

SECOND PARTY OPINION¹

ON THE SUSTAINABILITY OF AUDAX RENOVABLES GREEN FINANCING FRAMEWORK

April 2020

SCOPE

Vigeo Eiris was commissioned to provide an independent opinion (thereafter “Second Party Opinion” or “SPO”) on the sustainability credentials and management of the Green Financing Instruments² (“Green Instruments”) to be issued by Audax Renovables (the “Issuer”) in compliance with the Green Financing Framework (the “Framework”) created to govern their issuances.

Our opinion is established according to Vigeo Eiris’ Environmental, Social and Governance (“ESG”) exclusive assessment methodology and to the latest version of the ICMA’s Green Bond Principles (“GBP”) voluntary guidelines (referred as the “GBP”), edited in June 2018.

Our opinion is built on the review of the following components:

- 1) **Issuer:** we assessed the Issuer’s capacity to integrate relevant ESG factors in its strategy, and to account on them., its management of potential stakeholder-related ESG controversies and its involvement in controversial activities³.
- 2) **Issuance:** we assessed the Framework, including the coherence between the Framework and the Issuer’s environmental commitments, the Green Instrument’s potential contribution to sustainability and its alignment with the four core components of the GBP 2018.

Our sources of information are multichannel, combining data (i) gathered from public sources, press content providers and stakeholders, (ii) from Vigeo Eiris’ exclusive ESG rating database, and (iii) information provided from the Issuer, through documents and interviews conducted with the Issuer’s managers involved in the Green Instrument issuance, held *via* a telecommunications system.

We carried out our due diligence assessment from February 26th to March 31st, 2020. We consider that we were provided with access to all the appropriate documents and interviewees we solicited. For this purpose, we used our reasonable efforts to verify such data accuracy.

VIGEO EIRIS’ OPINION

Vigeo Eiris is of the opinion that the Green Financing Framework of Audax Renovables is aligned with the four core components of the Green Bond Principles 2018.

We express a reasonable assurance⁴ (our highest level of assurance) on the Issuer’s commitments and on the contribution of the contemplated Green Instruments to sustainability.

1) Issuer (see Part I):

- ▶ As of March 2020, we reach an overall a reasonable assurance on Audax Renovables’ capacity to integrate relevant ESG factors in its strategy, and to account for them. We reach a reasonable assurance regarding Audax Renovables’ strategy in the Environment and Governance pillars, while our assurance is moderate in the Social pillar.
- ▶ As of today, the review conducted by Vigeo Eiris did not reveal any controversy against Audax Renovables over the past 3 years.
- ▶ The Issuer appears not be involved in any of the 17 controversial activities screened under Vigeo Eiris methodology.

¹ This opinion is to be considered as the “Second Party Opinion” described in the GBP voluntary guidelines (June 2018 Edition) edited by the International Capital Market Association (www.icmagroup.org).

² The “Green Instrument” is to be considered as the debt instrument to be potentially issued, subject to the discretion of the Issuer. The name “Green Instrument” has been decided by the Issuer: it does not imply any opinion from Vigeo Eiris.

³ The 17 controversial activities screened by Vigeo Eiris are: Alcohol, Animal welfare, Cannabis, Chemicals of concern, Civilian firearms, Coal, Fossil Fuels industry, Unconventional oil and gas, Gambling, Genetic engineering, Human embryonic stem cells, High interest rate lending, Military, Nuclear Power, Pornography, Reproductive Medicine and Tobacco.

⁴ Definition of Vigeo Eiris’ scales of assessment (as detailed in the Methodology section):

- Level of Evaluation: Advanced, Good, Limited, Weak.
- Level of Assurance: Reasonable, Moderate, Weak.

2) Issuance (see Part II):

The Issuer has described the main characteristics of the Green Instruments within a formalized Green Instrument Framework which covers the four core components of the GBP 2018 (the last updated version was provided to Vigeo Eiris on March 31 2020). The Issuer has committed to making this document publicly accessible on Audax Renovables' website before the issuance date, in line with best market practices.

We are of the opinion that the Green Instruments Framework is coherent with Audax Renovables' main sector sustainability issues, with its publicly disclosed strategic sustainable development priorities, and that it contributes to achieve its sustainable development commitments.

Use of Proceeds

- ▶ The net proceeds of the Green Instruments will exclusively finance and/or refinance, in part or in full, projects falling under one Green Project Category ("Eligible Category"), namely: Renewable Energy. We consider the Eligible Category is clearly defined in the Framework and internal documentation.
- ▶ The Eligible Category is intended to contribute to one environmental objective, namely climate change mitigation. This objective is formalized in the framework and considered clearly defined and relevant.
- ▶ The Eligible Category is considered to provide clear and measurable environmental benefits. The Issuer has committed to assess and, where feasible, quantify the expected environmental benefits of the Green Instruments. An area for improvement consists in defining ex-ante quantified environmental targets, for each Eligible sub- category.
- ▶ The Issuer has committed to transparently communicate to investors on the estimated share of refinancing before each issuance. The Issuer has committed that, in case of re-financing, a look-back period of maximum 36 months before issuance date of each Green Instrument will be applied, in line with market practices.

Process for Projects Evaluation and Selection

- ▶ The governance and process for the evaluation and selection of the Eligible Projects are formalized in the Framework. We consider that the process is reasonably structured, transparent and relevant.
- ▶ The process relies on explicit eligibility criteria (selection and exclusion), relevant to the environmental objectives defined for the Eligible category.
- ▶ The identification and management of the environmental and social risks associated with the Eligible Project are considered to be good.

Management of Proceeds

- ▶ The rules for the management of proceeds are clearly defined and the allocation of proceeds will be verified. We consider that the rules would enable a documented and transparent allocation process.

Reporting

- ▶ The reporting process and commitments appear to be good, covering both the funds allocation and the environmental benefits of the Eligible Projects.

Audax Renovables has committed that its Green Instruments will be supported by external reviews:

- A pre-issuance consultant review: the hereby Second Party Opinion delivered by Vigeo Eiris, covering all the features of the Green Instruments, based on pre-issuance assessment and commitments, to be made publicly available by the Issuer on its website⁵, at the date of issuance.
- An annual verification: an external verification performed by a third-party auditor, covering the allocation of funds, the compliance in all material aspects, of (i) the actual allocation of proceeds to the Eligible Green Assets and their alignment with the eligibility criteria and (ii) the impact reporting, annually until the Green Instrument's maturity and in case of any material change.

⁵ Audax Renovables website: <https://www.audaxrenovables.com/en/>

This Second Party Opinion is based on the review of the information provided by the Issuer, according to our exclusive assessment methodology and to the GBP voluntary guidelines (June 2018). Audax Renovables acknowledges that in case of changes of such standards and market practices and expectations, VIGEO EIRIS shall exclude any liability regarding the use of the concerned Second Party Opinion and its compliance with then-current standards and market practices and expectations.

Paris, April 1st, 2020

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Disclaimer

Transparency on the relation between Vigeo Eiris and the Issuer: Vigeo Eiris has not carried out any audit mission or consultancy activity for Audax Renovables. No established relation (financial or commercial) exists between Vigeo Eiris and Audax Renovables.

This opinion aims at providing an independent opinion on the sustainability credentials and management of the green Instrument, based on the information which has been made available to Vigeo Eiris. Vigeo Eiris has neither interviewed stakeholders out of the Issuer's employees, nor performed an on-site audit nor other test to check the accuracy of the information provided by the Issuer. The accuracy, comprehensiveness and trustworthiness of the information collected are a responsibility of the Issuer. The Issuer is fully responsible for attesting the compliance with its commitments defined in its policies, for their implementation and their monitoring. The opinion delivered by Vigeo Eiris neither focuses on the financial performance of the Green Instrument, nor on the effective allocation of its proceeds. Vigeo Eiris is not liable for the induced consequences when third parties use this opinion either to make investments decisions or to make any kind of business transaction.

Restriction on distribution and use of this opinion: The deliverables remain the property of Vigeo Eiris. The draft version of the Second Party Opinion by Vigeo Eiris is for information purpose only and shall not be disclosed by the client. Vigeo Eiris grants the Issuer/Borrower all rights to use the final version of the Second Party Opinion delivered for external use via any media that the Issuer Borrower shall determine in a worldwide perimeter. The Issuer Borrower has the right to communicate to the outside only the Second Party Opinion complete and without any modification, that is to say without making selection, withdrawal or addition, without altering it in any way, either in substance or in the form and shall only be used in the frame of the contemplated concerned Green Instrument(s)' issuance. The Issuer acknowledges and agrees that Vigeo Eiris reserves the right to publish the final version of the Second Party Opinion on Vigeo Eiris' website and on Vigeo Eiris' internal and external communication supporting documents.

DETAILED RESULTS

Part I. ISSUER

Audax Renovables S.A. is a Spain-based holding company whose activities are focused on the supply of electricity and gas, as well as in the development, construction and production of 100% renewable energy. Audax supplies electricity and gas to both private and corporate clients, mainly SMEs, through its Supply division which is present in Spain, Portugal, Italy, Germany, Poland and the Netherlands and has around 350,000 clients. Additionally, the issuer, through its generation division, produces electricity from renewable sources, such as wind and solar energy operating in Spain, France, Poland and Panama. Audax Renovables S.A has 544 employees.

Integration of ESG factors in the Issuer's strategy

As of March 2020, we reach an overall a reasonable assurance on Audax Renovables' capacity to integrate relevant ESG factors in its strategy, and to account for them. More precisely, we reach a reasonable assurance regarding Audax Renovables' strategy in the Environment and Governance pillars, and a moderate assurance in the Social pillar.

Domain	Comments	Opinion
Environment	<p>We reach a reasonable assurance on Audax Renovables' existing capacity to integrate relevant environmental factors in its strategy.</p> <p>Audax Renovables promotes the development of renewable energy and the reduction of greenhouse gas emissions through its own activity, 100% of the electricity generated by the company comes from renewable sources. Audax Renovables disclosed an objective for 2030 on increasing the supply of clean energy in the Spanish energy mix; yet quantitative targets regarding energy consumption or the decrease in CO2 emissions are not disclosed.</p> <p>In addition, Audax Renovables has formalized a commitment towards biodiversity protection. In particular, the potential impact of its activity on bird populations. An area for improvement is the disclosure of commitments regarding the impact on habitat fragmentation, and ecosystems and soil erosion.</p>	Reasonable
		Moderate
		Weak
Social	<p>We reach a moderate assurance on Audax Renovables' existing capacity to integrate relevant social factors in its strategy.</p> <p>Audax Renovables has issued a formalised commitment to respect and promote human rights in its Code of Conduct and addresses its main responsibilities, namely: respect the right to privacy; prevent cruel, inhuman, or degrading treatment; respect freedom of expression and freedom of association; non-discrimination and respect indigenous rights. An area for improvement is to formalize and disclose targets in this regard.</p> <p>Audax Renovables has a formal commitment to promote local social and economic development. The company reports that it carries out ongoing consultations with local communities and other stakeholders throughout its activities. However, the issuer does disclose commitments regarding the promotion of the creation and development of local businesses, the reduction of the social impacts related to site closures, openings, and restructuring, and responsible tax strategy on all of its sites.</p> <p>, The issuer's commitment on the promotion of access to clean energy, addresses its main responsibilities in the topic, namely foster the transfer of technology, capacity building (educational support, promotion of devices, building of dedicated infrastructure) and support of renewable energy projects.</p> <p>Audax Renovables disclosed a formalised commitment to health and safety issues in its Code of Ethics. The issuer's commitment addresses its main responsibilities: ensure awareness about health and safety issues, reduce the number and the severity of work accidents and promote well-being. An area for improvement is to formalize and disclose quantitative targets on this regard which cover both its employees and sub-contracted workforce.</p>	Reasonable
		Moderate
		Weak
Governance	<p>We reach a reasonable assurance on Audax Renovables' performance in the Governance pillar.</p> <p>Audax Renovables appears to have extensive and systematic integration of CSR factors into its corporate governance structure. The roles of Chairman and CEO are separated, and 60% of board members are considered to be independent. The issuer's Audit Committee is reported to have a comprehensive role and CSR risks appear to be covered by the internal control system. Additionally, Audax Renovables reports to respect the majority of shareholders' rights. Areas for improvement is to disclose the rules guiding the allocation of its short-term and long-term incentives and that executive remuneration be linked to CSR elements. Additionally, another area of improvement is to increase the number of women on the board, up today there is a weak gender diversity at board level (0%).</p>	Reasonable
		Moderate

	<p>Audax Renovables discloses formalised commitments and some internal controls to address corruption and anti-competitive practices. The commitment applies throughout the company, supported by senior management. In addition, other employees are directly involved. Audax Renovables disclosed policies such as: procedures for the approval of employee expenses, customer acquisition procedure, contract validation manual, investment and purchasing policy, among others.</p>	<p>Weak</p>
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Management of stakeholder-related ESG controversies

As of today, the review conducted by Vigeo Eiris did not reveal any controversy against Audax Renovables over the past 3 years.

Involvement in controversial activities

As of today, we did not find any involvement of Audax Renovables in the 17 controversial activities screened under Vigeo Eiris methodology, namely: Alcohol, Animal welfare, Cannabis, Chemicals of concern, Civilian firearms, Coal, Fossil Fuels industry, Unconventional oil and gas, Gambling, Genetic engineering, Human embryonic stem cells, High interest rate lending, Military, Nuclear Power, Pornography, Reproductive Medicine and Tobacco.

The controversial activities research provides screening for companies to identify involvement in business activities that are subject to philosophical or moral beliefs. The information does not suggest any approval or disapproval of their content from Vigeo Eiris.

Part II. ISSUANCE

Coherence between the Issuance and the Issuer

Context note:

The Electric & Gas Utilities sector has a major role to play in the fight against climate change and the protection of the environment. Energy companies can contribute to the climate change mitigation and energy transition by increasing the development of renewable energy production, reducing their greenhouse gas (GHG) emissions and improving energy efficiency throughout their operations. In addition, the complexity and specificities of impacts related to their activities call for specific measures to ensure the appropriate management of social and environmental related risks, namely biodiversity protection, environmental management systems, health and safety and the promotion of responsible relations with the communities where they operate.

We are of the opinion that the contemplated Green Instruments is coherent with Audax Renovables' strategic sustainability priorities and sector issues and contribute to achieving its environmental commitments.

As a pure player in the energy sector, Audax Renovables seems to acknowledge its responsibility in contributing to climate change mitigation and the protection of the environment:

- Audax Renovables' Corporate Social Responsibility Policy⁶ focuses on the development and construction of renewable energy projects with the objective to have positive impact on the environment, employees and external stakeholders. The company has set clear environmental and social objectives that include the reduction of human induced greenhouse gas emissions that contribute to climate change, and the efficient use of natural resources.
- Audax Renovables' aims to increase its energy capacity in the short term from the existing projects in operation and under development. In addition, the company expects to expand access to energy through the development of new renewable energy plants projects.

Additionally, Audax Renovables has identified three sustainability dimensions for its Corporate Social Responsibility strategy, namely environment, labour standards on its supply chain and contributions to society. Audax Renovables has set specific sustainability objectives to contribute to promote a low carbon economy and the use of renewable energy projects.

By issuing Green Instruments to finance and/or refinance the development and operation of renewable energy projects, Audax Renovables coherently aligns with its commitment to climate change mitigation and addresses the main sustainability issues of the sector in terms of environmental responsibility.

⁶ Audax Renovables CSR Policy : <https://www.audaxrenovables.com/en/sustainable-development/>

Use of proceeds

The net proceeds of the Green Instruments will exclusively finance and/or refinance, in part or in full, projects falling under one Green Project Category (“Eligible Category”), namely: Renewable Energy. We consider the Eligible Category is clearly defined in the Framework and internal documentation.

The Eligible Category is intended to contribute to one environmental objective, namely climate change mitigation. This objective is formalized in the framework and considered clearly defined and relevant.

The Eligible Category is considered to provide clear and measurable environmental benefits. The Issuer has committed to assess and, where feasible, quantify the expected environmental benefits of the Green Instruments. An area for improvement consists in defining ex-ante quantified environmental targets, for each Eligible sub- category.

The Issuer has committed to transparently communicate to investors on the estimated share of refinancing before each issuance. The Issuer has committed that, in case of re-financing, a look-back period of maximum 36 months before issuance date of each Green Instrument will be applied, in line with market practices.

Eligible Category	Eligible sub-categories	Definition	Environmental objective and benefits	Vigeo Eiris' analysis
Renewable Energy	Production of Renewable Energy	Acquisition, construction and operation of power generation plants from 100% renewable sources, solar and wind, which allow offering renewable energy supply to its customers.	<p>Climate change mitigation</p> <p>--</p> <p>Avoidance of CO2 emissions</p> <p>Increase of renewable energy installed capacity and generation.</p>	<p>The definition of the sub-category is clear.</p> <p>The environmental objective is considered clearly defined and relevant.</p> <p>The expected environmental benefits are clearly defined.</p>
	Supply of renewable Energy	Acquisitions of companies that guarantee in the future that the energy offered to its customers is of 100% renewable origin, and that offer new products to improve energy efficiency and save consumption.	<p>Climate change mitigation and supply of renewable energy</p> <p>--</p> <p>Increase in renewable energy supply and improve energy efficiency.</p>	<p>The definition of the sub-category is clear.</p> <p>The environmental objective is considered clearly defined and relevant.</p> <p>The expected environmental benefits are partially clear.</p> <p>The Issuer commits, in order to avoid “double counting”, to ensure that the power plants companies acquired have not already issued green instruments to finance their own production from which the renewable energy certificates of origin are generated and/or and that such certificates are indeed acquired by the issuer exclusively.</p>

In addition, the Eligible Category is likely to contribute to two of the seventeen United Nations Sustainable Development Goals (“SDGs”), namely: Goal 7. Affordable and Clean Energy and Goal 13 Climate action.



Contribution to SDG 7. Affordable and Clean Energy

UN SDG 7 consists in ensuring access to affordable, reliable, sustainable and modern energy for all. More precisely, SDG 7 targets by 2030 include:

- 7.2 Increase substantially the share of renewable energy in the global energy mix.



Contribution to SDG 13. Climate Action

UN SDG 13 consists in taking urgent action to combat climate change and its impacts.

Energy renewable companies can contribute to this goal by supporting the transition to net-zero carbon energy, and by developing and sharing scalable systems to improve the efficiency and sustainability of production across the value chain.

Process for Project Evaluation and Selection

The governance and process for the evaluation and selection of the Eligible Projects are formalized in the Framework. We consider that the process is reasonably structured, transparent and relevant.

The process for evaluation and selection of Eligible Projects is clearly defined.

The evaluation and selection of Eligible Projects are based on relevant internal expertise, with well-defined roles and responsibilities:

- For the purpose of the Green Instruments, a Green Committee (“the Committee”) has been created. This Committee is composed by:
 - The Director of Investment.
 - The Director of Generation, responsible for submitting each operation to the Audit Committee and subsequently to the company’s Board of Directors.
 - If necessary a representative of other areas of Audax Renovables Management and external experts can be involved in the selection process to evaluate the project’s financial, commercial, legal or environmental implications.
- The Committee is responsible for:
 - Selecting the Eligible Projects to be included in the Green Instruments according to a pre-selection of potential Eligible Projects made with the relevant business units in accordance with the selection criteria established in the Audax Renovables Framework and CSR policy.
 - Monitoring the Eligible Projects portfolio during the lifetime of the Green Instrument. The Committee will be responsible for replacing an Eligible Green Project if it no longer meets the eligibility criteria or if the Eligible Project has matured.

The traceability and verification of the selection and evaluation of the projects is ensured throughout the process:

- The Committee will meet at least twice a year, and in case of controversy.
- The traceability of the decisions appears to be ensured through meeting minutes that will be written for each meeting of the Committee.

An external auditor will annually verify the compliance of the selected projects with the eligibility criteria and process defined in the Framework in line with best market practices.

The process relies on explicit eligibility criteria (selection and exclusion), relevant to the environmental objectives defined for the Eligible category.

- The eligibility requirements are based on the definitions of the Eligible Sub-Categories in the Use of Proceeds section on the Framework.
- As regards the acquisitions of energy supply companies, the Issuer mandate an external auditor to perform a due diligence covering legal actions initiated for environmental and/or social reasons and commits to only acquire from companies free of any ongoing legal proceedings. Additionally, the Issuer reported that a monitoring of controversies is also implemented internally, covering the two sub-categories of Eligible Projects.

The identification and management of the environmental and social risks associated with the Eligible Project are considered to be good.

Acquisition, Construction and Operation of Renewable Energy Plants

The company declares that, prior to any acquisition or construction of Renewable Energy Plants, it conducts financial, commercial and legal due diligence. The company declares that it only finances Renewable Energy Plants projects free of any legal actions covering, in particular, legal procedures initiated for environmental and/or social reasons.

Environmental risks:

- An **Environmental Impact Assessment (EIA)** covering both construction and operation phases is conducted for each Eligible Project. At project level, the company contracts an external company responsible for the identification and monitoring of environmental risks. The environmental data are reported to the competent authorities. Specific environmental risks have been identified and environmental management plans, environmental inspection programmes and supplier management control plan are in place.
- In terms of **biodiversity**, ecological monitoring is conducted for the projects and quantitative indicators are documented. Additionally, environmental permits in generation plants may require additional specific measures for compensation, mitigation or protection of biodiversity (monitoring of wildlife, reforestation, etc).
- As regards to **end-of-life environmental impacts and dismantling of the equipment and infrastructure**, the company has set up dedicated measures for managing end-of-life of equipment and infrastructures of the projects, including dismantling, waste management, clean up and biodiversity rehabilitation of the sites in conformance with legal obligations.

Social Risks:

- In terms of **respect of fundamental human and labour rights**, Audax Renovables has adopted a Code of Ethics applying to employees, suppliers, contractors or business partners. A whistle-blowing system is in place to report human and labour rights violations for internal and external stakeholders.
- Regarding **Health & Safety**, the company contracts an external authorised company responsible for the good implementation of the H&S operational rules and for monitoring accidents and non-conformities.
- Concerning **Local social and economic development and local consultation**, a mandatory social impact assessments (SIA), covering both construction and operation phases have been conducted for all Eligible Projects and dedicated plans are in place, including a public information procedure to all interested parties and a grievance mechanism. The company promotes regular meetings with local stakeholders on its operational sites.
- Audax Renovables has an internal Code of **Business Conduct and Ethics** which provides guidelines for professional and ethical behaviour and articulates acceptable and unacceptable conduct and practices in internal and external dealings. Audax Renovables declares having a zero-tolerance approach to corruption and anti-competitive practices. There is a Whistle Blowing system in place regarding these issues.

Acquisition of Energy Supply Companies

The company declares that, prior to any acquisition of a new company, it conducts financial, commercial and legal due diligence, covering in particular the risks of money laundering and corruption. The company declares that it only acquires from companies free of any legal actions covering, in particular, legal procedures initiated for environmental and/or social reasons. An area for improvement is to carry out environmental and social due diligence prior to the acquisition in order to select companies that demonstrate the best environmental and social performance.

Management of proceeds

The rules for the management of proceeds are clearly defined and the allocation of proceeds will be verified. We consider that the rules would enable a documented and transparent allocation process.

The allocation and management of the proceeds are clearly defined:

- The net proceeds of the Green Instruments will be credited to the company's treasury and an amount equal to the net proceeds will be earmarked for allocation to the Eligible Projects, under the monitoring of the Finance Department.
- The company has committed that the net proceeds will be allocated to Eligible Green Assets within 30 months.
- The unallocated proceeds would be held within Audax Renovables treasury in cash or cash equivalent.
- In case of asset divestment, Audax Renovables commits to use the net proceeds to finance and/or refinance other Eligible Project which is compliant with the Framework.

Traceability and verification of both the tracking method and allocation of the proceeds, are ensured throughout the process:

- The proceeds will be appropriately managed and tracked by the Committee using an internal accounting system. An internal audit process will track and monitor the net proceeds allocation and management.
- External control and verification is carried out by the Audax Renovables external auditor, annually.

Monitoring & Reporting

The reporting process and commitments appear to be good, covering both the funds allocation and the environmental benefits of the Eligible Projects.

The processes for monitoring, data collection, consolidation, validation and reporting are clearly defined by the Issuer in internal documentation. An area for improvement is formalizing these processes in the Framework.

The processes are structured and based on relevant internal expertise and involve relevant departments of the Issuer:

The process relies on the company general reporting procedures:

- Audax Renovables reports quarterly on its results and evolution of the company, with the reports corresponding to the semi-annual periods being audited by an external audit firm.
- Each new relevant financing operation, such as the acquisition of companies, or acquisition and / or advance and development of generation plants, is announced by publishing on the company's website and on the Stock Market Exchanged Commission (CNMV) website.
- Operational teams are in charge of collecting and reporting the environmental data associated with the impact reporting to the Financial Team.

The Issuer has committed to report annually and until the maturity of the Green Instrument and later in the case of material changes, through the Annual Reports which will be made publicly accessible on Audax Renovables website⁷, in line with best market practices. The reporting will be at Green Instrument level.

⁷ Audax Renovables Annual Reports: <https://www.audaxrenovables.com/en/reports/>

The Issuer has committed to transparently communicate at Eligible Category level, on:

- Allocation of proceeds: the selected reporting indicators are clear and relevant.

Allocation reporting indicators
- <i>A list of the Eligible Projects financed and project related description (name, type of project, country)</i>
- <i>The amount of net proceeds allocated (per selected Project)</i>
- <i>The amount of temporary unallocated funds</i>
- <i>The % of refinancing, per Eligible Category</i>

Additional indicators may be selected specifically for each project.

- Environmental benefits: the selected reporting indicators are clear and relevant.

Eligible categories	Eligible Sub categories	Environmental benefits indicators	
		Outputs and outcomes	Impact Indicators
<i>Renewable Energy</i>	<i>Production of Renewable Energy</i>	<ul style="list-style-type: none"> - <i>Installed Capacity (MW)</i> - <i>Expected renewable energy generation (GWh/year)</i> 	<ul style="list-style-type: none"> - <i>Renewable energy provided by the project (in GWh/year)</i>
	<i>Supply of Renewable Energy</i>	<ul style="list-style-type: none"> - <i>Number of new households supplied with 100 % renewable energy</i> 	<ul style="list-style-type: none"> - <i>Avoided CO₂ emissions (in tonnes CO₂ equivalent)</i>

Additional indicators may be selected specifically for each project.

Audax Renovables has committed to publicly disclose the key methodologies and assumptions used to calculate the benefits of Eligible Projects on the Issuer's website, for each annual report.

Audax Renovables has committed to an annual external verification of the data used to report on the environmental benefits of the Green Instruments in line with best market practices.

Areas for improvement include:

- To report to investors in case of material developments relating to the Green Instruments and to the Eligible Projects, including in case of ESG controversies or assets modification.

METHODOLOGY

In Vigeo Eiris' view, Environmental, Social and Governance (ESG) factors are intertwined and complementary. As such they cannot be separated in the assessment of ESG management in any organization, activity or transaction. In this sense, Vigeo Eiris writes an opinion on the Issuer's Corporate Social Responsibility as an organization, and on the process and commitments applying to the intended issuance.

Vigeo Eiris' methodology for the definition and assessment of the corporation's ESG performance is based on criteria aligned with public international standards, in compliance with the ISO 26000 guidelines, and is organized in 6 domains: Environment, Human Resources, Human Rights, Community Involvement, Business Behaviour and Corporate Governance. Our evaluation framework of the material ESG issues have been adapted, based on the specificities of the Issuer's business activity.

Our research and rating procedures are subject to internal quality control at three levels (analysts, heads of cluster sectors, and internal review by the audit department for second party opinions) complemented by a final review and validation by the Director of Methods. Our SPO are also subject to internal quality control at three levels (consultants in charge of the mission, Production Manager, and final review and validation by the Director of Sustainable Finance and/or the Director of Methods. A right of complaint and recourse is guaranteed to all companies under our review, following three levels: first, the team in contact with the company, then the Director of Methods, and finally Vigeo Eiris' Scientific Council.

All employees are signatories of Vigeo Eiris' Code of Conduct, and all consultants have also signed its add-on covering financial rules of confidentiality.

Part I. ISSUER

NB: The ESG performance of the Issuer has not been assessed following the complete process of rating and benchmark developed by Vigeo Eiris. In this SPO, the assessment has been limited to the integration of ESG factors in the Issuer's commitments and strategy, i.e. the content, visibility and ownership of its ESG policies.

Level of the Issuer's ESG strategy

The issuer has been evaluated by Vigeo Eiris on its Corporate Social Responsibility (CSR) strategy, based on relevant ESG drivers organized in the 6 sustainability domains. The Issuer's strategy has been assessed by Vigeo Eiris based on its Leadership: relevance of the commitments (content, visibility and ownership).

Scale for assessment of ESG strategy: reasonable, moderate, weak.

Management of stakeholder-related ESG controversies

A controversy is an information, a flow of information, or a contradictory opinion that is public, documented and traceable, allegation against an Issuer on corporate responsibility issues. Such allegations can relate to tangible facts, be an interpretation of these facts, or constitute an allegation based on unproven facts.

Vigeo Eiris reviewed information provided by the Issuer, press content providers and stakeholders (partnership with Factiva Dow Jones: access to the content of 28,500 publications worldwide from reference financial newspapers to sector-focused magazines, local publications or Non-Government Organizations). Information gathered from these sources is considered as long as it is public, documented and traceable.

Vigeo Eiris provides an opinion on companies' controversies risks mitigation based on the analysis of 3 factors:

- **Frequency:** reflects for each ESG challenge the number of controversies faced. At corporate level, this factor reflects on the overall number of controversies faced and scope of ESG issues impacted (scale: Isolated, Occasional, Frequent, Persistent).
- **Severity:** the more a controversy will relate to stakeholders' fundamental interests, will prove actual corporate responsibility in its occurrence, and will have adverse impacts for stakeholders and the company, the highest its severity. Severity assigned at corporate level will reflect the highest severity of all cases faced by the company (scale: Minor, Significant, High, Critical).
- **Responsiveness:** ability demonstrated by an Issuer to dialogue with its stakeholders in a risk management perspective and based on explanatory, preventative, remediating or corrective measures. At corporate level, this factor will reflect the overall responsiveness of the company for all cases faced (scale: Proactive, Remediate, Reactive, Non- Communicative).

The impact of a controversy on a company's reputation reduces with time, depending on the severity of the event and the company's responsiveness to this event. Conventionally, Vigeo Eiris' controversy database covers any controversy with Minor or Significant severity during 24 months after the last event registered and during 48 months for High and Critical controversies.

Involvement in controversial activities

17 controversial activities have been analysed following 30 parameters to verify if the company is involved in any of them. The company's level of involvement (Major, Minor, No) in a controversial activity is based on:

- An estimation of the revenues derived from controversial products or services.
- The specific nature of the controversial products or services provided by the company.

Part II. ISSUANCE

The Framework has been evaluated by Vigeo Eiris according to the GBP 2018 and on our methodology based on international standards and sector guidelines applying in terms of ESG management and assessment.

Use of proceeds

The definition of the Eligible Projects and of their sustainable objectives and benefits are a core element of Green/Social/Sustainable Bonds or Loans standards. Vigeo Eiris evaluates the definition of the Eligible Categories, as well as the definition and the relevance of the aimed sustainability objectives. We evaluate the definition of the expected benefits in terms of assessment and quantification. In addition, we evaluate the potential contribution of Eligible Projects to the United Nations Sustainable Development Goals' targets.

Process for evaluation and selection

The evaluation and selection process has been assessed by Vigeo Eiris on its transparency, governance and relevance. The eligibility criteria have been assessed on their explicitness and relevance vs. the intended objectives of the Eligible Projects. The identification and management of the ESG risks associated with the Eligible Projects are analysed based Vigeo Eiris' ESG assessment methodology, international standards and sector guidelines applying in terms of ESG management and assessment.

Management of proceeds

The rules for the management of proceeds and the allocation process are evaluated by Vigeo Eiris on their transparency, coherence and efficiency.

Reporting

Monitoring process and commitments, Reporting commitments, reporting indicators and methodologies are defined by the Issuer to enable transparent reporting on the proceeds allocation and tracking, on the sustainable benefits (output and impact indicators) and on the responsible management of the Eligible Projects financed. Vigeo Eiris has evaluated the reporting based on its transparency and relevance.

VIGEO EIRIS' ASSESSMENT SCALES

Performance evaluation		Level of assurance	
Advanced	Advanced commitment; strong evidence of command over the issues dedicated to achieving the objective of social responsibility. Reasonable level of risk management and using innovative methods to anticipate emerging risks.	Reasonable	Able to convincingly conform to the prescribed principles and objectives of the evaluation framework
Good	Convincing commitment; significant and consistent evidence of command over the issues. Reasonable level of risk management.	Moderate	Compatibility or partial convergence with the prescribed principles and objectives of the evaluation framework
Limited	Commitment to the objective of social responsibility has been initiated or partially achieved; fragmentary evidence of command over the issues. Limited to weak level of risk management.	Weak	Lack or unawareness of, or incompatibility with the prescribed principles and objectives of the evaluation framework
Weak	Commitment to social responsibility is non-tangible; no evidence of command over the issues. Level of insurance of risk management is weak to very weak.		



Vigeo Eiris is an independent international provider of environmental, social and governance (ESG) research and services for investors and public & private organizations. We undertake risk assessments and evaluate the level of integration of sustainability factors within the strategy and operations of organizations.

Vigeo Eiris offers a wide range of services:

- ▶ **For investors:** decision making support covering all sustainable and ethical investment approaches (including ratings, databases, sector analyses, portfolio analyses, structured products, indices and more).
- ▶ **For companies & organizations:** supporting the integration of ESG criteria into business functions and strategic operations (including sustainable bonds, corporate ratings, CSR evaluations and more).

Vigeo Eiris is committed to delivering client products and services with high added value: a result of research and analysis that adheres to the strictest quality standards. Our methodology is reviewed by an independent scientific council and all our production processes, from information collection to service delivery, are documented and audited. Vigeo Eiris has chosen to certify all its processes to the latest ISO 9001 standard. Vigeo Eiris is an approved verifier for CBI (Climate Bond Initiative). Vigeo Eiris' research is referenced in several international scientific publications.

With a team of more than 240 experts of 28 different nationalities, Vigeo Eiris is present in Paris, London, Brussels, Casablanca, Hong Kong, Milan, New York, Rabat and Santiago de Chile.

The Vigeo Eiris Global Network, comprising 4 exclusive research partners, is present in Brazil, Germany, Israel and Japan.

For more information: www.vigeo-eiris.com