



Second-Party Opinion

Famur Green Bond Framework

Evaluation Summary

Sustainalytics is of the opinion that the Famur Green Bond Framework is credible and impactful and aligns to the four core components of the Green Bond Principles 2021. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds – Renewable Energy, Investments in the green energy transformation, and Energy Efficiency – are aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments in the eligible categories will lead to reduced greenhouse gas emissions and increased use of renewable energy which advance the UN Sustainable Development Goals, specifically SDGs 7 and 9.



PROJECT EVALUATION / SELECTION The Famur Group’s internal process in evaluating and selecting projects is managed by the Green Bond Committee (the “Committee”). The Committee is comprised of representatives from Finance, Business Development, Environment Protection, the Management Board and the Legal Department. It is responsible for evaluation and qualification of projects and the Management Board presides over it for final approval. Famur has a due diligence process to screen, manage and mitigate environmental and social risk which are applicable for all allocations under the Framework. Sustainalytics considers the project selection process in line with market practice.



MANAGEMENT OF PROCEEDS The Famur Group’s processes for management of proceeds is supervised by the Finance department. The Group intends to track and monitor the allocation of proceeds to eligible projects via its ERP system. Famur may temporarily hold unallocated proceeds in cash, liquid term deposits with commercial banks and units of debt mutual funds. This is in line with market practice.



REPORTING The Famur Group intends to report on allocation of proceeds on its website on an annual basis until full allocation. Allocation reporting will include information such as allocated proceeds, unallocated proceeds, types of projects financed, and the environmental impact of financed projects. In addition, The Famur Group is committed to reporting on relevant impact metrics which will include estimated annual reduced/avoided greenhouse gas (GHG) emissions (tCO2e) and renewable energy generation (GWh). Sustainalytics views The Famur Group’s allocation and impact reporting as aligned with market practice.

Evaluation Date September 20, 2021

Issuer Location Katowice, Poland

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Introduction

The Famur Group (“Famur”, or the “Group”) is a manufacturer and supplier of mining machinery and equipment in Europe founded in 1992. The Group has its headquarters in Katowice, Poland with approximately 2,500 employees. Famur is currently entering the large-scale photovoltaics (PV) generation market and end-to-end implementation of PV projects for the B2B market.

Famur has developed the Famur Green Bond Framework (the “Framework”) under which it intends to issue one or more green bonds and use the proceeds to finance and/or refinance, in whole or in part, existing and/or future projects that supports Famur’s efforts to advance the transition to a low-carbon economy. The Framework defines eligibility criteria in three areas:

1. Renewable Energy
2. Investments in the Green Energy Transformation
3. Energy Efficiency

Famur engaged Sustainalytics to review the Famur Green Bond Framework, dated September 2021, and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP).¹ This Framework will be available 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 project categories are credible and impactful.

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

- The Framework’s alignment with the Green Bond Principles 2021, as administered by ICMA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- 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 1.10.1, 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 Famur’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. Famur representatives have confirmed (1) they understand it is the sole responsibility of Famur 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 Famur.

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.

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 Famur Green Bond Framework is available on The Famur Group’s website at: <https://famur.com/en/investor-relations-1>

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.

In addition, the Second-Party Opinion opines on the potential 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 or completeness of any facts or statements and related surrounding circumstances that Famur has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

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

Sustainalytics is of the opinion that the Famur Green Bond Framework is credible and impactful and aligns to the four core components of the GBP. Sustainalytics highlights the following elements of Famur's Green Bond Framework:

- Use of Proceeds:
 - The eligible categories – Renewable Energy, Investment in the Green Energy Transformation and Energy Efficiency – are aligned with those recognized by the GBP. Sustainalytics notes that the proceeds issued under the Framework can contribute to Poland's transition to a low-carbon economy by improving energy infrastructure and financing the renewable sector.
 - Famur will use proceeds for acquisitions, share purchase and capital support for newly acquired green pure-play companies. Pure-play companies derive more than 90% of revenues from eligible green activities. Famur will target companies in the following sectors: Renewable Energy, Energy Efficiency and Clean Transport. Famur intends to establish a refinancing look-back period of one year from the date of issuance and intends to adopt a portfolio approach for the allocation of proceeds.
 - Within the Renewable Energy and Energy Efficiency categories, Famur may finance and/or refinance projects or companies involved in the following:
 - Renewable energy generation including solar PV, wind, bioenergy from biomass and biogas, hydrogen,⁴ and electrochemical energy storage systems, as well as transmission and distribution infrastructure. For distribution and transmission, Famur intends to connect renewables to the power grid or support at least 90% renewable electricity. Additionally, Famur aims to source biomass feedstocks that are sustainably sourced from waste products or, if they are non-waste, it will comply with the criteria in Article 29 of Directive (EU) 2018/2001 which points sustainability and greenhouse gas emissions saving criteria for biofuels, bioliquids and biomass fuels. Sustainalytics positively views the feedstock sourcing criteria and considers this to be aligned with market practice.
 - Installation of on-site solar PVs and energy efficient technologies such as smart control systems, new windows, lighting, ventilation systems, and technologies that aim to improve the energy efficiency of the Group's branches. The Issuer is targeting an energy efficiency improvement of 30%, which is viewed positively.
 - Energy efficiency activities, which may include the production and distribution of district heating,⁵ cogeneration facilities (CHP) powered by bioenergy,⁶ solar or and geothermal energy with an emission threshold of less than 100gCO₂/kWh. Sustainalytics considers this to be in line with market practice.
 - The development, manufacture and installation of technologies (e.g. smart meters, smart grids and energy efficient HVAC) that enable more efficient end-user demand management.

⁴ Hydrogen produced from renewable energy (green hydrogen) or by electrolysis.

⁵ For any financing of district heating distribution networks, they will be >50% renewables powered and/or waste-heat. Use of waste heat from waste-to-energy generation plants or industrial plants excluding hard-to-abate industries.

⁶ For bioenergy Famur intends to comply with the criteria laid down in Article 29 of Directive (EU) 2018/2001 which highlights the sustainability and greenhouse gas emissions saving criteria for biofuels, bioliquids and biomass fuel.

- In the Clean Transportation category, the Group intends to invest in the development, construction, operation, maintenance and the upgrades of zero-carbon and low-carbon transport assets. This may include:
 - Low-carbon passenger transport with direct emission less than 50gCO₂/km until 2025. From 2026 onwards, investment in vehicles only with 0gCO₂/km.
 - Low-carbon freight vehicles with direct emission intensity of less than 25gCO₂/tonne-km. Sustainalytics notes these thresholds are in line with market practice.
 - Infrastructure for mass transportation (expansion of train/metro networks, projects in relation to capacity improvement, station upgrades), excluding parking lots, roads and infrastructure not related to general road infrastructure.
- Project Evaluation and Selection:
 - Famur's internal process in evaluating and selecting projects is managed by a dedicated Green Bond Committee (the "Committee"), which is comprised of representatives from Finance, Business Development, Environment Protection, the Management Board and the Legal Department.
 - The initial pre-selection process is carried out by a technical team with specialized knowledge in the relevant sectors. The pre-selection assessment is intended to identify projects and assets that are aligned with the Framework's eligibility criteria. Selected companies and projects are then presented to the Committee for verification and acquisition assessment.
 - The results of the evaluation conducted by the Committee are reported to the Management Board. If a company ceases to meet the eligibility criteria, then, upon the recommendation of the Committee, the proceeds will be reallocated to other eligible assets by Famur.
 - Evaluation of relevant projects will also be subject to Famur's existing policies and procedures when assessing perceived social and/or environmental risks associated with such projects and ensuring compliance with local, national and international laws and regulation. For additional detail, see Section 2.
 - Based on the delegation of responsibility and risk management processes, Sustainalytics considers this evaluation and selection approach to be in line with market practice.
- Management of Proceeds:
 - The proceeds of the bond will be managed by a separate organizational unit which will be set up under the supervision of the Finance Department. The Group intends to track and monitor the allocation of proceeds to eligible projects via its ERP system.
 - Famur will manage the net proceeds of the funds on a portfolio basis under the management of the Green Bond Committee. The assumed allocation of funds from Green Bonds will be used for the purposes of new Green Projects and for the refinancing of already successful projects with a maximum one-year retrospective period prior to issuance date.
 - As long as the applicable Green Bonds are outstanding, Famur will strive to to achieve a level of allocation for the Green Project Portfolio. Famur will strive, over time, to achieve a level of allocation to the portfolio of Eligible Green Projects which matches the balance of proceeds from its outstanding Green Bond issuance. Any unallocated proceeds will either be held in cash, or liquid term deposits with commercial banks, or units of debt mutual funds.
 - Based on defined management approach and disclosure around the temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - Famur intends to report on the allocation and impact of proceeds on its website on an annual basis until full allocation. The allocation reporting will include details such as total amount of green bond proceeds allocated to each eligible category, the environmental effects of projects and the balance of unallocated proceeds. In addition, Famur is committed to reporting on relevant impact metrics, including the total renewable energy generation (GWh), and the estimated avoided GHG emissions (tCO₂e). For an exhaustive list of impact metrics, please refer to Appendix 1: Green Bond/Green Bond Programme External Review Form. Based on commitments to both impact and allocation reporting, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2021

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

Section 2: Sustainability Strategy of Famur

Contribution of framework to The Famur Group's sustainability approach

Sustainalytics is of the opinion that Famur demonstrates a commitment to sustainability through its focus on four main 'Green Goals' that the group has set, which include (i) constructing large-scale PV solar farms (with minimum 100 MW capacity) by 2028, (ii) reducing the Group CO₂ emissions, (iii) increasing participation in renewable energy projects and (iv) to improve energy efficiency in Famur's business processes. To achieve them, Famur has started investing in green projects and aims to reduce the share of thermal coal business in its revenue to less than 30% by the end of 2024.⁷ In December 2020, the Group signed a letter of intent with an investment firm on a joint project to implement solar PV farms of around 187 MW, and embarked on a project in 2021 to build a renewable energy arm for Group.⁷

Furthermore, as part of Famur's 'Go Green Strategy', the Group has identified eight priority and five opportunistic sectors that it intends to invest in through acquisitions. The eight priority sectors include PV, wind energy, energy transmission and distribution and storage, HVAC, CHP, smart metering and smart grids. The five opportunistic sectors include biomass and biogas, energy service company, electromobility, renewable energy recycling and hydrogen.

Sustainalytics recognizes the importance of the commitments by Famur and encourages the Group to develop time bound quantitative GHG emission reduction targets.

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

While Sustainalytics recognizes that the net proceeds from the bond issued under the Framework will be directed towards eligible projects that are expected to have positive environmental impact, Sustainalytics is aware that such eligible projects could lead to negative environmental and social outcomes. Some key risks could include occupational health and safety as well as land use and biodiversity issues associated with large-scale development, and stakeholder participation.

Sustainalytics is of the opinion that Famur is able to manage and/or mitigate potential risks through implementation of the following:

- Poland and other EU states in which Famur operates are recognized as "Designated Countries" by the Equator Principles. This implies the presence of a robust environment and social governance systems, legislation and institutional capacity for protecting the environment and communities.⁵ Adherence to permitting and safety requirements relevant to the regulatory environment in the jurisdictions is important in which its projects are sited.
- Occupational Health and Safety: In addition to the Equator Principles, some of the Famur subsidiaries have implemented Integrated Management Systems (IMS) to ensure the required quality of their products and services. Annual surveillance audits and re-certification audits are carried out every three years by accredited certification bodies for continuous improvement of IMS which mitigates environmental impacts and fosters occupational health and safety.⁴ Furthermore, Famur has put in place the due diligence procedures to support the 'zero accident' policy.⁴
- Land use and Biodiversity: Famur analyses, on a case-by-case basis, whether the applicable environmental protection standards and requirements are met when new machinery and equipment is purchased.⁴ With an objective to deliver a product to minimize adverse environmental impacts, the Group meets the legal requirements applicable in the European Union and conducts its operations in accordance with the ISO 14001 standard.⁴ ISO 14001:2015 specifies the requirements for an environmental management system that an organization can use to enhance its environmental performance and is intended for use by an organization seeking to manage its environmental responsibilities in a systematic manner that contributes to the environmental pillar of sustainability.⁶
- Stakeholder Participation: According to Poland's Environmental Impact Assessment Act, companies must perform an environmental risk assessment for all construction, reconstruction, expansion or refurbishment projects during the initial phase of project design and feasibility analysis. Moreover, the Polish Act mandates that companies undergo an independent and certified environmental

⁷ Famur, "Integrated Report of The Famur Group for 2020", (2020) at: https://famur.com/media/strategia/INTEGRATED%20RAPORT%20OF%20THE%20FAMUR%20GROUP_2020_final.pdf

impact assessment agency to avoid a potential conflict of interest, including the interest of local communities.^{8,9}

Based on these policies, standards and assessments, Sustainalytics is of the opinion that Famur 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

All three use of proceeds categories are aligned with those recognized by the GBP. Sustainalytics has focused on two below where the impact is specifically relevant in the local context.

The importance of promoting renewable energy use in Poland

To achieve the goals of the Paris Climate Agreement experts estimate that that the share of the world’s energy supply from renewables must be at least 65%. The European Union, of which Poland is a member, has committed to 32% of energy supply from renewables as part of its commitment to reduce total GHG emissions by 40% by 2030 (compared to 1990 levels).^{10,11,12} The energy transition is gaining momentum in Poland including through development of solar and offshore wind power projects. With significant potential to increase its proportion of renewable energy sources, Poland is rapidly developing the renewable energy sector, especially with solar PVs.

Sustainalytics is of the opinion that investments in solar power projects by Famur will contribute to sustainably diversifying Poland’s energy mix while supporting the European and global GHG emission reduction targets.

Importance of increasing the energy efficiency of the Polish economy

According to “Energy Policy of Poland until 2040” (PEP2040), energy efficiency is one of the country’s three major energy priorities. Poland has planned to improve its energy efficiency by 23% compared to 2007.¹³ Deployment of funds from the EU have improved energy efficiency through the past decade, especially in the area of modernization of street lighting, buildings and advancement of industrial processes.¹⁴ Furthermore, the country is pursuing two policy objectives: (i) to achieve zero-energy economic growth (i.e. economic growth with no extra demand for primary energy) and (ii) to reduce the energy intensity of Polish economy.¹⁵ These policy aims to completing more specific objectives, such as enhancing efficiency of power generation, limiting grid loss during transmission and distribution by improving the existing grid; and replacing low efficiency transformers. Sustainalytics considers these projects impactful, contributing to improve Poland’s economy energy efficiency and achieving economic growth without demand for primary energy.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 by the United Nations General Assembly and form an agenda for achieving sustainable development by the year 2030. The bond(s) issued under the Famur Green Bond Framework advances the following SDGs and targets:

| 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 9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and |

⁸ Polish Law, at: https://www.paih.gov.pl/polish_law/environmental_impact_assessment

⁹ Bochniarz, Z (2006), “The Environment and sustainable development in the Central Europe”, Researchgate, at: https://www.researchgate.net/publication/288746445_The_environment_and_sustainable_development_in_the_new_Central_Europe

¹⁰ International Renewable Energy Agency (IRENA), “Renewable Energy: A Key Climate Solution”, (2017), at: https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2017/Nov/IRENA_A_key_climate_solution_2017.pdf?la=en&hash=A9561C1518629886361D12EFA11A051E004C5C9811

¹¹ The European Union and Its Member States, Intended Nationally Determined Contribution of the EU and its Member States, March 2015, at: <https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Poland%20First/LV-03-06-EU%20INDC.pdf>

¹² Commission assessment of the draft National Energy and Climate Plan 2021-2030, at: https://ec.europa.eu/energy/sites/ener/files/documents/necp_factsheet_pl_final.pdf

¹³ Poland - Energy sector, at: <https://www.trade.gov/country-commercial-guides/poland-energy>

¹⁴ Poland’s Energy Efficiency, at: <https://www.trade.gov/market-intelligence/polands-energy-efficiency>

¹⁵ Ministry of Economy, “Energy Policy of Poland until 2030”, (2009), at: <https://www.lse.ac.uk/GranthamInstitute/wp-content/uploads/laws/1564%20English.pdf>

| | | |
|--|--|--|
| | 9. Industry, innovation and Infrastructure | transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all |
| Investments in the green energy transformation | 7. Affordable and clean energy | 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix |
| Energy Efficiency | 7. Affordable and clean energy 9. Industry, innovation and Infrastructure | 7.3 By 2030, double the global rate of improvement in energy efficiency 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities |

Conclusion

Famur Group has developed the Famur Green Bond Framework under which it may issue green bonds and use the proceeds to finance grid transformation, energy efficiency and renewable energy assets. Sustainalytics considers that the projects and activities funded by the green bond proceeds are expected to have provide positive environmental impact.

The Famur Group 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 Famur Green Bond Framework is aligned with the overall sustainability strategy of the Group and that the green use of proceeds categories will contribute to the advancement of the UN Sustainable Development Goals 7 and 9. Additionally, Sustainalytics is of the opinion that Famur has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the proceeds.

Based on the above, Sustainalytics is confident that Famur Group is well-positioned to issue green bonds and that the Famur Green Bond Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2021.

Appendix

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

Section 1. Basic Information

Issuer name: The Famur Group

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

Review provider's name: Sustainalytics

Completion date of this form: September 20, 2021

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 GBP:

- | | |
|--|--|
| <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 categories for the use of proceeds Renewable Energy, Investments in the green energy transformation, and Energy Efficiency are aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments in the eligible categories will lead to reduced greenhouse gas emissions and increased use of renewable energy which advance the UN Sustainable Development Goals, specifically SDGs 7 and 9.

Use of proceeds categories as per GBP:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Renewable energy | <input checked="" 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 checked="" 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 GBP | <input type="checkbox"/> Other (please specify): |

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

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

The Famur Group's internal process in evaluating and selecting projects is managed by the Green Bond Committee (the "Committee"). The Committee is comprised of representatives from Finance, Business Development, Environment Protection, the Management Board and the Legal Department. It is responsible for evaluation and qualification of projects and the Management Board presides over it for final approval. Famur has a due diligence process to screen, manage and mitigate environmental and social risk which are applicable for all allocations under the Framework. 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 |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input type="checkbox"/> 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*):

The Famur Group's processes for management of proceeds is supervised by the Finance department. The Group intends to track and monitor the allocation of proceeds to eligible projects via its ERP system. Famur may temporarily hold unallocated proceeds in cash, liquid term deposits with commercial banks and units of debt mutual funds. This is in line 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*):

The Famur Group intends to report on allocation of proceeds on its website on an annual basis until full allocation. Allocation reporting will include information such as allocated proceeds, unallocated proceeds, types of projects financed, and the environmental impact of financed projects. In addition, The Famur Group is committed to reporting on relevant impact metrics which will include estimated annual reduced/avoided greenhouse gas (GHG) emissions (tCO₂e) and renewable energy generation (GWh). Sustainalytics views The Famur Group's allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Project-by-project | <input type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (<i>please specify</i>): |

Information reported:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Allocated amounts | <input type="checkbox"/> Green Bond financed share of total investment |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Frequency:

- | | |
|---|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Impact reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (<i>please specify</i>): |

Information reported (expected or ex-post):

- | | |
|---|--|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input checked="" type="checkbox"/> Energy Savings |
| <input type="checkbox"/> Decrease in water use | <input type="checkbox"/> Other ESG indicators (<i>please specify</i>): |

Frequency

- | | |
|---|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Means of Disclosure

- | | |
|---|--|
| <input type="checkbox"/> Information published in financial report | <input checked="" type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents | <input type="checkbox"/> Other (<i>please specify</i>): |
| <input type="checkbox"/> 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.)

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE
Type(s) of Review provided:

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

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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