

## SECOND PARTY OPINION (SPO)

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Sustainability Quality of the Issuer and Green Bond Framework

Primeo Energie Group  
13 August 2021

### VERIFICATION PARAMETERS

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Type(s) of instruments contemplated	<ul style="list-style-type: none"><li>• Green Bond</li></ul>
Relevant standards	<ul style="list-style-type: none"><li>• ICMA Green Bond Principles (GBPs)</li></ul>
Scope of verification	<ul style="list-style-type: none"><li>• Primeo Energie's Green Bond Framework (as of August 3<sup>rd</sup>, 2021)</li><li>• Primeo Energie's Eligibility Criteria (as of August 3<sup>rd</sup>, 2021)</li></ul>
Lifecycle	<ul style="list-style-type: none"><li>• Pre-issuance verification</li></ul>
Validity	<ul style="list-style-type: none"><li>• As long as Primeo Energie's Green Bond Framework remains unchanged</li></ul>

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## Scope of work

Primeo Energie Group (“Primeo Energie”) commissioned ISS ESG to assist with its Green Bond by assessing three core elements to determine the sustainability quality of the instrument:

1. Green Bond’s link to Primeo Energie’s sustainability strategy – drawing on Primeo Energie’s overall sustainability profile and issuance-specific Use of Proceeds categories.
2. Primeo Energie’s Green Bond Framework (August 2021 version) – benchmarked against the International Capital Market Association's (ICMA) Green Bond Principles (GBPs).
3. The Eligibility Criteria – whether the projects contribute positively to the UN SDGs and perform against ISS ESG’s issue-specific key performance indicators (KPIs) (See Annex 2).

## ISS ESG ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION <sup>1</sup>
<b>Part 1:</b>  <b>Green Bond’s link to issuer’s sustainability strategy</b>	<p>Primeo Energie is engaged in the trading, distribution and generation of electricity and heat as well as gas distribution. It’s strategic focus includes sustainable and low-CO2 electricity production and distribution.</p> <p>The Use of Proceeds financed through this bond are consistent with the issuer’s sustainability strategy and material ESG topics for the issuer’s industry. The rationale for issuing green bonds is clearly described by the issuer.</p>	<b>Consistent</b>
<b>Part 2:</b>  <b>Alignment with GBPs</b>	<p>The issuer has defined a formal concept for its Green Bond regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the Green Bond Principles.</p>	<b>Aligned</b>
<b>Part 3:</b>  <b>Sustainability quality of the Selection Criteria</b>	<p>The overall sustainability quality of the eligible project categories in terms of sustainability benefits, risk avoidance and minimisation is good based upon the ISS ESG assessment. The Green Bond will (re-) finance eligible asset categories which include: renewable energy, energy efficiency, green buildings and clean transportation.</p> <p>Those use of proceeds categories constitute either a significant or limited contribution to SDGs 7 ‘Affordable and clean energy’, SDG 11 ‘Sustainable cities and communities’ and 13 ‘Climate action’. One use of proceeds category poses a potential limited obstruction to SDG 15 ‘Life on Land’. The environmental and social risks associated with those use of proceeds categories are well managed.</p>	<b>Positive</b>

<sup>1</sup> ISS ESG’s evaluation is based on Primeo Energie’s Green Bond Framework (August 2021 version), on the analysed Eligibility Criteria, and on the ISS ESG Indicative Corporate Rating applicable at the SPO delivery date.

## ISS ESG SPO ASSESSMENT

### PART I: GREEN BOND'S LINK TO PRIMEO ENERGIE'S SUSTAINABILITY STRATEGY

#### A. PRIMEO ENERGIE'S INDICATIVE SUSTAINABILITY PROFILE

**Methodological note:** Please note that Primeo Energie is not part of the ISS ESG Corporate Rating Universe. Thus, the below sustainability profile is an assessment conducted by the analyst in charge of the 'Electric Utilities' sector mainly based on publicly available information. No direct communication between the issuer and the analyst has taken place during the process. The below is not based on an ISS ESG Corporate Rating but considers ISS ESG Research's methodology.

Industry classification: Electric Utilities

#### Key issues of the Industry

1. Facilitation of the energy transition and resource efficiency
2. Environmentally safe operation of plants and infrastructure
3. Worker safety and accident prevention
4. Accessibility and reliability of energy supply
5. Business ethics and government relations

#### Indicative ESG risk and performance assessment

Primeo Energie is engaged in the trading, distribution and generation of electricity and heat as well as gas distribution. The company also provides consulting services with a focus on energy savings and energy efficiency for their clients. In 2020, heat generation accounted for approximately 7% of revenues and the electricity generation segment for about 12%. Primeo Energie's electricity generation is exclusively based on renewable energy sources, primarily on hydropower and wind power, followed by solar power and biomass as of 2020. Heat generation is still predominantly based on not further specified fossil fuels which account for slightly more than half of total heat generation. Heat generation from wood, pellets, and corn cobs accounts for about another quarter of the generation, followed by biogas, heat pumps and waste heat. Additionally, the company's distributed electricity is not exclusively renewable, as the company also purchases fossil fuel-based electricity.

Primeo Energie, together with its subsidiary aventron AG, has set the target to increase its renewable electricity generation capacity from over 600 MW in 2020 to 1000 MW in the future (no target year specified). Primeo Energie also plans to increase the use of renewable energy sources in heat generation and has committed not to build any new fossil generation capacity while slowly phasing out or retrofitting existing fossil fuel-based heat generation. Until 2025, Primeo Energie plans to produce half of its heat generation from renewable energy sources.

Primeo Energie operates in Norway, Germany, France, Spain, Italy and Switzerland. In all these countries, environmental assessments for electric generating projects are defined by law. Additionally, often there are regional requirements. This means that environmental impact assessments must be carried out before any new construction or other construction measures. In the wind sector, assessments are often also carried out for birds and bats, but varies from region to region. Such assessments are required in regions where endangered or rare species live. If certain measures for environmental protection are ordered, e.g. throttling of wind turbines to protect bats, regular tests must also be carried out during the lifetime of the plant. These are to check the effectiveness of the measures.

The company is involved in innovative projects and technologies, such as electric mobility and energy storage solutions. It has also made investments to ensure a reliably energy supply.

While the company's overall carbon intensity can be assumed to be low, it does not yet report on a more comprehensive climate change mitigation strategy that would include clear quantitative targets and corresponding measures. While Primeo Energie plans to set a science-based greenhouse gas emission target and to achieve carbon neutrality, such targets are not published or specified yet.

Primeo Energie has established environmental, energy and health and safety management systems that are certified to international standards (ISO 14001, ISO 50001, ISO 45001). However, safety performance data is not disclosed in a way that allows for an assessment of the company's performance in this regard.

Lastly, a code of conduct for the own workforce appears to be implemented but is not publicly available.

## Indicative product portfolio assessment

### **Social impact of the product portfolio**

Primeo Energie provides electricity, heat, and gas to a variety of customers, including private households, which positively contributes to the provision of basic services. The exact share of sales to private households is unclear.

### **Environmental impact of the product portfolio**

With its focus on renewable electricity generation, Primeo Energie offers products and services that significantly contribute to the achievement of global climate targets. The company's heat generation is predominantly based on fossil fuels, but also includes renewable energy sources to a significant extent. Heat and electricity generation account for about 19% of the company revenue. The company's natural gas distribution activities are currently assessed neutral in terms of their environmental impact.

## Controversy assessment

### **1. Company Screening**

The analyst in charge of producing this report conducted a high-level controversy assessment, based on publicly available information exclusively. There is no indication of Primeo Energie being involved in any of the below mentioned controversies.

## 2. Industry Risks

Based on a review of controversies in the period of 1 January 2019 – 12 July 2021, the greatest risk reported against companies operating in the Electric Utilities industry relate to activities that may have adverse impacts on the environment and human rights. This is closely followed by activities related to business malpractice. The top three issues that have been reported against companies within the industry are as follows: alleged failure to assess environmental impacts, failure to respect the right to an adequate standard of living and poor stakeholder consultation. This is closely followed by alleged failure to mitigate climate change impacts, failure to prevent depletion of biodiversity and failure to prevent water pollution.

## B. CONSISTENCY OF GREEN BOND WITH PRIMEO ENERGIE'S SUSTAINABILITY STRATEGY

### *Key sustainability objectives and priorities defined by the issuer*

EBM (Genossenschaft Elektra Birseck) was founded in 1897 as the parent company of the Primeo Energie Group and is organized as a cooperative under Swiss code of obligations. It has the purpose to supply the Birseck region (in Northwestern Switzerland; surrounding of Basel) and other areas, such as the Alsace, with energy. It also promotes the economical use of energy, the environmentally-friendly generation of electricity from renewable sources and can provide communications and other infrastructure services. It pursues this purpose mainly through the continuous management of shareholdings in companies that provide services in accordance with the goals of the cooperative.

EBM and its subsidiaries (the Primeo Energie Group) operates within four core segments: Renewable Energy Production, Distribution Network, Electricity Business and Heat Supply. In 2011, Primeo Energie has voluntarily set itself the goal of increasing the share of electricity from renewable sources in its basic supply from 22% to 35% in 2015 and 80% in 2050. Since 2021, it is supplying its basic supply customers with a product from 100% renewable energies.

### *Rationale for issuance*

According to the company, its strategic focus lies, among other things, on sustainable and low-CO2 electricity-emitting production and distribution. Meanwhile, the Primeo Energie Group ranks among the top 10 providers in Switzerland in each of its four core segments. The company considers green financing as a natural extension of its commitment to a sustainable economic development. By raising money through green financing, Primeo Energie intends to enable investors to invest specifically in projects with environmental benefits.

### *Contribution of Use of Proceeds categories to sustainability objectives and priorities*

ISS ESG mapped the Use of Proceeds categories financed under this Green Bond Framework with the sustainability objectives defined by the issuer, and with the key ESG industry challenges as defined in the ISS ESG Corporate Rating methodology for the Electric Utilities sector. Key ESG industry challenges are key issues that are highly relevant for a respective industry to tackle when it comes to sustainability, e.g. climate change and energy efficiency in the buildings sector. From this mapping, ISS ESG derived a level of contribution to the strategy of each Use of Proceeds categories.

USE OF PROCEEDS CATEGORY	SUSTAINABILITY OBJECTIVES FOR THE ISSUER	KEY ESG INDUSTRY CHALLENGES	CONTRIBUTION
Renewable Energy	✓	✓	Contribution to a material objective
Energy Efficiency	✓	✓	Contribution to a material objective
Green Buildings <sup>2</sup>	✓	✓	Contribution to a material objective
Clean Transportation	✓	✓	Contribution to a material objective

**Opinion:** *ISS ESG finds that the Use of Proceeds financed through this bond are broadly consistent with the issuer’s sustainability strategy and material ESG topics for the issuer’s industry. The rationale for issuing green bonds is clearly described by the issuer.*

<sup>2</sup> This Use of Proceeds category comprises, at the current state, one single building that will serve as educational facility to teach students of the Basel region about energy. Given its design (building materials are to 70% recycled), purpose and regional focus this Use of Proceeds category has been considered to be in line with the sustainability objectives of the issuer. The building is currently under construction and is scheduled to be completed for the 125<sup>th</sup> anniversary of EBM Genossenschaft.

## PART II: ALIGNMENT WITH GREEN BOND PRINCIPLES

### 1. Use of Proceeds

Primeo Energie Group will finance and/or refinance green projects, in whole or in part, through the proceeds generated. The green projects include renewable energy, energy efficiency, green buildings, or green transportation supporting, among other things, climate change mitigation. The proceeds from green financing will only be (re)invested in projects or capital and operating expenditures that meet the following green project requirements.

GREEN BOND/LOAN CATEGORY	DESCRIPTION OF ELIGIBLE GREEN PROJECTS
<b>Renewable Energy</b>	<p>Projects aimed at increasing the production, connection and distribution of renewable energies and related infrastructure.</p> <p>Renewable energies may include:</p> <ul style="list-style-type: none"> <li>• Wind projects;</li> <li>• Small hydro power plants less than 20 MW of generation capacity;</li> <li>• Medium to large hydro power plants subject to the conformity with recognised international standard, including Climate Bonds Initiative, UNFCCC Clean Development Mechanism, IFC Reference Standards for hydro projects or equivalent;<sup>3</sup></li> <li>• Solar photovoltaic;</li> <li>• Biomass plants;</li> <li>• Heating plants / district heating (using renewable sources for heating production).</li> </ul>
<b>Energy Efficiency</b>	<ul style="list-style-type: none"> <li>• Investments in smart grid/meters for energy demand management;</li> <li>• Grid infrastructure improvements that allow higher transmission efficiency and/or reduce energy loss;</li> <li>• Storage systems development;</li> <li>• Heating; renewing projects of existing production with objective to reduce CO2 emissions by at least 25%;</li> <li>• Exhibition on generation and use of energy</li> </ul>
	<p>New, existing or refurbished buildings which meet at least one of the following criteria:</p> <p>For new builds:</p> <ul style="list-style-type: none"> <li>• Minergie®-P/-A/-ECO- Standard (or equivalent); or</li> </ul>

<sup>3</sup> At this point, Primeo Energie Group only operates small hydro facilities, with capacity below 10 MW.

<p><b>Green Buildings<sup>4</sup></b></p>	<ul style="list-style-type: none"> <li>• SNBS/DGNB – Standard Gold/Platinum (or equivalent)</li> </ul> <p>For renovation/refurbishments:</p> <ul style="list-style-type: none"> <li>• Minergie®-P/-A-/-ECO- Standard refurbishments; or</li> <li>• SNBS/DGNB – Standard Gold/Platinum; or</li> <li>• Reduction of 25% compared to SIA requirements for refurbishments (QH,li/SIA 308/1); or</li> <li>• Energy or environmental-friendly improvements such as thermal insulation, climate-friendly heat generation (thermic solar systems, heat pumps, regenerative energy sources, heat recovery...), PV installations, LED lighting, water saving technologies, green roof garden, etc...; or</li> <li>• Ecological measures such as resource saving development through the reuse of existing infrastructure, use of resource-saving construction methods or use of recycled material (concrete, wood, insulation materials).</li> </ul>
<p><b>Clean Transportation</b></p>	<p>Electric vehicle charging stations and supporting electric infrastructure for the electrification of transport.</p> <ul style="list-style-type: none"> <li>• Transmission and Distribution of Electricity</li> <li>• Infrastructure enabling low-carbon road transport</li> </ul>

**Opinion:** ISS ESG considers the Use of Proceeds description provided by Primeo Energie’s Green Bond Framework as aligned with the GBPs. Environmental benefits are well described. Moreover, the eligible project categories show alignment with the sustainability strategy of the issuer.

## 2. Process for Project Evaluation and Selection

Within Primeo Energie, the selection for green financing lies within the responsibility of Group Treasury & Controlling together with the CFO, which form the Green Bond Committee. If necessary, external experts are consulted.

The company has implemented a digital and standardized application process for projects. During the selection process, it is checked whether the projects meet the requirements for green projects as described in section 2.1. The decision-makers are the bodies defined in accordance with the competence regulations. Projects larger than 50 TCHF are handled by the Executive Board. Group Treasury & Controlling is involved in the preliminary review and is the decision-maker in the digital application process. Green projects can thus be better identified and reported. The sustainability (impact and improvement) will be queried separately in the application form.

<sup>4</sup> As discussed in the footnote above, this Use of Proceeds category comprises, at the current state, one single building that will serve as educational facility to teach students of the Basel region about energy.

Group Treasury & Controlling is also responsible to monitor the green projects for compliance related to the green project requirements and updating Primeo Energie Group's Green Bond Framework if required by the business or in case of revisions to the GBPs.

**Opinion:** ISS ESG considers the Process for Project Evaluation and Selection description provided by Primeo Energie's Green Bond Framework as aligned with the GBPs. The issuer has set a clear and detailed process for project evaluation and selection and has provided insight into the responsibilities of stakeholders and departments involved in this process.

### 3. Management of Proceeds

In a first step, the net proceeds are credited to the general account owned by Primeo Holding AG.

The net proceeds from Primeo Energie's Green Bond can be used to finance new projects or refinance existing projects if they are suitable as defined in section 2. These eligible green projects are funded as green intercompany loans (GIL), tracked via the Treasury Management System (TMS) and Primeo Energie intends to fully allocate the proceeds within 24 months after the Green Bond issuance date. The look back period for refinancing of existing green projects shall not be more than 36 months prior to the date of issuance. If the allocation of the proceeds of the issue deviates from the aforementioned periods in some cases, it will be reported transparently as part of the annual reporting.

The allocation of the emission proceeds to the green projects is done in a register for green financing. Internal lending to the operating group companies for green projects is further declared as GIL and will be monitored and kept in Primeo Energie Group's Treasury Management System (TMS).

If green projects to which green financing has been allocated no longer meet the requirements for green projects the net proceeds of the green financing will be allocated to other green projects on a best-effort basis as soon as practicable.

Pending net proceeds which are not fully allocated will be invested in cash and/or cash equivalents (money market instruments, bank accounts) and/or other liquid marketable instruments, in accordance with Primeo Energie Group's treasury policy until they are allocated or reallocated appropriately.

**Opinion:** ISS ESG finds that Management of Proceeds proposed by Primeo Energie's Green Bond Framework is aligned with the GBPs. Holding the amount collected through the Bond in cash until allocation of the proceeds and the procedure in case of divestment or postponement is in line with best-market practices. Further, the expected allocation period is defined.

### 4. Reporting

Primeo Energie Group will provide investors with a report on the green financings as part of its annual reporting until the proceeds of the issuance have been fully allocated. This report will include both the allocation of the issued proceeds and the environmental impact attributable to the green financing.

The first report will be provided as part of the annual reporting process in April 2022.

The allocation report may include, for example:

- A list of projects funded
- The percentage of financing and refinancing
- Unallocated issue proceeds (if any).

Environmental impact reporting may include (example metrics, not exhaustive):

- Installed capacity (MW)
- Energy produced (MWh)
- Avoided greenhouse gas emissions p.a. (t CO<sub>2</sub>)
- Avoided energy loss (MWh)
- Efficiency improvements (%)
- Number of Electronic Vehicle charging points (#)

**Opinion:** *ISS ESG finds that the reporting proposed by Primeo Energie's Green Bond Framework is aligned with the GBPs. The company is transparent on the level of reporting, on its frequency, scope and type of information reported. Moreover, the reporting will be audited by an independent entity, in line with best-market practice. In addition, there is disclosure of the scope, metrics and frequency for impact reporting.*

### External review

A suitable independent auditing body will audit the reporting on the allocation of the proceeds of the issue. The audit report will be made available upon request together with the green financing report (within 12 months after the distribution of the proceeds of the issue or the borrowing).

## PART III: SUSTAINABILITY QUALITY OF THE ISSUANCE

### A. CONTRIBUTION OF THE GREEN BOND TO THE UN SDGs

Based on the assessment of the sustainability quality of the Green Bond Eligibility Criteria and using a proprietary methodology, ISS ESG assessed the contribution of the Primeo Energie's Green Bond to the Sustainable Development Goals defined by the United Nations (UN SDGs).

This assessment is displayed on 5-point scale (see Annex 1 for methodology):

<b>Significant Obstruction</b>	<b>Limited Obstruction</b>	<b>No Net Impact</b>	<b>Limited Contribution</b>	<b>Significant Contribution</b>
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Each of the Green Bond's Use of Proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Power Generation – Wind	Significant contribution	 
Power Generation – Hydro (<10 MW)	Significant contribution	 
Power Generation – Hydro (>10 MW)	Limited Contribution	 
	Limited Obstruction	
Power Generation – Solar PV	Significant contribution	 
Biomass	No Net Impact	 
Energy Efficiency – Grid Infrastructure Improvements	Significant contribution	 

<p><b>Energy Efficiency – Storage Systems Development<sup>5</sup></b></p>	<p><b>Significant contribution</b></p>	 
<p><b>Green Buildings</b> DGNB (or equivalent)</p>	<p><b>Significant contribution</b></p>	
<p><b>Green Buildings</b> Minergie®-P/-A/-ECO-Standard (or equivalent)</p>	<p><b>Limited contribution</b></p>	
<p><b>Charging stations</b></p>	<p><b>Limited contribution</b></p>	 

<sup>5</sup> This refers to the installation of a battery in a wind farm.

## B. MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS ASSOCIATED WITH THE ELIGIBILITY CRITERIA

### Green Bond Use of Proceeds Categories

The Use of Proceeds categories are considered to have either a significant or limited contribution to the SDGs 7 “Affordable and Clean Energy”, 13 “Climate Action” and 11 “Sustainable cities and communities”. The category Power Generation – Hydro (>10 MW) constitutes a potential limited obstruction to SDG 15 “Life on Land”.<sup>6</sup> The table below presents the findings of an ISS ESG assessment of the Eligibility Criteria against ISS ESG KPIs.

#### ASSESSMENT AGAINST ISS ESG KPI

##### Biodiversity

- ✓ 100% of assets (re)financed under this framework are covered by a relevant environmental management system (ISO 14001).
- ✓ 100% of assets (re)financed under this framework are located in the EU, Norway or Switzerland where high biodiversity protection standards are in place.

##### Waste management / pollution prevention

- ✓ 100% of assets (re)financed under this framework are covered by a relevant environmental management system (ISO 14001).
- ✓ 100% of assets (re)financed under this framework are located in the EU, Norway or Switzerland where the WEEE and ROHS directives (or equivalent) are in place.

##### Labour, health & safety standards

- ✓ 100% of assets (re)financed under this framework are located in the EU, Norway or Switzerland where high labour and health and safety standards are in place (e.g. ILO core conventions).
- ✓ The issuer has been certified with a relevant occupational health and safety standard (ISO 45001).

##### Dialogue with local communities

- ✓ 100% of assets (re)financed under this framework are located in the EU, Norway or Switzerland, where regulation is in place to address the process of engaging with local communities.

##### Water

- At this stage, there is limited or no information available to what extent the building planned to be financed under this framework adequately manages water-related risks.<sup>7</sup>

<sup>6</sup> As previously noted, Primeo Energie Group currently only operates small hydro facilities, with capacity below 10 MW.

<sup>7</sup> This mainly concerns the educational facility that is included under the Use of Proceeds category “Green Buildings”. As this facility is still under construction, the issuer at this point did not acquire a relevant certificate that would verify the management of water-related risks. However, it is noted that Primeo Energie intends to acquire a Minergie, DGNB certificate (or equivalent) upon the end of construction.

## DISCLAIMER

1. Validity of the SPO: As long as Primeo Energie's Green Bond Framework (August 2021) remains unchanged.
2. ISS ESG uses a scientifically based rating concept to analyse and evaluate the environmental and social performance of companies and countries. In doing so, we adhere to the highest quality standards which are customary in responsibility research worldwide. In addition, we create a Second Party Opinion (SPO) on bonds based on data from the issuer.
3. We would, however, point out that we do not warrant that the information presented in this SPO is complete, accurate or up to date. Any liability on the part of ISS ESG in connection with the use of these SPO, the information provided in them and the use thereof shall be excluded. In particular, we point out that the verification of the compliance with the selection criteria is based solely on random samples and documents submitted by the issuer.
4. All statements of opinion and value judgements given by us do not in any way constitute purchase or investment recommendations. In particular, the SPO is no assessment of the economic profitability and credit worthiness of a bond but refers exclusively to the social and environmental criteria mentioned above.
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## ANNEX 1: Methodology

### ISS ESG Green KPIs

The ISS ESG Green Bond KPIs serve as a structure for evaluating the sustainability quality – i.e. the social and environmental added value – of the use of proceeds of Primeo Energie’s Green Bond.

It comprises firstly the definition of the use of proceeds category offering added social and/or environmental value, and secondly the specific sustainability criteria by means of which this added value and therefore the sustainability performance of the assets can be clearly identified and described.

The sustainability criteria are complemented by specific indicators, which enable quantitative measurement of the sustainability performance of the assets and which can also be used for reporting. If a majority of assets fulfill the requirement of an indicator, this indicator is then assessed positively. Those indicators may be tailor-made to capture the context-specific environmental and social risks.

To review the KPIs used in this SPO, please contact Federico Pezzolato (details below) who will send them directly to you.

### Environmental and social risks assessment methodology

ISS ESG evaluates whether the assets included in the asset pool match the eligible project category and criteria listed in the Green Bond KPIs.

All percentages refer to the amount of assets within one category (e.g. wind power). Additionally, the assessment “no or limited information is available” either indicates that no information was made available to ISS ESG or that the information provided did not fulfil the requirements of the ISS ESG Green Bond KPIs.

The evaluation was carried out using information and documents provided to ISS ESG on a confidential basis by Primeo Energie (e.g. Due Diligence Reports). Further, national legislation and standards, depending on the asset location, were drawn on to complement the information provided by the issuer.

### Assessment of the contribution and association to the SDG

The 17 Sustainable Development Goals (SDGs) were endorsed in September 2015 by the United Nations and provide a benchmark for key opportunities and challenges toward a more sustainable future. Using a proprietary method, ISS ESG identifies the extent to which Primeo Energie’s Green Bond contributes to related SDGs.

## ANNEX 2: Quality management processes

### SCOPE

Primeo Energie commissioned ISS ESG to compile a Green Bond SPO. The Second Party Opinion process includes verifying whether the Green Bond Framework aligns with the Green Bond Principles and to assess the sustainability credentials of its Green Bond, as well as the issuer's sustainability strategy.

### CRITERIA

Relevant Standards for this Second Party Opinion

- ICMA Green Bond Principles (GBPs)
- ISS ESG KPI set: Renewable Energy, Energy Efficiency & Green Buildings

### ISSUER'S RESPONSIBILITY

Primeo Energie's responsibility was to provide information and documentation on:

- Framework
- Asset pool / Eligibility criteria
- Documentation of ESG risks management at the asset level

### ISS ESG'S VERIFICATION PROCESS

ISS ESG is one of the world's leading independent environmental, social and governance (ESG) research, analysis and rating houses. The company has been actively involved in the sustainable capital markets for over 25 years. Since 2014, ISS ESG has built up a reputation as a highly-reputed thought leader in the green and social bond market and has become one of the first CBI approved verifiers.

ISS ESG has conducted this independent Second Party Opinion of the Green Bond to be issued by Primeo Energie Group based on ISS ESG methodology and in line with the ICMA Green Bond Principles.

The engagement with the issuer took place in July/August 2021.

### ISS ESG'S BUSINESS PRACTICES

ISS has conducted this verification in strict compliance with the ISS Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behaviour and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

## About ISS ESG SPO

ISS ESG is one of the world's leading rating agencies in the field of sustainable investment. The agency analyses companies and countries regarding their environmental and social performance.

As part of our Sustainable (Green & Social) Bond Services, we provide support for companies and institutions issuing sustainable bonds, advise them on the selection of categories of projects to be financed and help them to define ambitious criteria.

We assess alignment with external principles (e.g. the ICMA Green / Social Bond Principles), analyse the sustainability quality of the assets and review the sustainability performance of the issuer themselves. Following these three steps, we draw up an independent SPO so that investors are as well informed as possible about the quality of the bond / loan from a sustainability perspective.

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