

Second-Party Opinion

SIAF Green Bond Framework



Evaluation Summary

Sustainalytics is of the opinion that the SIAF Green Bond Framework aligns with the four core components of the Green Bond Principles 2018. This assessment is based on the following:



USE OF PROCEEDS The eligible category for the use of proceeds, Renewable Energy, is aligned with those recognized by the Green Bond Principles 2018. Sustainalytics considers that the eligible category will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 7.



PROJECT EVALUATION / SELECTION Sociedade de Iniciativa e Aproveitamento Florestais S.A.'s internal process in evaluating and selecting projects is managed by the Finance department. Projects are evaluated and selected based on their alignment with the eligibility criteria outlined in the Framework. Capwatt's Business Development department presents potential projects, the Finance Department of Sonae Capital evaluates the projects against the eligibility criteria and the Capwatt Board of Directors makes the final approval on project selection. Sustainalytics considers the project selection process in line with market practice.



MANAGEMENT OF PROCEEDS Sociedade de Iniciativa e Aproveitamento Florestais S.A.'s processes for management of proceeds is handled by the Finance Department at Sonae Capital Group, the indirect owner of Sociedade de Iniciativa e Aproveitamento Florestais S.A. All proceeds will be allocated and tracked through an internal management system that defines the destination of cash-flows, sets reserved accounts for unallocated proceeds and periodically adjusts the net proceeds. SIAF may invest unallocated proceeds according to its liquidity and/or liability management activities. The allocation timeframe will be six months. Sustainalytics considers this process to be aligned with market practice.



REPORTING Sociedade de Iniciativa e Aproveitamento Florestais S.A. intends to report allocation proceeds, on Sonae Capital's website, on an annual basis until full allocation. The total amount of allocation, a description of the project will be reported on and, in the event any proceeds are unallocated they will also be reported on. In addition, Sociedade de Iniciativa e Aproveitamento Florestais S.A. is committed to reporting on relevant impact metrics. Sustainalytics views Sociedade de Iniciativa e Aproveitamento Florestais S.A.'s allocation and impact reporting as aligned with market practice.

Evaluation date July 30, 2020

Issuer Location Espinho Mangualde, Portugal

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Introduction

Sociedade de Iniciativa e Aproveitamento Florestais S.A. (“SIAF”, or the “Company”) is a Portuguese company, 100% directly owned by Capwatt, S.A. (“Capwatt”), the subholding company dedicated to the energy business of Sonae Capital, SGPS, S.A. (“Sonae Capital”).

SIAF has developed the SIAF Green Bond Framework (the “Framework”) under which it intends to issue a green bond and use the proceeds to finance, in whole or in part, a new biomass plant project located in Mangualde, Portugal. The Framework defines eligibility criteria in one area:

1. Renewable Energy

SIAF engaged Sustainalytics to review the SIAF Green Bond Framework, dated June 2020, and provide a second-party opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2018 (GBP).¹ This Framework has been published in a separate document.²

Scope of work and limitations of Sustainalytics Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics independent³ opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the ICMA Green Bond Principles 2018;
- The credibility and anticipated positive impacts of the use of proceeds;
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.4.1, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of SIAF’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. SIAF representatives have confirmed (1) they understand it is the sole responsibility of SIAF to ensure that the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and SIAF.

Sustainalytics’ Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics’ Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

In addition, the Second-Party Opinion opines on the intended allocation of proceeds but does not guarantee the realised allocation of the bond proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument either in favour or against, the truthfulness, reliability

¹ The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

² The SIAF Green Bond Framework is available on Sonae Capital’s website at: www.sonaecapital.pt

³ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

or completeness of any facts or statements and related surrounding circumstances that SIAF has made available to Sustainalytics for the purpose of this SPO.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the SIAF Green Bond Framework

Sustainalytics is of the opinion that the SIAF Green Bond Framework aligns with the four core components of the GBP 2018. Sustainalytics highlights the following elements of SIAF's Green Bond Framework:

- Use of Proceeds:
 - The eligible category, Renewable Energy, is aligned with those recognized by the GBP 2018.
 - SIAF will use the proceeds of the bond to finance a biomass-powered plant in Mangualde, Portugal. The biomass plant will produce thermal energy from by-products resulting from Sonae Arauco's industrial processes⁴ and forest biomass waste, in the form of steam and thermal fluid, which will be delivered at Sonae Arauco's industrial unit process and, at the same time, it will generate electricity, which will be injected into the Portuguese Electricity System ("PES") network. The biomass to be supplied by SAP to SIAF comes from its industrial process, as well as from forest biomass waste acquired by SAP from third parties. The biomass plant will have a thermal power of 91 MWt and a net electrical power of 10MW, generating approximately 83 GWh of electricity a year for the PES network. SIAF provided a life-cycle assessment of the plant, which estimated the average carbon intensity to be 9g CO₂/kWh, which is well below the market expectation of <100g CO₂/kWh. Sustainalytics positively views investments into biomass plants that make use of waste material and is of the opinion that this project will further contribute to Portugal's transition to a low-carbon economy.
- Project Evaluation and Selection:
 - The project evaluation and election process is managed by several departments within Capwatt and Sonae Capital. Capwatt's Business Development Department is responsible for proposing all potential new projects. The Finance Department at Sonae Capital's Corporate Centre then evaluates the proposed projects against the eligibility criteria in the Framework. Eligible projects are then presented to Capwatt's Board of Directors for final approval.
 - Based on the above, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - The Finance Department is responsible for the management of proceeds. Proceeds will be allocated on a single project basis. Proceeds will be tracked via an internal management system that aims to define the destination of cash flows, establish reserved accounts for unallocated funds and periodically adjust the net proceeds. Unallocated proceeds will be invested according to SIAF's liquidity policy and/or liability management activities.
 - Based on this process, Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - SIAF will report annually on allocation and impact, on Sonae Capitals website, until full allocation of bond proceeds. Allocation reporting will include the total amount of allocated proceeds, financing vs refinancing, the total amount of unallocated proceeds and a description of the activities financed. SIAF will allocate proceeds within six months of bond issuance. Additionally, SIAF will report on relevant impact metrics, where possible. For a list of relevant impact metrics, please refer to Appendix 1.
 - Based on these elements, Sustainalytics considers this process to be in line with market practice.

⁴ Sonae Arauco produces wood-based panels as well as furniture and other interior wood-based components.

Alignment with Green Bond Principles 2018

Sustainalytics has determined that the SIAF Green Bond Framework aligns to the four core components of the GBP 2018. For detailed information please refer to Appendix 1: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Strategy of SIAF

Contribution of framework to SIAF's sustainability strategy⁵

SIAF is indirectly owned by Sonae Capital through Capwatt, the sub holding company in the energy sector. Sonae Capital has a commitment to sustainability with a focus on four key environmental areas: (i) minimize the environmental impact of businesses operations, (ii) rational use of energy and material resources, (iii) optimization of water and energy consumption, and minimizing greenhouse gas emissions, and (iv) effective management of the waste generated.⁶

Sonae Capital's dedication to advancing its environmental commitments is further demonstrated by its subsidiary, Capwatt. Capwatt's optimization solutions, with emphasis on high efficiency cogeneration and renewable generation, contribute to sustainable energy systems and a low carbon economy.² In 2020, Capwatt owned and operated 15 photovoltaic plants, 10 cogeneration plants, 1 biogas plant, 1 wind farm, and 1 biomass plant with total 78 MW power generation capacity.⁷ In 2019, these power plants produced 157,640 GJ of energy from renewable sources, which avoided approximately 50,000 tonnes of CO₂e.⁷ Furthermore, Capwatt recovery of waste from energy generation activities reached 87% in 2019.²

The proceeds raised by green bonds will further contribute to Capwatt's energy portfolio by financing the development of the Mangualde biomass plant. The plant will have an electrical power output of 10 MW while contributing to the optimization of forest management, which will minimize forest fire risk, and promote a circular economy by using industrial by-products.²

Sustainalytics is of the opinion that the SIAF Green Bond Framework is aligned with Sonae Capital's overall sustainability strategy. Sustainalytics notes that there are not publicly available quantitative, time-bound targets for renewable energy projects and encourages the establishment of such targets.

Well positioned to address common environmental and social risks associated with the projects

Sustainalytics acknowledges that the Framework will be directed towards eligible projects that have positive environmental impact. However, Sustainalytics is aware that such eligible projects could lead to negative environmental and social outcomes. Some key environmental and social risks associated with the eligible projects, could include, occupational health and safety, land use change and biodiversity issues.

Sustainalytics is of the opinion that these risks will be mitigated through the following regulations:

- Sonae Capital Code of Conduct gathers the set of principles and rules that govern the activities of the companies that are part of Sonae Capital Group. The document highlights the commitment to (i) implement active policies ensuring compliance with all applicable health, hygiene and safety standards, (ii) ensure that suppliers comply with the ethical, environmental and social responsibility standards, and (iii) adopt environmental best practices, encourage eco-efficient management of resources, minimize environmental impact of activities and make rational use of natural resources.⁸
- Sonae Capital and its subsidiaries have a permanent legal and tax advisory team dedicated to strict fulfilment of legal duties as well as the enforcement of good practices. The advisory team assures compliance to Portuguese and European Union regulations relating to safety and protection of consumers, workers' rights, protection of the environment and spatial planning.⁹
- Sonae Capital continuously carries out public health risk assessments for its own and subsidiary operations. Worker health and safety initiatives are launched on a yearly basis to prevent and reduce professional risks, and promote healthy behaviour of staff.⁹

⁵ The sustainability strategy and risk mitigation measures applicable to SIAF are those of its parent companies and are referenced accordingly in this document.

⁶ Sonae Capital, "Report & Accounts.. Sustainability Report", (2019), at: https://www.sonaecapital.pt/fileManager/sustentabilidade/ficheiro_en_3.pdf

⁷ Capwatt, "Portfolio", at: <https://www.capwatt.com/portfolio/>

⁸ Sonae Capital, "Code of Conduct - Sonae Capital", at: https://www.sonaecapital.pt/fileManager/editor/pdfs/Cod_Conduita_Eng.pdf

⁹ Sonae Capital, "Report & Accounts Part II. Governance Report", (2019), at: https://www.sonaecapital.pt/fileManager/relatorios/ficheiro_en_13.pdf

- Since 2018, Capwatt has the following management systems certifications: ² (i) ISO 14001:2015¹⁰ for environment, ISO 45001:2018¹¹ for occupational health and safety, and ISO 9001:2015¹² for quality.
- Portugal is classified as a “Designated Country” under the Equator Principles, implying the presence of robust environment and social governance systems, legislation, and institutional capacity for protecting the environment and communities.¹³

Based on these policies, standards, and assessments, Sustainalytics is of the opinion that SIAF has implemented adequate measures and is well positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

The use of proceeds category is aligned with those recognized by the GBP. Sustainalytics has analysed below where the impact is specifically relevant in the local context.

The contribution of the framework to supporting Portuguese and European sustainability goals

SIAF intends to use 100% of the green bond proceeds to invest into the development of a biomass power plant. The plant is projected to generate 83 GWh per year for the public electricity system, which will contribute to achieving the renewable energy goals outlined in Portugal’s National Energy Strategy 2020 (ENE 2020). Specifically, the project will contribute to ENE 2020 renewable energy Axis 2 “Betting on Renewable Energy”, which aims to promote the development of a national renewable energy industrial sector including the diversification of renewable energy types and a reduction in external dependence.¹⁴ In addition, the Portuguese government has set national targets of 0.4 GW of biomass installed capacity by 2020, and 0.5 GW by 2030.¹⁵ As of April 2020, biomass energy was providing an estimated 6.4% (265 GWh) of the electricity produced in Portugal, out of 72.1% total renewable energy. In comparison, hydropower represented 38.4%, wind 25.3%, solar 2% while the remaining 27.9% of energy for electricity is still derived from fossil fuels¹⁶, all of which comes from imported sources.¹⁷ Sustainalytics considers the project to contribute to increase the locally produced renewable energy in Portugal.

Furthermore, the project will contribute to two of the broader European 20-20-20 targets, which include (i) 20% reduction in CO₂ emissions compared to 1990 levels; (ii) 20% of the energy, based on consumption, coming from renewables.¹⁸ Sustainalytics believes that the biomass power plant will increase Portugal’s total production of electricity from biomass and contribute to both national and EU renewable energy goals. Sustainalytics views the project as impactful.

Forest fire risk management using residual forest products for biomass

Portugal has one of the highest forest fire risk ratings in Europe and has adopted aggressive policies to help reduce the risk of forest fires.¹⁹ In 2017 more than 500,000 hectares were burned, setting the record for the most land burnt in Portugal. Unmanaged forests and forests with high volumes of residual biomass, which act as fuel for forest fires in excessively dry climates, pose an increased risk for forest fires,²⁰ highlighting the importance of ensuring these materials are managed appropriately. By creating a demand for the use of residual biomass, the SIAF Mangualde biomass energy project has the potential to encourage the management of forests and reduce the overall amount of residual biomass, thereby reducing the risk of forest fires in Portugal. Given, that biomass will be sourced from, inter alia, residual forest materials, Sustainalytics views SIAF Mangualde biomass plant as an important driver of demand for these materials, which can contribute to a reduction of forest fire risk in the Portuguese context.

¹⁰ ISO, “Environmental management systems - Requirements with guidance for use”, at: <https://www.iso.org/standard/60857.html>

¹¹ ISO, “Occupational health and safety management systems – Requirements with guidance for use”, at: <https://www.iso.org/standard/63787.html>

¹² ISO, “Quality management systems – Requirements”, at: <https://www.iso.org/standard/62085.html>

¹³ The Equator Principles, “Designated Countries”, at: <https://equator-principles.com/designated-countries/>

¹⁴ National Energy Strategy 2020 (ENE 2020) available at: <https://www.iea.org/policiesandmeasures/pams/portugal/name-24739-en.php>

¹⁵ APA, “Plano Nacional Energia e Clima 2021-2030 (PNEC 2030)”, (2019), at:

https://apambiente.pt/_zdata/Alteracoes_Climaticas/Mitigacao/PNEC/PNEC%20PT_Template%20Final%202019%2030122019.pdf

¹⁶ APREN, “Electricity Generation by Energy Sources in Mainland Portugal (April 2020)”, at: <https://www.apren.pt/en/renewable-energies/production>

¹⁷ MDPI, “An Overview of the Portuguese Energy Sector”, (2018), at: <https://www.mdpi.com/1996-1073/11/12/3259/pdf>

¹⁸ EC, “2020 Climate & Energy Package”, (2020), at: https://ec.europa.eu/clima/policies/strategies/2020_en

¹⁹ SCP, “Portugal forest fire facts”, at: <https://www.safecommunitiesportugal.com/forest-fires/>

²⁰ Science Daily, “Wildfires set to increase: could we be sitting on a tinderbox in Europe?”, (2018), at:

<https://www.sciencedaily.com/releases/2018/03/180307100722.htm>

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. This green bond advances the following SDG goal and target:

Use of Proceeds Category	SDG	SDG target
Renewable Energy	7. Affordable and clean energy	7.2. By 2030, increase substantially the share of renewable energy in the global energy mix

Conclusion

SIAF has developed the SIAF Green Bond Framework under which it will issue green bonds and the use of proceeds to finance the construction of the biomass power plant project in Mangualde. Sustainalytics considers that the project funded by the green bond proceeds will provide positive environmental impact.

The SIAF Green Bond Framework outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that the SIAF Green Bond Framework is aligned with the overall sustainability strategy of the company and that the green use of proceeds category will contribute to the advancement of the UN Sustainable Development Goals 7. Additionally, Sustainalytics is of the opinion that SIAF has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the use of proceeds.

Based on the above, Sustainalytics is confident that Sociedade de Iniciativa e Aproveitamento Florestais S.A. is well-positioned to issue green bonds and that the SIAF Green Bond Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2018.

Appendices

Appendix 1: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name: Sociedade de Iniciativa e Aproveitamento Florestais S.A.

Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: SIAF Green Bond Framework

Review provider's name: Sustainalytics

Completion date of this form: July 30, 2020

Publication date of review publication:

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (*if applicable*)

Please refer to Evaluation Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (if applicable):

The eligible category for the use of proceeds, Renewable Energy, is aligned with those recognized by the Green Bond Principles 2018. Sustainalytics considers that the eligible category will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 7.

Use of proceeds categories as per GBP:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Renewable energy | <input type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input type="checkbox"/> Other (please specify): |

If applicable please specify the environmental taxonomy, if other than GBPs:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

Sociedade de Iniciativa e Aproveitamento Florestais S.A.'s internal process in evaluating and selecting projects is managed by the Finance department. Projects are evaluated and selected based on their alignment with the eligibility criteria outline in the Framework. Capwatt's Business Development department presents potential projects, the Finance Department of Sonae Capital evaluates the projects against the eligibility criteria and the Capwatt Board of Directors makes the final approval on project selection. Sustainalytics considers the project selection process in line with market practice.

Evaluation and selection

- | | |
|---|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
|---|---|

- Defined and transparent criteria for projects eligible for Green Bond proceeds
- Documented process to identify and manage potential ESG risks associated with the project
- Summary criteria for project evaluation and selection publicly available
- Other (*please specify*):

Information on Responsibilities and Accountability

- Evaluation / Selection criteria subject to external advice or verification
- In-house assessment
- Other (*please specify*):

3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

Sociedade de Iniciativa e Aproveitamento Florestais S.A.'s processes for management of proceeds is handled by the Finance Department at Sonae Capital Group, the indirect owner of Sociedade de Iniciativa e Aproveitamento Florestais S.A. All proceeds will be allocated and tracked through an internal management system that defines the destination of cash-flows, sets reserved accounts for unallocated proceeds and periodically adjusts the net proceeds. SIAF may invest unallocated proceeds according to its liquidity and/or liability management activities. The allocation timeframe will be six months Sustainalytics considers this process to be aligned with market practice.

Tracking of proceeds:

- Green Bond proceeds segregated or tracked by the issuer in an appropriate manner
- Disclosure of intended types of temporary investment instruments for unallocated proceeds
- Other (*please specify*):

Additional disclosure:

- Allocations to future investments only
- Allocations to both existing and future investments
- Allocation to individual disbursements
- Allocation to a portfolio of disbursements
- Disclosure of portfolio balance of unallocated proceeds
- Other (*please specify*):

4. REPORTING

Overall comment on section (*if applicable*):

Sociedade de Iniciativa e Aproveitamento Florestais S.A. intends to report allocation proceeds, on Sonae Capital's website, on an annual basis until full allocation. The total amount of allocation, a description of the project will be reported on and, in the event any proceeds are unallocated they will also be reported on. In addition, Sociedade de Iniciativa e Aproveitamento Florestais S.A. is committed to reporting on relevant

impact metrics. Sustainalytics views Sociedade de Iniciativa e Aproveitamento Florestais S.A.'s allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:

- Project-by-project
 On a project portfolio basis
 Linkage to individual bond(s)
 Other (*please specify*):

Information reported:

- Allocated amounts
 Green Bond financed share of total investment
 Other (*please specify*):

Frequency:

- Annual
 Semi-annual
 Other (*please specify*):

Impact reporting:

- Project-by-project
 On a project portfolio basis
 Linkage to individual bond(s)
 Other (*please specify*):

Information reported (expected or ex-post):

- GHG Emissions / Savings
 Energy Savings
 Decrease in water use
 Other ESG indicators (*please specify*):

Use of Proceeds category	Examples of proposed impact metrics
Renewable and Clean Energy	<ul style="list-style-type: none"> ▪ Installed renewable energy capacity (MW) ▪ Expected annual renewable energy generation (MWh) ▪ Estimated annual GHG emission avoided or reduced (tCO₂e)
Integrated Pollution Prevention and Control	<ul style="list-style-type: none"> ▪ Reduction of biomass waste in the forest ▪ Estimated annual GHG emission avoided or reduced (tCO₂e) ▪ Emissions of nitrogen oxides (NO_x), sulphur dioxide (SO₂), hydrochloric acid (HCl), hydrofluoric acid (HF) and Suspended Particles

Frequency

- Annual Semi-annual
 Other (please specify):

Means of Disclosure

- Information published in financial report Information published in sustainability report
 Information published in ad hoc documents Other (please specify):
 Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review):

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

<https://www.sonaecapital.pt/en/sonae-capital/sustainability>

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- Consultancy (incl. 2nd opinion) Certification
 Verification / Audit Rating
 Other (please specify):

Review provider(s):

Date of publication:

ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

- i. Second Party Opinion: An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- ii. Verification: An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- iii. Certification: An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. Green Bond Scoring/Rating: An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as

a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

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The issuer is fully responsible for certifying and ensuring the compliance with its commitments, for their implementation and monitoring.

In case of discrepancies between the English language and translated versions, the English language version shall prevail.

Sustainalytics

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