details (further issuances) regarding criteria and targets (e.g. Avoided tCO_2 or CO_2e / KWh) in general and, more specifically, for hybrid projects including fossil fuel.
2. **Evaluation and selection:** The evaluation/selection process for eligible projects is clear, well-structured, including a dedicated committee, and based on relevant expertise. EthiFinance considers that it is compliant with the GBPs. More precision should nevertheless be given on evaluation and selection criteria.
3. **Management of proceeds:** VOLTALIA has set up a process for transparent management of proceeds and an external review process ,which are in line with Green Bond Principles.
4. **Reporting:** EthiFinance views the company's commitments in terms of reporting as compliant with ICMA's Green Bond Principles, both in terms of content (allocation/impact) and reliability (external review). Given the lack of precision of this framework on selection criteria and targets, we recommend VOLTALIA provides investors with details at the reporting stage.

Issuer's ESG Performance (Advanced)
The Issuer's ESG profile is excellent (Gaïa Rating Score: 75/100 as of 2019 [(1)]) and is not affected by any serious ESG controversy.

Issuance's Sustainability (High)
Eligible projects as defined in the issuance framework are 100% in line with the company strategy. In our view, VOLTALIA is well positioned to address common environmental and social risks associated with eligible projects. Eligible projects are likely to contribute to at least 3 major Sustainable Development Goals (SDGs) (*#7 Affordable and clean energy; #9 Industry, Innovation, Infrastructure; #13 Climate Mitigation)* but, over time, more details should be provided on expected impacts.

Key Quality Drivers	Main areas of improvement
Eligible projects in line with Climate mitigation objectives	Need to provide more details on selection criteria and commitments on sustainability targets
Dedicated Governance for sustainable Financing	
Management of proceeds in line with market practice	
Reporting commitments in line with good practices	
Rapid improvement of the issuer's ESG performance	
Strategic alignment of eligible projects	
Sound ESG risks management	

(1) Up-date, 01/2021 : 2020 Gaïa Rating Score amounts to 76/100

I.1. Compliance with Green Bond Principles

4,5 / High

A/ Use of Proceeds (1/3)

Global Opinion - EthiFinance considers that eligible categories of the project, namely renewable energy projects, definitely support the objective of promoting a transition to low-carbon growth. We recommend, however, more details (further issuances and reporting content) about criteria and targets (e.g. Avoided tCO_2 or CO_2e / KWh) in general and, more specifically, for hybrid projects including fossil fuel.

As stated in the company's issuance framework, eligible projects will fall into the following categories: Solar Power, Wind Power, Hydropower, Biomass Power, Hybrid, Energy Storage.

Eligible expenditure can be Opex/Capex in renewable energy plants/storage units or majority or minority acquisitions of companies significantly active in any of the renewable energy technologies described above.

A1 - Level of accuracy

The definition of eligible categories in VOLTALIA's Framework is simple and clear. Eligible projects fall into the five technologies (wind, solar, hydroelectricity, biomass and storage) at the core of VOLTALIA's know-how.

Regarding the acquisition of companies, VOLTALIA points out that at least 50% of their EBITDA should stem from renewable energy and that they should have a decarbonation strategy or be ready to adopt such a strategy.

For operating expenditure, the Issuer has committed to respect a lookback period of maximum 3 years from the issuance, in line with market practices.

Areas of improvement: *We recommend that more details be provided about eligible projects with regard, for example, to possible exclusions, standard requisites (e.g. certifications or technical specificities), thresholds (e.g. scale of hydropower projects) or targets (e.g. CO_2/KWh).*

A2 - Level of relevance

All projects identified fall into the renewable energies eligible category of ICMA's Green Bond Principles and will help to achieve the objective of GBP "*climate change mitigation*". The five Use of Proceeds categories are also considered as aligned with the European Green Taxonomy (low-carbon activities).

- **Solar Power**

These projects clearly fit into the "*renewable energy (including production, transmission, appliances and products*)" category as defined by ICMA's Green Bond Principles. Similarly, they fall into the European Taxonomy's category of "*Climate Change Mitigation*" (own performance).

Nevertheless, two thresholds are to be taken in consideration:

- According to the EU Taxonomy, an over-arching, technology-agnostic emissions threshold of 100g CO_2e / KWh is proposed for the electricity generation. This threshold will be reduced every 5 years in line with a trajectory to net zero CO_2e in 2050.
- Solar energy generation is considered eligible for *Climate Bond Initiative* as long as the facility does not have >15% fossil fuel back-up.

Areas of improvement: ***We recommend that precise information be given for each project with respect to the above-mentioned thresholds.*** *Moreover, we suggest that, when reporting to investors on this type of project, the company should report on its mitigation actions regarding common potential environmental pitfalls of solar projects (impact on ecosystems and biodiversity, impact on production and end-of-life management of the PV systems and their component/materials) (see ESG risk Management assessement on slide 12).*

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I.1. Compliance with Green Bond Principles

4,5 / High

A/ Use of Proceeds (2/3)

- **Wind Power**

These projects clearly fit into the *"renewable energy (including production, transmission, appliances and products*)" category as defined by ICMA's Green Bond Principles. Similarly, they fall into the European Taxonomy's category of "*Climate Change Mitigation*" (own performance).

Nevertheless, one threshold is to be taken in consideration: according to the EU green Taxonomy, an over-arching, technology-agnostic emissions threshold of 100g CO2e / KWh is proposed for the electricity generation. This threshold will be reduced every 5 years in line with a trajectory to net zero CO2e in 2050.

Areas of improvement: ***We recommend that precise information be given for each project with respect to the above-mentioned threshold. Moreover, each wind power project may have environmental pitfalls.*** *Moreover, we suggest that, when reporting to investors on this type of project, the company should report on its mitigation actions regarding common potential environmental pitfalls of wind power* ***(composite waste generated from wind turbine blades at the end of lifetime, impact on ecosystems and biodiversity)*** *(see ESG risk Management assessement on slide 12).*

- **Hydropower**

These projects clearly fit into the "*renewable energy (including production, transmission, appliances and products)"* category as defined by ICMA's Green Bond Principles. Similarly, they fall into the European Taxonomy's category of "*Climate Change Mitigation*" (own performance and transitional activity).

Nevertheless, two thresholds are to be taken in consideration:
- According to the EU green Taxonomy, an over-arching, technology-agnostic emissions threshold of 100g CO2e / KWh is proposed for the electricity generation. This threshold will be reduced every 5 years in line with a trajectory to net zero CO2e in 2050.
- Hydropower facility is considered eligible for the Climate Bond Initiative if it has either: a power density > 5W/m2; or GHG emissions intensity < 100g CO2e/kWh.

Areas of improvement: ***We recommend that precise information be given for each project with respect to the above-mentioned thresholds.*** *Moreover, we suggest that, when reporting to investors on this type of project, the company should report on its mitigation actions regarding common potential environmental pitfalls of hydropower* ***(impact on ecosystems and biodiversity, emissions to water and generation of waste)*** *(see ESG risk Management assessement on slide 12).*

- **Biomass Power**

These projects clearly fit into the *"renewable energy (including production, transmission, appliances and products)"* category as defined by ICMA's Green Bond Principles. Similarly, they fall into the European Taxonomy's category of "*Climate Change Mitigation*" (own performance and transitional activity).

Nevertheless, one threshold is to be taken in consideration: according to the EU green Taxonomy, an over-arching, technology-agnostic emissions threshold of 100g CO2e / KWh is proposed for the electricity generation. This threshold will be reduced every 5 years in line with a trajectory to net zero CO2e in 2050.

Areas of improvement : ***We recommend that precise information be given for each project with respect to the above-mentioned threshold.*** *Moreover, we suggest that, when reporting to investors on this type of project, the company should report on its mitigation actions regarding common potential environmental pitfalls of biomass power* ***(impact on local water, air emissions, impact on ecosystems)*** *(see ESG risk Management assessement on slide 12).*

I.1. Compliance with Green Bond Principles — 4,5 / High

A/ Use of Proceeds (3/3)

- **Hybrid**

As stated in the Framework, this category may encompass both a) purely renewable hybrid plants and b) fossil + renewable hybrid plants.

a) The first sub-category clearly fits into the "*renewable energy (including production, transmission, appliances and products*)" category as defined by ICMA's Green Bond Principles. Similarly, it falls into the European Taxonomy's category of "*Climate Change Mitigation*".

b) Regarding the second sub-category (fossil + renewable), VOLTALIA's business model is to maximize the proportion of renewable in the energy mix (as, for example, in its Brazilian Oiapoque hybrid plant where the proportion of fossil fuel fell from 15% to 10% after VOLTALIA's investments).

As such, we consider that these projects may be in line with ICMA's objective of "Climate Change Mitigation", provided replacement of fossil by renewable is systematic and ambitious quantitative targets are set.

Areas of improvement: We recommend that detail be provided at the reporting stage, at project-level, for the second sub-category. Relevant KPIs are % of renewable energy in the mix compared to initial situation and/or teCO2/KWh.

- **Energy storage**

These projects clearly fit into the "renewable energy (including production, transmission, appliances and products)" category as defined by ICMA's Green Bond Principles. As such, they fall into the European Taxonomy's category of *"Climate Change Mitigation"* (enabling activities).

Areas of improvement: We suggest that, when reporting to investors on this type of project, the company should report on its mitigation actions regarding common potential environmental pitfalls of energy storage ***(chemical and biological components)*** *(see ESG risk Management assessement on slide 12).*

- **Acquisition of companies**

Regarding the acquisitions of companies, VOLTALIA points out that at least 50% of their EBITDA should stem from renewable energy and that they should have a decarbonation strategy or be ready to adopt such a strategy.

VOLTALIA may invest in companies operating partly conventional energy activities: in such cases, VOLTALIA's business model is to increase the proportion of renewable energy in the company's energy mix. This taken into account, along with VOLTALIA's commitment to proactively support decarbonation strategy, we consider that this can contribute to climate change mitigation provided decarbonation plans are ambitious enough.

Areas of improvement: We recommend that VOLTALIA reports precisely, at project-level, on its quantitative targets in terms of decarbonation and, over the years, on its achievements.

I.1. Compliance with Green Bond Principles — 4,5 / High

B/ Project Evaluation & Selection

Global Opinion - The evaluation/selection process for eligible projects is clear, well-structured, including a dedicated committee, and based on relevant expertise. EthiFinance considers that it is compliant with the GBPs. More precision should, however, be given on evaluation and selection criteria.

The process and governance for the evaluation and selection of the Eligible Green Assets is clearly defined in the Framework. We value the fact that VOLTALIA has set up a dedicated governance body, which engages high-level representatives of the company and combines financial and CSR competencies. This is in line with best market practices.

The new Green & Sustainability-linked Financing Committee is chaired by a member of VOLTALIA's Executive Committee, namely the Head of Assets Sales Investment & Funding. It gathers both financial and CSR competencies and will meet at least once a year (and at any time when required).

Roles and responsibilities all along the investment lifecycle have been described as follows:

- Identification of projects relies on development or financial teams.
- An ESG pre-screening is then conducted by the CSR team.
- Formal and mandatary due diligences are conducted *(see "ESG risk management" section, below*) and then, on that comprehensive basis, the Green & Sustainability-linked Committee is in charge of (among others) selection, review and validation of the Eligible Green Projects, according to the eligibility criteria and the environmental and social due diligence.

The traceability of the decisions appears to be ensured throughout the process, through meeting minutes that will be made available for external auditors during their verification of the compliance of projects with the eligible categories.

Areas of improvement: At the moment, in this over-arching framework, there are no precise criteria of selection: we recommend that for each specific issuance more details be provided on that critical topic.

C/ Management of Proceeds

Global Opinion - VOLTALIA has set up a process for transparent management of proceeds and an external review process, which are in line with Green Bond Principles.

The rules for the management of proceeds are clearly defined as follows:

- Net proceeds managed within VOLTALIA's general account and an amount equal to the net proceeds will be earmarked for allocation to the Eligible Green Projects.
- Unallocated proceeds kept within its treasury, invested in cash, cash equivalent and/or money market instruments.
- Allocation of the proceeds of a given green or green & sustainability-linked financing instrument within a 3-year period from the date of the issuance.
- Replacement of any projects that may have been divested or are no longer eligible due to other circumstances within a 2-year period.
- An independent party will verify the tracking and allocation of funds once a year until the Bond's maturity.

We consider that VOLTALIA's commitments in terms of management of proceeds are in line with market practices.

I.1. Compliance with Green Bond Principles — 4,5 / High

D/ Monitoring & Reporting

Global opinion - EthiFinance views the company's commitments in terms of reporting as compliant with ICMA's Green Bond Principles, both in terms of content (allocation/impact) and reliability (external review). Given the lack of precision of this framework on selection criteria and targets, we recommend investors be provided with details at reporting stage.

VOLTALIA commits to report each year and until full allocation (and later in the event of any material change in the list of Eligible Green Projects until the maturity of the bond) and to disclose in its Extra-Financial Performance Report (DPEF):

- The list of the Eligible Projects financed or categories of eligible projects.
- The total amount of proceeds allocated per Eligible Green category or, when feasible, proceeds allocated per Eligible Green Project.
- The share of financing vs refinancing.
- The amount of unallocated proceeds.
- Environmental and climate benefits: impact reporting includes quantitative indicators such as renewable energy capacity and generated (MWh). The main indicator of VOLTALIA's positive contribution to the fight against climate change initiative is the amount of CO2eq avoided thanks to its activity.

External independent auditors will be mandated to verify annual reporting (compliance of projects with use of proceeds categories and allocated/unallocated amounts). Their reports will be published on VOLTALIA's website.

The reporting commitments are good, covering both funds allocation and the environmental impact benefits of the issuance.

The issuer provides in its Framework a list of reporting indicators related to the funds allocation and environmental benefits which are overall relevant.

Impact indicators (ex-ante and ex-post) will be calculated by VOLTALIA's CSR team, based on a methodology disclosed in the DPEF, and verified by an external auditor.

Beyond disclosure within its DPEF, VOLTALIA intends to dedicate a section of its corporate website to green financing: relevant information regarding Green and/or Sustainable financing will be available for investors in this section. We value this as a best practice in terms of accessibility.

Areas of improvement:

- *As this generic framework does not include precision about selection criteria and targets (cf. above, principles 1 and 2), we recommend that details be provided, at least at project level, when reporting to investors.*

- *A good practice could also be to detail, when relevant, mitigation plans implemented to mitigate any negative environmental impact (at least regarding the 4 categories – beyond climate change mitigation – in the scope of EU Taxonomy Do No Significant Harm principle, namely Water; Circular Economy; Pollution and Ecosystems*)

I.2. Issuer's ESG Performance

3,75 / Advanced

Global Opinion - The Issuer's ESG profile is excellent and is not affected by any serious ESG controversy.

A/ ESG Performance

The ESG assessment of VOLTALIA is extracted from the Gaia Rating database - developed by EthiFinance analysts specialized in ESG scoring and extra-financial ratings for small and mid-cap European companies (cf. Methodology). The company reaches **an "exemplary" level of maturity** in 2019 (based on 2018 data) due to an average ESG score of **75 out of 100** (2). The benchmark made up of comparable companies rated by Gaia analysts shows that these results enable VOLTALIA to be positively distinguished from comparable companies.

VOLTALIA's ESG profile confirmed comparative **key strengths on several topics:** social characteristics/policies, energy & greenhouse gas, skill development and governance bodies.

However, it remains **few topics over which the company must be attentive** such as business ethics, water, ground, air and waste, or CSR policy.

Within the Gaïa Panel, VOLTALIA's relative positioning is positive:

- 66th rank among 339 French companies
- 10th rank among 70 companies with revenue between EUR 150m and EUR 500m
- 1st rank among 8 energy sector companies

Rating	2018	Panel Gaïa 230	Appreciation / Benchmark
GOVERNANCE	73	57	●
Dilution risk of minority shareholders	88	69	●
Composition of governance bodies	75	62	●
Operation of governance bodies	92	69	●
Compensation of officers and directors	83	62	●
Business ethics	50	40	● (neutral)
CSR policy, extra-financial issues and implementation of the non-financial reporting (EU directive)	50	39	●
SOCIAL	77	53	●
Social characteristics and policies	100	73	●
Working conditions	75	55	●
Skills development	90	48	●
Equal opportunities	57	45	●
Health and Safety	63	43	●
ENVIRONMENT	77	51	●
Environmental policy and management system	67	43	●
Energy and Greenhouse Gases	100	49	●
Water, ground, air and waste	63	60	● (neutral)
EXTERNAL STAKEHOLDERS	75	50	●
Relations with suppliers	75	51	●
Relations with customers, civil society and responsibility of products	75	50	●
Overall score	75	54	●

● favorable (score > benchmark average) ● neutral (score +/-10 pts = benchmark average) ● unfavorable (score < benchmark average)

B/ ESG Controversy

Sector: Although renewable energies are playing a central role in energy transition/fight against climate change, they may generate environmental/climate impacts: **1) Usage of rare earth materials** and the related mining activity (critical to the renewable energy technology manufacturing value chain). **Usage of chemicals and recycling** of these materials are also important topics; **2)** renewables energies require a large amount of space which directly **impacts biodiversity**, may affect wildlife and avoid other productive purposes such as livestock grazing and agriculture**; 3) Sound and visual impact** are the two main public health and community concerns associated with operating renewables energies; **4)** While considered as low carbon footprint energies, renewables however generated **emissions associated with other stages of life-cycle**: materials production, materials transportation, on-site construction and assembly, operation and maintenance, and decommissioning and dismantlement.

Company: According to EthiFinance controversy analysis tool, VOLTALIA is not affected by any serious ESG controversy.

(2) *Up-date, 01/2021 : 2020 Gaïa Rating Score – based on 2019 data - amounts to 76/100*

I.3. Issuance's Sustainability — 4,6 / High

Global Opinion – Eligible projects as defined in the issuance framework are 100% in line with the company strategy. In our view, VOLTALIA is well positioned to address common environmental and social risks associated with eligible projects. Eligible projects are likely to contribute to at least 3 major SDGs (*#7 Affordable and clean energy; #9 Industry, Innovation, Infrastructure; #13 Climate Mitigation)* but, over time, more details should be provided on expected impacts.

A/ Strategic Consistency

VOLTALIA's strategy "2023 Commitment", as presented in its financial report, is twofold:

- Main orientation is the international development of VOLTALIA's core business activities: production and sale of energy generated by the wind, solar, hydropower, biomass and storage plants.
- Diversification orientation is to extend the development of service activities in order to increase in-house skills across the value chain: supply of green electricity, energy efficiency services, self-production capacity for companies, maintenance of energy power plants.

The company fully integrates sustainability issues into its strategy, with a focus on CO2 mitigation and energy efficiency. **Eligible projects as defined in the Green & Sustainability-linked Financing Framework are 100% in line with this strategy.**

B/ ESG Risks Management

VOLTALIA has developed a comprehensive CSR approach based on four material pillars (people, environment protection, uncompromising ethics, trust-based long-term relationships).

The company's awareness about potential ESG risks attached to renewable energy seems good. These risks are briefly listed in the framework and described in more detail in VOLTALIA's 2019 Universal Registration Document.

We value the fact that VOLTALIA is committed to the highest level of environmental and social performance across all its activities and explains how these commitments are implemented at every step of the project lifecycle, during development, construction, operation & maintenance, and decommissioning of projects. A systematic identification of ESG risks is ensured mainly through project ESIA (Environmental and Social Impact Assessment), third party evaluation, and proactive contractor management.

At the project level, in line with VOLTALIA's HSE Policy (January 2019), specific attention is given to occupational health and safety risks. Other topics of attention are:

- reducing the environmental impact of the project, preventing pollution and enhancing biodiversity;
- maintaining VOLTALIA's social license to operate through stakeholder engagement and community development initiatives;
- ensuring the integrity of its operations, in compliance with national regulations and international best practices, through a comprehensive antibribery and anticorruption program.

We note positively the fact that VOLTALIA is currently building up an *Environmental and Social Management System (ESMS)* at corporate level aiming at managing all the E&S risks associated with its projects worldwide.

In our view, VOLTALIA is well positioned to address common environmental and social risks associated with eligible projects.

I.3. Issuance's Sustainability — 4,6 / High

C/ UN Sustainable Development Goals (SDGs)

In our view, eligible projects are likely to contribute to at least 3 major SDGs, namely:

- SDG #7 – Affordable and clean energy
- SDG #9 – Industry, innovation and infrastructure
- SDG #13 – Climate Action

We value the fact that:

- The company intends to report on relevant KPIs

In the absence of precise targets, however, it is difficult to assess ex-ante the global expected impacts of future investments in eligible projects. The KPIs that VOLTALIA will use to report on the outputs and impacts of the Eligible Green Projects will be valuable. They could be completed though by an aggregated KPI on KWh carbon intensity.

SDG	Rationale	KPI and measurement
	Production and distribution of green energy around the world are VOLTALIA's core business activities . - In 2019, VOLTALIA produced 2.1TWh of renewable energy - VOLTALIA develops investments in local minigrids, especially in remote areas, which is both valuable for those areas and helps reduce the electricity's carbon print. VOLTALIA aims to double its production capacity by the end of 2023.	VOLTALIA reports on KPIs such as: • Installed capacity in MW • Annual generation in MWh
	Development, construction and operation of energy production and storage technological solutions (wind, solar, hydropower, biomass and storage) is core for local development. - 7 new power plants (159 MWh) commissioned in 2019 and 397 MWh under construction - Acquisition of Helexia in 2019 and Greensolver in 2020 Current impacts on territories and/or communities are not estimated.	VOLTALIA reports on KPIs such as: • Installed capacity in MW • Annual generation in MWh • Number of renewables generation sites/units • Acquisitions of renewables energy companies • Construction and maintenance contracts The issuer is currently developing a methodology to assess its impacts on local development.
	Climate change mitigation is a major requisite for all VOLTALIA's projects. - In 2019, VOLTALIA's activities led to 1,162 kilotons of CO2eq avoided emissions. Current carbon intensity of VOLTALIA's production is not calculated. And the company does not communicate on precise targets nor for avoided emissions or for carbon intensity.	The main KPI of VOLTALIA's contribution to climate change mitigation is the amount of CO2eq avoided. The calculation methodology is the operating margin methodology. For each project, VOLTALIA conducts an ex-ante and an ex-post measurement.

II. Sustainability-linked Bond Section

4,5 / High

Compliance with Sustainability-linked Bond Principles (High)

1. **Selection of KPIs - EthiFinance's opinion is that, regarding selection of KPIs, VOLTALIA's commitments are fully compliant with ICMA's SLBP.** *We recommend, however, that as soon as VOLTALIA's CSR approach has a sufficient track-record, KPIs should always be selected from existing KPIs included in previously published reports*

2. **Calibration of Sustainability Performance Targets (SPTs)** - **EthiFinance's opinion is that, regarding calibration of SPTs VOLTALIA's commitments are on the whole compliant with ICMA's SLBP.** *We recommend, however, that for each new issuance Voltalia should provide clear evidence that chosen SPTs go beyond a "business as usual" trend. As per the SLBP, the target-setting exercise should be based on a combination of three distinct benchmarking approaches, namely the issuer's own track-record, peers' or sectoral.*

3. **Financing characteristics - EthiFinance's opinion is that, regarding financing characteristics, VOLTALIA's commitments are fully compliant with ICMA's SLBP.**

4. **Reporting - EthiFinance's opinion is that, regarding reporting, Voltalia's commitments are on the whole compliant with ICMA's SLBP.**

5. **Verification** - Post-issuance verification of the issuer's performance level against each SPT for each KPI by a qualified external reviewer with relevant expertise is mandatory as per ICMA's SLBP. **EthiFinance's opinion is that Voltalia's commitment is fully compliant with this verification requisite.**

Key Compliance Drivers	Main areas of improvement
A very faithfull transcription of ICMA's SLBP.	For each specific issuance, details should be provided to ensure the level of ambition of SPTs.

II. Sustainability-linked Bond Section

4,5 / High

Global Opinion: This opinion assesses the compliance of the VOLTALIA's Green & Sustainability Financing Framework with ICMA's Sustainability Linked Bond Principles (SLBP). As such, it encompasses compliance with LMA's Sustainability Linked Loan Principles (SLLP).

A/ Selection of Key Performance Indicators (KPIs)

VOLTALIA's framework states that *"the sustainability KPI(s) will be selected under this Framework according to the following criteria. The KPIs will be:*

- *Relevant, core and material to Voltalia's core sustainability and overall business strategy and address relevant ESG challenges of the sector*
- *Measurable or quantifiable on a consistent methodological basis*
- *Externally verifiable*
- *Benchmarkable. "*

It adds that these KPIs:

- *"Can be external or internal*
- [Will be], *when possible, selected among existing KPIs as already included in previously published reports*
- [Provided with] *a definition of the KPI(s), including scope and calculation methodology, and the rationale for KPIs' selection"*

EthiFinance's opinion is that, regarding selection of KPIs, VOLTALIA's commitments are fully compliant with ICMA's SLBP.

We recommend, however, that as soon as VOLTALIA's CSR approach has a sufficient track-record, KPIs should always be selected from existing KPIs included in previously published reports

II. Sustainability-linked Bond Section

4,5 / High

B/ Calibration of Sustainability Performance Targets (SPTs)

Voltalia's framework states that "*The Sustainability Performance Targets (SPTs) will be set in line with Voltalia's strategy, with a view to represent a material improvement in the respective KPIs and on a predefined timeline before the issuance of the bond, and detailed in the pre-issuance template with:*

- *the rationale on the level of ambition for each SPT. Where possible, the SPTs will be compared to a benchmark or an external reference; and*
- *the number and frequency of SPTs and related observation date(s)/period(s), trigger event(s) and baseline. The number of SPTs will vary depending on the type and maturity of the considered Sustainability-linked financing instrument.*

The factors that may decisively impact the achievement of the SPTs, i.e. the key levers / actions that are expected to drive the performance towards the SPTs (issuer's direct control and beyond), will be also disclosed in the pre-issuance template.[…]"

EthiFinance's opinion is that, regarding calibration of SPTs, Voltalia's commitments are on the whole compliant with ICMA's SLBP.

We recommend, however, that for each new issuance Voltalia should provide clear evidence that chosen SPTs go beyond a "business as usual" trend. As per the SLBP, the target-setting exercise should be based on a combination of three distinct benchmarking approaches, namely the issuer's own track-record, peers' or sectoral track record, and science-based or internationally-acknowledged ambitious targets

C/ Financing Characteristics

Voltalia' s framework states that "*Performance against the SPTs, representing the instrument's trigger events, will be observed at each observation date. The observation date(s) will be detailed for each financing in the pre-issuance template.*

The variation of the coupon and/or interest rate is the preferred option, but other variations of the financing instrument financial and/or structural characteristics might also be considered. The scale of this variation aims at being meaningful and commensurate compared to the original financing instrument characteristics."

It adds that:

- *"The variation mechanism and impacts will be detailed for each financing in the pre-issuance template,*
- *including detailed SPTs and trigger events, financial/structural characteristics variation mechanisms, as well as where needed any fallback mechanisms in case the SPTs cannot be calculated or observed in a satisfactory manner*, […]"

EthiFinance's opinion is that, regarding financing characteristics, Voltalia's commitments are fully compliant with ICMA's SLBP.

II. Sustainability-linked Bond Section — 4,5 / High

D/ Reporting

Voltalia's framework states that "*For any date/period relevant for assessing the trigger of the SPT performance leading to a potential variation of the financial and/or structural characteristics*" the company "*will make readily available on its corporate website through a dedicated Certificate up to date information on the performance level of the selected KPI(s), including at least the baseline, the achieved performance against the SPTs and the related impact, and timing of such impact, on the financial and/or structural characteristics*" and that "*The external auditor's verification assurance report will be published on Voltalia's website".*

It also adds various additional information/documents Voltalia may disclose.

EthiFinance's opinion is that, regarding reporting, Voltalia's commitments are on the whole compliant with ICMA's SLBP.

Beyond disclosure within its DPEF, VOLTALIA intends to dedicate a section of its corporate website to green financing: relevant information regarding Green and/or Sustainable financing will be available for investors in this section. We value this as a best practice in terms of accessibility.

E/ Verification

At the post-issuance stage, Voltalia commits to mandate external independent auditors to verify the Certificate relative to the SPT outlining the performance against the SPT and the related impact, and timing of such impact, on a bond's financial performance.

Post-issuance verification of the issuer's performance level against each SPT for each KPI by a qualified external reviewer with relevant expertise is mandatory as per ICMA's SLBP. **EthiFinance's opinion is that Voltalia's commitment is fully compliant with this verification requisite.**

Methodology

1. Information sources - This opinion is based on a combination of sources, namely:

Documents	Interactions with VOLTALIA	Gaïa Rating
VOLTALIA's Green & SL Financing framework Public information: VOLTALIA's website & URD 2019. Internal information: H&E policy, H&E management plan draft, various H&E operational tools.	Based on the documentation review, written interactions with VOLTALIA teams (Finance & CSR) have enable EthiFinance to finalise its opinion.	ESG score based on extra-financial analysis of public data against Gaïa Rating standard (Gaïa Rating = ESG rating of European listed SMIDs)

2. Methodology - This opinion is twofold

a) Sustainability-linked part: EthiFinance analyses focuses on compliance with SLBP and thus with SLLP.

b) Use of Proceeds part: EthiFinance intends to provide investors with a comprehensive opinion on the "sustainable" quality of debt instruments and financed projects by analysing 3 topics: 1) alignment with Green Bond Principles; 2) level of extra-financial maturity of the issuer; 3) opinion on the funded project.

Using an internal metrix, we position our opinion on a scale which ranges from low to high level, as follows:

Scoring Legend	Low	Moderate	Medium	Advanced	High
Scoring Scale	X < 1,5	1,4 < X < 2,5	2,4 < X < 3,5	3,4 < X < 4,39	X > 4,4 (5 max)

For the SL part, each of the 5 SLB principles is weighted the same. For the use of proceeds part, the weighting keys are:

Theme	Underlying themes	%
GBP Alignment (30%)	Use of Proceeds	25%
	Project Evaluation / Selection	25%
	Management of Proceeds	25%
	Monitoring & Reporting	25%
ESG Performance of Issuer (30%)	ESG Profile of the Issuer (1)	100%
Issuance Contribution to Sustainability (40%)	Strategic Consistency	35%
	ESG Risk Management	50%
	SDGs impact	15%

(1) In case of identification of controversies the ESG score is adjusted. It can be downgraded by 10%, 20% or 30% according to the level of a controversy ranging from 1 to 5 (5 being the highest level).