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# Second Party Opinion report of IGNIS Green Financing Framework

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## EXECUTIVE SUMMARY

### GREEN FINANCING FRAMEWORK DESCRIPTION

- **Beneficiary of the green financing framework (“Client”):** IGNIS, an energy company primarily focused on renewable energy and innovative energy solutions.
- **Purpose of this document:** external review of IGNIS’ Green Financing Framework.
- **Framework characteristics:** IGNIS’ Green Financing Framework is aligned with Green Bond Principles, ICMA, 2021 (with June 2022 Appendix 1), Green Loan Principles, LMA/LSTA/APLMA, 2023, and Sustainability Bond Guidelines ICMA, 2021. These principles seek to support issuers in financing environmentally sound and sustainable projects that foster a net-zero emissions economy and protect the environment providing transparent green credentials alongside an investment opportunity.

### ALIGNMENT WITH THE GREEN LOAN PRINCIPLES AND BOND PRINCIPLES

#### PRINCIPLE 1: USE OF PROCEEDS

ALIGNED 

IGNIS commits to allocate an amount equivalent to the net proceeds of instruments issued under its framework to finance and/or refinance eligible green projects. These projects comprises renewable energy projects, energy access and storage projects as well as green technologies. These contributes to IGNIS’ sustainability objectives and support targeted Sustainable Development Goals (SDGs).

Valora Consultores concludes that eligible categories outlined in IGNIS’ Green Financing Framework are consistent with the categories outlined in the Green Bond Principles and Green Loan Principles.

#### PRINCIPLE 2: PROCESS FOR PROJECT EVALUATION AND SELECTION

ALIGNED 

IGNIS’ framework incorporates clear eligibility criteria for the different eligible project categories and outlines the process that the group will use to determine how projects fit within the eligible categories and.

Based on the cross-functional oversight for project evaluation and selection, and the presence of environmental and risk management systems, Valora Consultores considers this to be in line with market practice.

#### PRINCIPLE 3: MANAGEMENT OF PROCEEDS

ALIGNED 

Based on the use of internal tracking system and the disclosure of the temporary use of proceeds, Valora Consultores considers IGNIS management of proceeds’ process to be in line with market practice.

#### PRINCIPLE 4: REPORTING

ALIGNED 

IGNIS commits to annually reporting the allocation of net proceeds and impact of financed projects until maturity of the instruments issued under the framework, and this information will be available on the entity’s website for listed debt.

Valora Consultores views IGNIS’ allocation and impact reporting as aligned with market practice.

### VALORA CONSULTORES’S OPINION

According to the information provided by IGNIS, Valora Consultores is of the opinion that that IGNIS Green Financing Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles, ICMA, 2021 (with June 2022 Appendix 1), Green Loan Principles, LMA/LSTA/APLMA, 2023, and Sustainability Bond Guidelines ICMA, 2021. In addition, it is confirmed that there is a commitment to sustainable practices that will be reported and reviewed during the life of the green projects financed.

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# 1. SCOPE AND OBJECTIVES

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## **1.1 PURPOSE OF THE *SECOND PARTY OPINION AND SCOPE OF APPLICATION***

IGNIS, or “the client”, is a global vertically integrated energy company primarily focused on renewable energy and innovative energy solutions that has developed a Green Financing Framework dated August 2023 which will serve as a structure for establishing the sustainability quality i.e., the environmental added value - of the projects to be financed through the company’s Green Financing instruments.

At the client’s request, Valora Consultores, having knowledge of the internal information and processes, conducted an external review of IGNIS’ Green Financing Framework. The work performed by Valora Consultores is under the framework of the Green Loan Principles (GLP) of the Loan Market Association and Green Bond Principles (GBP) of the International Capital Market Association, whose principles were developed by a working group composed of representatives of financial institutions active in the global loan market.

The result of this assessment is the Second Party Opinion, which is a document prepared based on the documentation provided by IGNIS and maintains the independence between the parties.

The scope of application of the framework applies to financial instruments and eligible projects, activities and business that will be located in Europe, America and Asia.

No assurance is provided regarding the financial performance of the financial instruments issued via the Green Financing Framework, or the long-term benefits of the transactions. Valora Consultores’ objective has been to provide an assessment that the Green Financing Framework has met the criteria established on the basis set out below.

The management of IGNIS has provided the information and data used by Valora Consultores during the delivery of this review. This document represents an independent opinion and is intended to inform IGNIS management and other interested stakeholders in the Green Financing Framework whether the Framework is aligned with ICMA’s Green Bond Principles and LMA’s Green Loan Principles.

## **1.2 DESCRIPTION OF THE BORROWER’S ACTIVITIES**

IGNIS is a global energy company, vertically integrated in the renewable sector. The company is present throughout the entire energy value chain. IGNIS has focused its business strategy on the development of clean and competitive energy projects, with a leadership position in Spain and an increasing international presence operating in 11 countries.

IGNIS is vertically integrated in the energy sector value chain due to its activity in the development of solar PV and wind plants, with capabilities in EPC (Engineering, Procurement and Construction), O&M (Operation and Maintenance) areas, as well energy management,

commercialization and solutions to end clients. In addition, Ignis has incorporated new businesses to its activity such as P2X, developing H2 and green ammonia projects.

### 1.3 SUSTAINABILITY PROFILE

Since its beginnings, IGNIS has had a clear goal: to foster the development of a more efficient and sustainable energy model, contributing to an energy transition. A purpose that has always been accompanied by a real social and environmental commitment, which allows IGNIS to contribute every day to the achievement of the Sustainable Development Goals.

According to IGNIS 2022 Non-Financial Information Report, IGNIS sustainability strategy is based on four pillars:

- 1) Strengthening corporate ESG governance: creating a solid governance foundation that facilitates orderly and scalable growth, based on social dialogue and the achievement of corporate commitments.
- 2) Positioning as a key player in the global energy transition by supporting customers with innovative, circular and customized solutions.
- 3) Energizing local environments: generating opportunities for the recovery of natural capital and revitalizing the local communities where IGNIS operates.
- 4) Betting on the talent of IGNIS' professionals: guaranteeing the professional development of employees as well as the attraction and retention of talent.

## 2. BASIS OF VALORA CONSULTORES' OPINION ACCORDING TO THE GREEN LOAN PRINCIPLES AND GREEN BOND PRINCIPLES

The external review of the Green Financing Framework was conducted under the framework of the Green Bond Principles, ICMA, 2021 (with June 2022 Appendix 1), Green Loan Principles, LMA/LSTA/APLMA, 2023, and Sustainability Bond Guidelines ICMA, 2021. These principles aim to promote guidelines to facilitate and support environmentally sustainable economic activity.

The Green Loan Principles and Green Bond Principles are the following:

**Principle 1: Use of Proceeds**: an issuer of a Green Bond or Green Loan must use the funds raised, to finance or refinance eligible activities. The eligible activities should produce clear environmental benefits.

***Principle 2: Process for Project Evaluation and Selection:*** an issuer of a Green Bond or Green Loan should outline the process it follows when determining the eligibility of an investment using Green Bond proceeds and outline any impact objectives it will consider.

***Principle 3: Management of Proceeds:*** Green Bond or Green Loans should be tracked within the issuing entity.

***Principle 4: Reporting:*** At least annual reporting to investors should be made on the use of the future Bond/Loan proceeds, and quantitative and/or qualitative performance indicators should be used where feasible.

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### 3. WORK UNDERTAKEN

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Valora Consultores' work is based in a high-level review of the available information, based on the understanding that this information was provided to us by IGNIS in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

- Assessment of documentary evidence provided by IGNIS on the Framework
- Documentation of findings against each element of the Framework
- Discussions with IGNIS' management and a review of relevant documentation and evidence related to the criteria of the Framework

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### 4. FINDINGS AND VALORA CONSULTORES' OPINION

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Valora Consultores' findings are listed and explained below:

#### **4.1 Principle 1: Use of Proceeds**

IGNIS has developed the IGNIS Green Financing Framework under which it will issue green, bonds and obtain loans, and use the proceeds to finance or refinance, in whole or in part, existing and future projects in eligible green categories detailed below:

- Energy access
- Renewable Energy
- Energy Storage
- Green Technologies

Regarding the contribution to SDGs, Valora Consultores uses the International Capital Market Association's (ICMA's) SDG mapping for this part of the report. Besides ICMA's mapping does not provide an exhaustive list of SDGs and recommends each project category be reviewed individually to map it to the relevant SDGs, these categories contribute to the following Sustainable Development Goals (SDGs):



Affordable and clean energy



Decent work and economic growth



Industry innovation and infrastructure



Sustainable cities and communities



Life on land



Peace, justice and strong institutions

In addition, IGNIS has determined the following categories are excluded:

- Projects in the energy sector that are associated with non-renewable activities and are directly or indirectly linked to the generation of energy from fossil fuels.
- Projects that, even if they are linked to eligible projects or have emerged as a result of eligible projects (e.g., social projects supporting the communities where we operate), do not contribute to the decarbonization of the economy.

**Valora Consultores concludes that eligible categories outlined in IGNIS' Green Financing Framework are consistent with the categories outlined in the Green Bond Principles and Green Loan Principles.**

## 4.2 Principle 2: Process for Project Evaluation and Selection

At IGNIS, decisions on sustainability are taken across the Board by all Board members in collaboration with the Management Team, each in their own area of action. Since 2022, these decisions are led and coordinated by the Innovation, Sustainability and Brand Manager.

Regarding the process for project selection, IGNIS New Developments Department will be responsible for the evaluation and selection of eligible projects in accordance with the criteria defined in the Framework. Once their viability is assured, the projects are developed following an exhaustive process led by representatives from IGNIS Finance, Sustainability departments and other technical areas.

Finally, the Financing Department studies the financing needs of each project and, together with the Sustainability Department that will determine which of them can be classified as eligible greens based on what is defined in this Framework.

IGNIS goal is to ensure the Eligible Green Projects have no negative impacts across the key areas of climate change mitigation, climate change adaptation, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems. In addition, IGNIS approach and commitment to sustainability are clearly described in its reports and policies, which has been shared with Valora Consultores.

**Based on the cross-functional oversight for project evaluation and selection, and the presence of environmental and risk management systems, Valora Consultores considers this to be in line with market practice.**

## 4.3 Principle 3: Management of Proceeds

IGNIS' finance and control departments oversee the management of proceeds process. Cash movements and debt positions will be monitored monthly, and the process will consist on the following: a debt report with details of the debt raised and outstanding; and a treasury report reflecting the cash outflows for debt repayments and interest. Finally, these two reports will be presented to IGNIS' Board of Directors every month to be reviewed.

**Based on the use of internal tracking system and the disclosure of the temporary use of proceeds, Valora Consultores considers this process to be in line with market practice.**

## 4.4 Principle 4: Reporting

IGNIS has committed to publish allocation and impact reports on an annual basis including detailed information of the allocation of the net proceeds. In addition, IGNIS will include an appendix on their Non-Financial Annual Report that covers the reporting information.

Allocation reporting will include a list of eligible projects financed through the Framework, including the amounts allocated to eligible green projects, the proceeds allocated per eligibility category; the share of new financing and refinancing and the remaining balance of



unallocated proceeds, if any. Impact reporting will include relevant impact metrics for each eligibility criterion.

**Valora Consultores views IGNIS' allocation and impact reporting as aligned with market practice.**

Valora Consultores has formed its conclusion based on and subject to what is detailed in this Second Party Opinion report.

Based on the above, Valora Consultores is confident that IGNIS is well-positioned to issue green bonds and obtain loans, and that IGNIS Green Financing Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles, ICMA, 2021 (with June 2022 Appendix 1), Green Loan Principles, LMA/LSTA/APLMA, 2023, and Sustainability Bond Guidelines ICMA, 2021. In addition, it is confirmed that there is a commitment to sustainable practices that will be reported and reviewed during the life of the green projects financed.

It is considered that the information provided allows Valora Consultores to prepare an opinion with a reasonable level of assurance on its completeness, accuracy, transparency and reliability.







Date: 24/08/2023

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Senén Ferreiro Páramo  
Partner

# ANNEX 1: CHARTS

## a. CHART I: Description of categories

Eligible Sustainable Category	Description	Related SDGs
<b>Energy access</b>	Projects dedicated to give access to sustainable energy by connecting or improving the connection between renewable energy sources	7. Affordable clean energy  8. Decent work and economic growth 
<b>Renewable energy</b>	Projects dedicated to the generation of electricity through photovoltaic solar technology, wind technology or through the hybridization of both technologies	9. Industry innovation and infrastructure 
<b>Energy Storage</b>	Projects dedicated to the storage of renewable energy through batteries to improve efficiency in energy management	11. Sustainable cities and communities 
<b>Green Technologies</b>	Projects dedicated to the production of renewable energy through disruptive solutions such as green hydrogen, green ammonia and ad-hoc solutions for different industries	15. Life on land  16. Peace, justice and strong institutions 

## b. CHART II: Use of proceeds:

Criteria	Work Undertaken	Findings
Green bond use of proceeds should be described in the legal documentation of the security	Evidence reviewed: Green Finance Framework_IGNIS	<p>The Framework describes IGNIS' different categories in order to assign the Eligible Green Projects: Energy Access, Renewable Energy, Energy Storage, Green Technologies.</p> <p>We conclude that the Framework appropriately describes the proposed utilisation of proceeds and that they are aligned with those recognized by the Green Bond and Loan Principles.</p>
All designated Green Project categories should provide clear environmentally sustainable benefits, which, where feasible, will be quantified or assessed by the issuer	Evidence reviewed: Green Finance Framework_IGNIS Policies: Code of Ethics and Professional Conduct Anticorruption Code Policy on money laundering prevention and financing of terrorism Suppliers code of conduct Humans right policy Anti-harrasment protocol	<p>We conclude that IGNIS' Green Financing Framework outlines the expected environmental benefits that will be realised by any financial instrument issued under the Framework. We consider that investments in the elegendible categories will lead to positive environmental impacts as they promote sustainable development goals regarding energy access, renewable energy or storage.</p> <p>IGNIS framework also describes the exclusion of two categories: Projects in the energy sector that are associated with non-renewable activities and are directly or indirectly linked to the generation of energy from fossil fuels and Projects that do not contribute to the decarbonization of the economy</p>

**c. CHART III: Process for Project Evaluation**

Criteria	Work Undertaken	Findings
Defined and transparent criteria for projects eligible for Sustainable bond/loan proceeds	Evidence reviewed: Green Finance Framework_IGNIS Discussions with Business Development department Policies: Code of Ethics and Professional Conduct	We conclude that the framework outlines the process that the group will use to determine how projects fit within the eligible categories. We consider IGNIS' overall process for project selection and evaluation commitments to be aligned with Green Bond Principles and Green Loan Principles.
IGNIS' environmental and governance framework (Green bond investors may also take into account the quality of the overall framework and performance regarding environmental sustainability)	Anticorruption Code Policy on money laundering prevention and financing of terrorism Suppliers code of conduct Humans right policy Anti-harrasment protocol	We conclude that the informaiton provided shows comprehensive evidence of IGNIS' sustainability commitments. IGNIS' ESG governance is also suscribed by a set of corporate policies.

**d. CHART IV: Management of Proceeds**

Criteria	Work Undertaken	Findings
Sustainability bond and loan proceeds segregated or tracked by the company in an appropriate manner	Evidence reviewed: Discussions with Business Development department Green Finance Framework_IGNIS Spain IPP Portfolio Master KPIs	IGNIS' finance and control departments oversee the management of proceeds process. Cash movements and debt positions will be monitored monthly and the process will consist on the following: a debt report with details of the debt raised and outstanding; and a treasury report reflecting the cash outflows for debt repayments and interest. Finally, these two reports will be presented to IGNIS' Board of Directors every month to be reviewed
Monitoring of cash movements and debt positions		We conclude IGNIS will monitor net proceeds and will keep a record of assigned eligible assets within its existing systems and internal tracking processes

e. CHART V: Reporting:

Criteria	Work Undertaken	Findings
Use of proceeds reporting of green projects		<p>The allocation report will include the following details:</p> <ul style="list-style-type: none"> <li>• Total amount allocated to Eligible Green Projects;</li> <li>• Total amount allocated per Eligible Green Project Category;</li> <li>• Share of new financing and refinancing;</li> <li>• The amount remaining unallocated.</li> </ul>
Green bond issuance reporting	Evidence reviewed: Green Finance Framework_IGNIS	In the case of a Green Bond issuance, an annual allocation report will be made publicly available within one year of the issuance until full allocation and on a timely basis in case of a material development
Expected environmental impacts	Spain IPP Portfolio Master KPIs Green Finance Framework_IGNIS 2023 08_Ejemplo Tabara KPIs	<p>Ignis will provide impact reporting on the expected environmental impacts of the Eligible Green Projects, in line with the best practice guidance on impact reporting, for each eligible category:</p> <p><b>Energy access:</b> annual energy generation; annual GHG emissions avoided (ton.CO2)</p> <p><b>Renewable energy production:</b> annual energy generation; annual GHG emissions avoided (ton.CO2); # trees saved; # households supplied</p> <p><b>Energy storage:</b> annual GHG emissions avoided (ton.CO2);# cycles; captured price</p> <p><b>Green Technologies:</b> annual GHG emissions avoided (ton.CO2); electricity consumed; type of project (grid/self consumption)</p>
		Valora concludes IGNIS will report allocated amounts on an annual basis and that an appendix will be included on their Non-Financial Annual Report that covers the reporting information.

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## ANNEX 2: VALORA CONSULTORES' role and credentials

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### Specialization and experience

Valora Consultores professional consulting, engineering and technological development services firm specialized in sustainability and non-financial information management, developing work in this field since 2002. The team is made up of senior consultants with backgrounds in economics, business and law and with specific training and experience in good governance, risk analysis, sustainability, HR, CSR. Our team has specialists and technicians in areas such as climate change, gender and diversity, sustainable finance, environmental impacts, among others.

This high level of specialization has allowed us to work for leading companies in their sectors, listed companies in international and domestic markets, as well as large family businesses and SMEs. These include Inditex, Santander, Indra, Repsol, Ence, Agbar (SUEZ Group), Coca Cola, Coca Cola European Partners, Puig, Mahou, Calidad Pascual, Aluman, Reganosa, Bimbo, Wal Mart, Pepsico, ...

### Quality control, commitment and project management

Valora Consultores has a global quality management system developed in accordance with international standards ISO 9000 and procedures of the Project Management Institute and the International Institute of Business Analysis; and an EMS in accordance with ISO 14001 and certified by an independent external entity. These policies ensure that we minimize the environmental impact of our activities and are consistent with the principles we promote. Within this framework, we calculate our Carbon Footprint and have measures in place for its reduction and mitigation.

We are signatories of the commitment to the 10 principles of the UN Global Compact and we are developing an action plan to boost our contribution to the SDGs and the 2030 Agenda.

For further information on our policies, commitments and standards on quality, CSR and the environment, please contact [beatrizgomez@valoraconsultores.com](mailto:beatrizgomez@valoraconsultores.com)

### Confidentiality and data protection

All the professionals integrated in the Valora team, as well as the external collaborators, assume the ethical and confidentiality principles, signing our Confidentiality and Data Protection Policy (Internal Procedure VALORA ETIC&INTEGRIDAD\_v2). This policy and the supervision mechanisms included in it include any client information collected in the scope of the work developed, as well as personal data.

Valora Consultores will guarantee the confidentiality of all information provided by public and private organizations, meeting specific requirements of customers on the matter. In addition, it undertakes to comply in all phases of development of the contract, in its termination and thereafter, the regulations on protection of personal data.

For further information, please contact our Ethics, Integrity and Compliance Manager, [pamelaseoane@valoraconsultores.com](mailto:pamelaseoane@valoraconsultores.com).

### Independence and integrity

Our code of ethics and internal commitments seek to guarantee independence and integrity in the development of all our work, being supervised in these areas by the Ethics, Integrity and Compliance Manager and by the Quality Manager referred to above. In the specific case of the services proposed in this document, we guarantee the independence of the verification process, through the responsible signature of senior independent directors, together with the internal supervision referred to above.

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## RESTRICTIONS ON THE USE OF THIS REPORT

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### Restrictions on the use of this report

The goal of this document is to elaborate an external opinion regarding the company's Green Financing Framework based on the information made available to Valora Consultores. A Green Financing Framework serves as a structure for establishing the sustainability quality i.e., the environmental added value - of the projects to be financed through a company's Green Financing instruments. This opinion does not certify the materiality, excellence or irreversibility of the use of funds from the financing.

IGNIS, is fully responsible for certifying compliance with the standards and commitments defined in its internal policies, for their application and monitoring.

The Second Party Opinion report provided by Valora Consultores does not evaluate the financial performance of the financing projects, so the Consultant is not responsible with third parties who wish to use this opinion to make investment decisions or to perform any type of commercial transaction.

The Second Party Opinion report is provided by Valora Consultants to the Accredited and financial entities, only such entities may use it. Distribution and publication will be at the discretion of the Borrower and financial institutions, subject to approval by Valora Consultores.

This opinion is intended to provide an independent opinion on the sustainability credentials and management of the tools, based on the information provided to Valora Consultores.

### Responsibilities of the Responsible Party

The result of the present work cannot be considered as an audit work; therefore, the accuracy, completeness and reliability of the information gathered are the responsibility of the Issuer.

The Borrower is fully responsible for attesting compliance with its commitments defined in its policies, their implementation and follow-up. The opinion issued by Valora Consultores does not focus on the financial performance of the instruments nor on the effective allocation of their income.

The Consultant is not responsible for the consequences induced when third parties use this opinion either to make investment decisions or to carry out any type of commercial transaction.

### Restrictions on Distribution and Use of this Opinion

Valora Consultores grants the Issuer all rights to use the final version of the Second Party Opinion report delivered for external use through any means that the Borrower may determine.

The Accredited Party has the obligation to communicate externally only the complete and unmodified Second Party Opinion report, without making any selection, withdrawal, or addition, without altering it in any way, neither in substance nor in form, and only to be used within the framework of the issue in question.

Any other party who obtains access to our report or a copy and chooses to rely on our entire report (or part of it) does so at its own risk. To the fullest extent permitted by law, we do not accept or assume any

responsibility and disclaim any liability for our work to any party other than IGNIS with this independent Second Party Opinion report or for the conclusions we have reached.





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