

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Green Finance Framework

Pacifico Renewables Yield AG
08 October 2021

VERIFICATION PARAMETERS

Type(s) of Framework contemplated	<ul style="list-style-type: none">Green Finance Framework
Relevant standards	<ul style="list-style-type: none">Green Bond Principles (2021), as administered by ICMA, Green Loan Principles (2021), as administered by LMA, EU Taxonomy Delegated Act (June 2021), and the proposed European Green Bond Standard (European GBS) (July 2021)
Scope of verification	<ul style="list-style-type: none">Pacifico Renewables Yield AG Green Finance Framework (as of February 8, 2022¹)
Lifecycle	<ul style="list-style-type: none">Pre-issuance verification
Validity	<ul style="list-style-type: none">As long as the Green Finance Framework remains unchanged

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Scope of work

Pacifico Renewables Yield AG (hereafter, “Pacifico Renewables”, “the Group” or “the issuer”) commissioned ISS ESG to assist with its Green Finance Framework by assessing three core elements to determine the sustainability quality of the instrument:

1. Green Finance Framework link to Pacifico Renewables’ sustainability strategy – drawing on Pacifico Renewables’ overall sustainability profile and issuance-specific Use of Proceeds categories.
2. Pacifico Renewables’ Green Finance Framework (as of February 8, 2022²) – benchmarked against the International Capital Market Association’s (ICMA) Green Bond Principles (GBPs) (June 2021), Loan Management Association’s (LMA) Green Loan Principles (GLPs) (February 2021) and proposed European Green Bond Standard (European GBS) (July 2021).
3. The eligible project categories – whether they contribute positively to the UN SDGs and are aligned with the EU Taxonomy Technical Screening Criteria (including the Climate Change Mitigation Criteria and Do No Significant Harm Criteria) (June 2021) and Minimum Social Safeguards requirements.

² The SPO was updated with minor Framework formatting updates in February 2022

ISS ESG ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION ¹
Part 1: Green Finance Framework' link to issuer's sustainability strategy	<p>Pacifico Renewables is a Germany-based renewable energy company focused on the acquisition and operation of solar power plants and onshore wind farms.</p> <p>ISS ESG finds that 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 a green bond is clearly described by the issuer.</p>	Consistent with issuer's sustainability strategy
Part 2: Alignment with GBP's, GLPs, proposed European GBS (July 2021)	<p>The issuer has defined a formal concept for its Green Finance Framework 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, Green Loan Principles, and aligned on a "best efforts" basis with the proposed European GBS (July 2021).</p>	Aligned
Part 3: Sustainability quality of the Selection Criteria	<p>The overall sustainability quality of the selection criteria in terms of sustainability benefits, risk avoidance and minimisation is good based upon the ISS ESG assessment. The green finance Framework will (re-)finance eligible asset categories which include: renewable energy and energy efficiency.</p> <p>Those use of proceeds categories have a positive contribution to SDGs 7 "Affordable and clean energy" and 13 "Climate action".</p> <p>ISS ESG assessed the alignment of Pacifico Renewables' due diligence processes and policies against the requirements of the EU Taxonomy (Delegated Act of June 2021). Based on robust processes for selection, the nominated project categories are considered to be aligned, with the EU Taxonomy and the relevant activity-specific Technical Screening Criteria, including the Climate Change Mitigation Criteria, the Do No Significant Harm Criteria and the Minimum Social Safeguards requirements.</p>	Positive

¹ ISS ESG's evaluation is based on Pacifico Renewables' Green Finance Framework (as of October 7th, 2021), on the analysed selection criteria, and on the ISS ESG Indicative Corporate Rating applicable at the SPO delivery date. The SPO was updated with minor Framework formatting updates in February 2022

ISS ESG SPO ASSESSMENT

PART I: GREEN FINANCE FRAMEWORK LINK TO THE ISSUER'S SUSTAINABILITY STRATEGY

A. ASSESSMENT OF PACIFICO RENEWABLES' ESG PERFORMANCE

Methodological note: Please note that *Pacifico Renewables* 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 Renewable Electricity sector based on publicly available information exclusively. 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: Renewable Electricity

Key Issues of the industry

1. Products and services providing environmental benefits
2. Environmental risks and impacts of operations
3. Labour standards and working conditions
4. Business ethics
5. Stakeholder dialogue

Indicative ESG risk and performance assessment

For a solar and wind power plants operator, one of the key sustainability issues is to ensure the safety of employees, contractors and business partners involved in the construction, operation and maintenance of its power plants. Pacifico Renewables has less than 10 employees (as at December 31, 2020) and its assets are almost exclusively located in countries where high legal health and safety requirements are in place (Germany, Italy, Czech Republic and the Netherlands). Yet, it remains unclear whether the company has implemented adequate management procedures addressing risks related to labour rights and working conditions in its supply chain. In addition, the company may face risks related to the potential opposition of local communities towards utility-scale renewable energy projects. Pacifico Renewables does not demonstrate the active management of these risks by systematically implementing community outreach and consultation measures such as prior information on potential impacts, and grievance mechanisms. While environmental risks related to its projects are limited in contrast to conventional power generation plants, the company is in the process of developing environmental impact assessment criteria for its new plants.

Indicative product portfolio assessment

Social impact of the product portfolio

The operation of utility-scale renewable energy plants is considered to have neither a positive nor a negative social impact.

Environmental impact of the product portfolio

Pacifico Renewables is a Germany-based renewable energy company focused on the acquisition and operation of solar power plants and onshore wind farms. In 2020, solar and wind power generation accounted for 79% and 21% of the company's total revenues respectively. Besides its core operations, Pacifico Renewables is involved in the development of battery storage facilities, however, this business activity does not provide any revenue yet. Power generation from renewable energy sources, such as solar and wind, contributes significantly to the fight against climate change and to the transition towards a more sustainable energy system.

Controversy Assessment

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 Pacifico Renewables being involved in any of the below mentioned controversies.

Industry risks

Based on a review of controversies in the period of 1 January 2019 – 3 August 2021, the greatest risk reported against companies operating in the Alternative Power Generation 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 mitigate climate change impacts, failure to assess environmental impacts, and failure to prevent pollution. This is closely followed by allegations regarding poor stakeholder consultation, failure to respect the right to an adequate standard of living, and failure to respect indigenous rights.

B. CONSISTENCY OF GREEN FINANCE FRAMEWORK WITH PACIFICO RENEWABLES' SUSTAINABILITY STRATEGY

Key sustainability objectives and priorities defined by the issuer

Pacifico Renewables' overall goal is to accelerate the energy transition by applying established technologies in the most competitive way. The company identifies three main areas, where it believes it can have a significant impact – the environment, people, and partners. To address these impacts, the Sustainability Framework is composed of three pillars, which serve as the foundation for the Group's sustainability strategy.

First pillar: The Environment – Delivering renewable energy in a sustainable and efficient way

The first pillar includes Pacifico Renewables' goal to not only generate more electricity from renewable sources (Scope 1 and 2²), but also to mitigate potential adverse consequences its operations might have on the environment, such as business travels (Scope 3).

² Scope 1 and Scope 2 are part of the Greenhouse Gas Protocol corporate standard, which is the leading emissions calculation standard. Scope 1 emissions are direct emissions emitted by Group-controlled resources, including vehicles, the consumption of fuels, heating and cooling, as well as, emissions from industrial processes. Scope 2 emissions are indirect emissions from the consumption of purchased electricity, steam, heat and cooling.

Additionally, Pacifico Renewables also acknowledges that its projects might have an adverse negative impact on the local environment. Hence, the Group claims to be committed to the protection of biodiversity and the preservation of natural habits.

To achieve the pillar goal to deliver renewable energy in an efficient and sustainable way the Group has set the following targets:

- Increase renewable energy capacity to 400 MW by 2023 (July 2021: 104 MW)
- Increase share of renewable energy of plant energy consumption to 75% by 2023 (2020: 56.2%)
- Perform, by the end of 2021, a GHG assessment for Scope 1 and 2 emissions
- Track, by the end of 2021, travel-related CO2 emissions per employee
- Develop, by the end of 2021, an environmental management system
- Develop, by the end of 2021 assessment criteria to identify potential adverse impacts on the biodiversity of the land that the Group's new renewable energy plants are built on

Second pillar: The People – Foster talent, communities & digitalization

The second pillar is about the Group's goal to foster talent, communities and digitalization as much as possible. Pacifico Renewables intends to increase its social impact beyond the scope of its direct operations by engaging with and supporting social impact organizations with the goal to improve the communities where the Group operates in and that Pacifico Renewables' employees live in. Further, this pillar includes the Group's effort to promote diversity and non-discrimination, employee well-being and social compliance, as well as the Group's social engagement with civil society. With that in mind, Pacifico Renewables states to be fully committed to provide employees with training and education programs to enable them to fully reach their potential.

Pacifico Renewables has also recently developed and introduced a code of conduct, a number of policies and guidelines including an anti-corruption guideline and capital markets policy which aim to assure compliance with laws and regulations.

Third pillar: The Partners – Be a responsible renewable energy platform

The third pillar is defined by Pacifico Renewables' goal to be a responsible renewable energy platform. The Group identifies having partnerships with stakeholders covering various areas of the value chain as key factor. As a potential buyer of newly developed projects, Pacifico Renewables intends to have a positive impact not only by helping developers recycle development capital efficiently, but also by influencing key design choices during the development phase.

Relatedly, the Group has identified Anti-Corruption and Sustainability in the Value Chain as material topics. Pacifico Renewables plans in 2021 to introduce an external partner code of conduct and to perform a supply chain analysis focused on human rights and working conditions.

Additionally, following the globally recognized Global Reporting Initiative (GRI) Standards, the Group has recently published its first sustainability report to grant the Group's stakeholders insight into how Pacifico Renewables manages and reports its progress on sustainability-related topics.

Rationale for issuance

Pacifico Renewables has developed a Green Finance Framework (“Framework”) in order to attract specific funding to (re-)finance assets and/or investments that contribute to the UN SDGs and the EU Environmental Objective of Climate Change Mitigation in particular.

The issuance of green finance instruments complements and supports Pacifico Renewables' sustainability strategy, including its stated target to increase the Group's wind and solar portfolio to 400 MW by 2023. This Framework enables Pacifico Renewables to issue “Green” labelled sustainable finance instruments, including bonds, private placements, and loan facilities. For an instrument to be labelled as “Green”, it shall follow a clear and transparent set of criteria (the “eligibility criteria”) as defined in Part II of this report.

Contribution of Use of Proceeds categories to sustainability objectives and priorities

ISS ESG mapped the Use of Proceeds categories financed under these Green Finance 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 Renewable Electricity 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. Products and services providing environmental benefits. 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

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 the green finance Framework is clearly described by the issuer.

PART II: ALIGNMENT WITH GREEN BOND PRINCIPLES (GBP), GREEN LOAN PRINCIPLES (GLP), PROPOSED EUROPEAN GREEN BOND STANDARD (GBS)

1. Use of Proceeds

Funds raised through Green financial instruments issued under this Framework will be allocated to finance or refinance³, in whole or in part, a variety of assets and/or investments (“Eligible Projects”) with the aim to further contribute to the Group’s sustainability goals and the actions as set out under Pacifico Renewables’ selected UN SDGs.

Eligible Projects are required to meet the eligibility criteria as described in the table below. Those are based on the ICMA Green Bond Principles (2021), mapped against the UN SDGs and aligned with the Technical Screening Criteria as set out on the EU Taxonomy for Sustainable Economic Activities.

GBP/GLP CATEGORY	ELIGIBILITY CRITERIA	EU-TAXONOMY ECONOMIC ACTIVITY
Renewable Energy	<p>The financing, investment in, and acquisition of renewable energy projects, including solar and on-shore wind energy technologies.</p> <p>This includes activities related to construction, expansion, optimization, operation, and maintenance of solar and onshore wind power plants.</p>	<p>4.1. Electricity generation using solar photovoltaic technology</p> <p>4.3. Electricity generation from wind power</p>
Energy Efficiency	<p>The financing, investment in, and acquisition of battery storage plants.</p> <p>This includes activities related to construction, expansion, optimization, operation, and maintenance of battery storage plants.</p>	4.10. Storage of electricity

Opinion: ISS ESG considers the Use of Proceeds description provided by Pacifico Renewables’ Green Finance Framework as aligned with the GBPs and GLPs. The relevant EU Taxonomy activities are mentioned, and their inclusion is aligned with the requirements of the proposed European GBS (ISS ESG’s assessment of the alignment of the Use of Proceeds descriptions with the EU Taxonomy is presented in Part III).

³ Refinancing is hereby defined as the payback of existing debt or mezzanine instruments

2. Process for Project Evaluation and Selection

Funds will only be allocated to Eligible Projects if they satisfy the eligibility criteria as highlighted above (section II.1.). As per the EU classification system for sustainable economic activities (the “EU Taxonomy”) published in the EU Taxonomy Climate Delegated Act (April 2021), there are no additional thresholds that the activity / project needs to comply with.

In addition to the eligibility criteria, eligible projects need to comply with local laws and regulations, including any applicable environmental and/or social requirements.

The process for evaluation and selection of eligible projects is outlined as following:

- Pacifico Renewables’ internal departments will identify and select projects (existing and in the pipeline) which potentially fulfil the existing eligibility criteria.
- Thereafter, the Green Finance Committee (the “Committee”) will evaluate whether the project satisfies the criteria as outlined in section II.1. and any other applicable laws and regulations.
- The Committee shall also evaluate the contribution of the project to the UN SDGs and the EU Taxonomy.
- Eligible projects are then added to the Portfolio of Eligible Projects, which can subsequently be included in the issuance of any new Green finance instrument.

The Green Finance Committee is composed of members of different departments within Pacifico Renewables, such as the mergers and acquisitions department, the corporate finance department, the legal department and the Sustainability Working Group. Moreover, the Committee is co-chaired by Christoph Strasser, the designated member of the management board for sustainability who is also the Chairman of the Sustainability Working Group and Dr. Martin Siddiqui, member of the management board, and reviews potential projects (to be) included in the Portfolio of Eligible Projects on at least on an annual basis.

Compliance with “do no significant harm” criteria and “minimum safeguards”

The eligible projects financed and / or refinanced through the funds of Green Finance instruments issued under this framework are evaluated and selected based on compliance with the eligibility criteria outlined in section II.1, the sustainability pillars of Pacifico Renewables, the EU environmental objectives, the relevant metrics, thresholds and, where feasible and possible, the do no significant harm (DNSH) criteria of the EU Taxonomy and applicable national, European and international environmental and social standards and regulations (including, amongst others, the ILO core labour conventions), to ensure management of any potential negative environmental and social impacts. Pacifico Renewables also requires projects in its portfolio to be subject to an adequate Environmental Impact Assessments (if and when required by local legislation).

A thorough environmental risk assessment is targeted to be performed in 2021, identified environmental and biodiversity risks should be monitored and mitigated through an environmental management system and social management system which the Group intends to implement subsequently.

Opinion: ISS ESG considers the Process for Project Evaluation and Selection description provided by Pacifico Renewables’ Green Finance Framework as aligned with the GBPs and GLPs. ISS ESG commends

the involvement of different departments and the additional disclosure on the individuals who will have different responsibilities.

3. Management of Proceeds

The proceeds of Green finance instruments will be managed on a portfolio basis by the corporate finance department and the Green Finance Committee. Hence, the Corporate Finance representative of the Sustainability Committee shall keep a register containing an overview of all Green finance instruments (including principal amount, maturity date and pricing), and information related to Eligible Projects allocated to these outstanding instruments (such as IFRS balance sheet value and project names). The allocation of proceeds towards Eligible Projects shall be reviewed and approved by the Sustainability Committee on at least an annual basis and until full allocation.

As long as Green finance instruments issued under this Framework are outstanding, Pacifico Renewables will aim to allocate an amount equivalent to the proceeds of these instruments towards the applicable (sub-)portfolio of Eligible Projects. Shall the Group fail to do so, Pacifico Renewables will invest unallocated proceeds as per the Treasury's general liquidity guidelines and keep the unallocated proceeds on its bank account or invest in short-term interest-bearing securities until new Eligible Projects are approved. Pacifico Renewables commits itself to never invest unallocated funds into instruments that finance GHG intensive activities, or activities that face material ESG issues.

Additionally, in case a specific asset or project is divested, discontinued or does no longer meet the definition of Eligible Project as outlined in section II.1, it will be removed from the Portfolio of Eligible Projects. In such a scenario, Pacifico Renewables will strive to replace the asset with another Eligible Project as soon as reasonably practicable.

Pacifico Renewables aims to allocate proceeds from Green finance instruments within a maximum period of 2 years after issuance.

***Opinion:** ISS ESG finds that Management of Proceeds proposed by Pacifico Renewables' Green Finance Framework is well aligned with the GBPs and GLPs. In particular, several best market practices are followed, such as the 2-year timeframe for the allocation of proceeds, how the unallocated proceeds will be used, and potential treatment of projects which are no longer eligible. The 2-year timeframe also is aligned with the requirements of the proposed European GBS. ISS ESG notes the commitment that unallocated proceeds will not be exposed to GHG intensive activities or activities with material ESG issues, which is best market practice.*

4. Reporting

Allocation reporting

On an annual basis, until full allocation or thereafter in case of any material change, Pacifico Renewables will provide investors with information on the allocation of the net proceeds of the outstanding Green finance instruments. This information – included under an allocation report – shall be made publicly available on the Group's website.

The allocation of proceeds reporting will therefore provide the following information:

- The total outstanding amount (in EURm) of Green finance instruments
- The total amount allocated to the Portfolio of Eligible Projects, including information on:
 - The composition of the portfolio per Eligible Project category
 - A breakdown by geographical area (country level)
 - A breakdown between financing and refinancing
 - A breakdown of the Eligible Assets by nature of what is being financed(assets, capital expenditures)
- The total amount of the Portfolio of Eligible Projects (in EURm, including therefore the unallocated proceeds, if any)
- Statement of alignment with the EU Green Bond Standard (if applicable)

Impact reporting

On an annual basis, Pacifico Renewables will provide investors with information on the environmental impact of the Green finance instruments. This information – included under an impact report – shall be made publicly available on the Group's website.

Where feasible and available, the reporting will provide environmental impact reporting for the Portfolio of Eligible Projects on the impact indicators as outlined below. Methodologies and assumptions used to evaluate the environmental impact will be disclosed as well.

CATEGORY	POTENTIAL IMPACT INDICATORS
Renewable Energy	<ul style="list-style-type: none"> ▪ Installed renewable energy capacity (in MW) ▪ Renewable energy production (in MWh) ▪ Greenhouse gas emission avoidance (in tonnes of CO₂ equivalent) ▪ Selected case studies
Energy efficiency	<ul style="list-style-type: none"> ▪ Total installed battery storage capacity (in MW) and duration (in hours) ▪ Selected case studies

Opinion: ISS ESG finds that the reporting proposed by Pacifico Renewables' Green Finance Framework is aligned with the GBPs and GLPs. The company is transparent on the level of reporting, on its frequency, scope and type of information reported.

5. External review

Pre-issuance verification

Pacifico Renewables has requested ISS ESG to review the Green finance framework, who has provided a pre-issuance verification in the form of a Second Party Opinion. The Second Party Opinion certifies

that the Framework aligns with the core components of the ICMA Green Bond Principles (2021) and aligns with the EU Taxonomy Technical Screening Criteria. The Second Party Opinion is available on the Group's [website](#).

Post-issuance verification

The allocation reporting will be reviewed by an independent verifier (such as an external auditor or consultant), which will provide a post-issuance verification addressing the allocated amount of proceeds towards Eligible Projects.

Both the pre- and post-issuance verification reporting will be publicly available on Pacifico Renewables' [website](#).

Opinion: ISS ESG finds that the External Review proposed by Pacifico Renewables Yield AG's Green Finance Framework is aligned with the GBPs and GLPs. The limited assurance of the allocation reporting meets the requirements of the proposed European GBS, if the external auditor is registered under the proposed European GBS scheme.

PART III: SUSTAINABILITY QUALITY OF THE ISSUANCE

A. CONTRIBUTION OF THE GREEN FINANCE FRAMEWORK TO THE UN SDGs

Based on the assessment of the sustainability quality of the Green Finance Framework and using a proprietary methodology, ISS ESG assessed the contribution of Pacifico Renewables' Green Finance Framework to the Sustainable Development Goals defined by the United Nations (UN SDGs).

This assessment⁴ is displayed on 5-point scale (see Annex 2 for methodology):

Significant Obstruction	Limited Obstruction	No Net Impact	Limited Contribution	Significant Contribution
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Each of the Green Finance Framework' 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
Renewable Energy (Solar and On-Shore Wind)	Significant contribution	 
Energy Efficiency (Battery Storage)	Significant contribution	

⁴ This SDG assessment slightly differs from ISS ESG SDG Assessment Methodology due to the fact that the issuer has aligned with the technical screening criteria of the EU Taxonomy Delegated Act (June 2021).

B. ALIGNMENT OF THE ELIGIBLE GREEN PROJECT CATEGORIES WITH THE EU TAXONOMY

ISS ESG assessed the alignment of Pacifico Renewables' project selection process and company policies for the nominated Use of Proceeds project categories, with the relevant Climate Change Mitigation, Do Not Significant Harm Criteria and Minimum Social Safeguards requirements of the EU Taxonomy Delegated Act⁵ (June 2021), based on information provided by Pacifico Renewables. Where Pacifico Renewables' projects and policies fully meet the Criteria requirements, a tick is shown in the table below, for the ISS ESG assessment against the Criteria requirements.

Pacifico Renewables' nominated project categories overlap with the following economic activities in the EU Taxonomy for Substantial Contribution to Climate Change Mitigation.

4.1 Electricity generation using solar photovoltaic technology

4.3 Electricity generation from wind power

4.10 Storage of electricity

Note: In order to avoid repetition, the evaluation of the alignment of Pacifico Renewables' assets to the Do No Significant Harm Criteria (DNSH) to Climate Change Adaptation is given in Section B.4. Similarly, the evaluation of the alignment to the DNSH to Protection and Restoration of Biodiversity and Ecosystems is given in Section B.5. These are applicable to all of the above activities.

⁵https://ec.europa.eu/info/law/sustainable-finance-taxonomy-regulation-eu-2020-852/amending-and-supplementary-acts/implementing-and-delegated-acts_en

B.1 4.1 – Electricity generation using solar photovoltaic technology

EU TAXONOMY REQUIREMENT	GREEN PROJECTS OWN PERFORMANCE AND SELECTION PROCESSES	ANALYSIS AGAINST REQUIREMENT
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION – TECHNICAL SCREENING CRITERIA		
The activity generates electricity using solar PV technology.	Pacifico Renewables operates solar PV plants.	✓
2. CLIMATE CHANGE ADAPATION – DO NO SIGNIFICANT HARM CRITERIA		
GENERIC CRITERIA FOR (2)	See B.4	✓
3. WATER – DO NO SIGNIFICANT HARM CRITERIA		
N/A	N/A	N/A
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA		
The activity assesses availability of and, where feasible, uses equipment and components of high durability and recyclability and that are easy to dismantle and refurbish.	Suppliers of technology are required to comply with Directive 2012/19/EU on waste electrical and electronic equipment ("WEEE Directive"). German law on circular economy (Kreislaufwirtschaftsgesetz), the EU directive on waste (Abfallrahmenrichtlinie) and the German Resource Efficiency Programme, require that 70% of non-hazardous construction and demolition waste is prepared for re-use, recycling and other material recovery operations.	✓
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA		
N/A	N/A	N/A
6. ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA		
GENERIC CRITERIA FOR (6)	See B.5	✓

B.2 4.3 Electricity generation from wind power

EU TAXONOMY REQUIREMENT	GREEN PROJECTS OWN PERFORMANCE AND SELECTION PROCESSES	ANALYSIS AGAINST REQUIREMENT
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION – TECHNICAL SCREENING CRITERIA		

The activity generates electricity from wind power.	Pacifico Renewables operates wind energy plants.	✓
2. CLIMATE CHANGE ADAPATION – DO NO SIGNIFICANT HARM CRITERIA		
GENERIC CRITERIA FOR (2)	See B.4	✓
3. WATER – DO NO SIGNIFICANT HARM CRITERIA		
In case of construction of offshore wind, the activity does not hamper the achievement of good environmental status as set out in Directive 2008/56/EC of the European Parliament and of the Council ⁶ , requiring that the appropriate measures are taken to prevent or mitigate impacts in relation to that Directive's Descriptor 11 (Noise/Energy), laid down in Annex I to that Directive, and as set out in Commission Decision (EU) 2017/848 ⁷ in relation to the relevant criteria and methodological standards for that descriptor.	Since Pacifico Renewables is only operating onshore wind plants, this is not applicable.	N/A
4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA		
The activity assesses availability of and, where feasible, uses equipment and components of high durability and recyclability and that are easy to dismantle and refurbish.	Suppliers of technology require to comply with Directive 2012/19/EU on waste electrical and electronic equipment ("WEEE Directive"). German law on circular economy (Kreislaufwirtschaftsgesetz), the EU directive on waste (Abfallrahmenrichtlinie) and the German Resource Efficiency Programme, which requires that 70% of non-hazardous construction and demolition waste is prepared for re-use, recycling and other material recovery operations.	✓
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA		

⁶ Directive 2008/56/EC of the European Parliament and of the Council of 17 June 2008 establishing a framework for community action in the field of marine environmental policy (Marine Strategy Framework Directive) (OJ L 164, 25.6.2008, p.19).

⁷ Commission Decision (EU) 2017/848 of 17 May 2017 laying down criteria and methodological standards on good environmental status of marine waters and specifications and standardised methods for monitoring and assessment, and repealing Decision 2010/477/EU (OJ L 125, 18.5.2017, p. 43).

N/A	N/A	N/A
6. ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA		
GENERIC CRITERIA FOR (6) Also: In case of offshore wind, the activity does not hamper the achievement of good environmental status as set out in Directive 2008/56/EC, requiring that the appropriate measures are taken to prevent or mitigate impacts in relation to that Directive's Descriptors 1 (biodiversity) and 6 (seabed integrity), laid down in Annex I to that Directive, and as set out in Decision (EU) 2017/848 in relation to the relevant criteria and methodological standards for those descriptors.	See B.5 Since Pacifico Renewables is only operating onshore wind plants, this is not applicable.	

B.3 4.10 Storage of Electricity

EU TAXONOMY REQUIREMENT	GREEN PROJECTS OWN PERFORMANCE AND SELECTION PROCESSES	ANALYSIS AGAINST REQUIREMENT
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION – TECHNICAL SCREENING CRITERIA		
The activity is the construction and operation of electricity storage including pumped hydropower storage. Where the activity includes chemical energy storage, the medium of storage (such as hydrogen or ammonia) complies with the criteria for manufacturing of the	Pacifico Renewables might operate electricity storage facilities. The issuer might also acquire plants before construction, but activities related to the construction would be outsourced to external parties. The activity of Pacifico Renewables currently focuses on battery storage plants using the Lithium-ion technology and thus the requirements regarding chemical energy storage are not applicable.	

corresponding product specified in Sections 3.7 to 3.17 of this Annex. In case of using hydrogen as electricity storage, where hydrogen meets the technical screening criteria specified in Section 3.10 of this Annex, re-electrification of hydrogen is also considered part of the activity.

2. CLIMATE CHANGE ADAPATION – DO NO SIGNIFICANT HARM CRITERIA

GENERIC CRITERIA FOR (2) See B.4



3. WATER – DO NO SIGNIFICANT HARM CRITERIA

In case of pumped hydropower storage not connected to a river body, the activity complies with the criteria set out in Appendix B to this Annex.

Not applicable as Pacifico Renewables will only focus on battery storage plants.

In case of pumped hydropower storage connected to a river body, the activity complies with the criteria for DNSH to sustainable use and protection of water and marine resources specified in Section 4.5 (Electricity production from hydropower).

N/A

4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA

A waste management plan is in place and ensures maximal reuse or recycling at end of life in accordance with the waste hierarchy, including through contractual agreements with waste management partners, reflection in financial

Suppliers of technology are required to comply with Directive 2012/19/EU on waste electrical and electronic equipment (“WEEE Directive”). German law on circular economy (Kreislaufwirtschaftsgesetz), the EU directive on waste (Abfallrahmenrichtlinie) and the German Resource Efficiency Programme, which requires that 70% of non-hazardous construction and



projections or official project documentation.	demolition waste is prepared for re-use, recycling and other material recovery operations.	
5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA		
N/A	N/A	N/A
6. ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA		
GENERIC CRITERIA FOR (6)	See B.5	✓

B.4 Generic Criteria for DNSH to Climate Change Adaptation

EU TAXONOMY SCREENING CRITERIA	TECHNICAL	GREEN PROJECTS OWN PERFORMANCE AND SELECTION PROCESSES	ANALYSIS AGAINST REQUIREMENT
2. CLIMATE CHANGE ADAPATION – DO NO SIGNIFICANT HARM CRITERIA			
GENERIC CRITERIA FOR DNSH TO CLIMATE CHANGE ADAPTATION	<p>The physical climate risks that are material to the activity have been identified from those listed in the table in Section II (of the Delegated Act) by performing a robust climate risk and vulnerability assessment with the following steps:</p> <ul style="list-style-type: none"> (a) screening of the activity to identify which physical climate risks from the list in Section II (of the Delegated Act) may affect the performance of the economic activity during its expected lifetime; (b) where the activity is assessed to be at risk from one or more of the physical climate risks listed in Section II (of the Delegated Act), a 	<p>Pacifico Renewables assesses whether risks for its plants exist and potential implications of such risks. More particular, the company has engaged a technical advisor to carry out due diligence for all its plants and technologies.</p> <p>Avoiding key biodiversity areas is included in the local legislation in the countries where Pacifico Renewables is active⁸. Certain habitat types and species are protected within specific areas called 'Flora-Fauna-Habitat areas' or 'Natura 2000 sites' (based on the EU Conservation of Natural Habitats and Wild Fauna and Flora Directive, current consolidated version of 1 July 2013, and the EU Conservation of Wild Birds Directive, current consolidated version of 26 June 2019).</p> <p>For all plants where an EIA is required by law, an EIA has been conducted.</p> <p>Pacifico Renewables is currently in the process of evaluating the development of a TCFD report which would include the identification of material physical climate risks throughout its portfolio.</p> <p>Further, as part of the Group's technical due diligence current and future wind speeds and their implication for the Group's wind plants are</p>	✓

⁸ These include Germany, the Czech Republic, Italy and the Netherlands.

climate risk and vulnerability assessment to assess the materiality of the physical climate risks on the economic activity;

(c) an assessment of adaptation solutions that can reduce the identified physical climate risk.

The climate risk and vulnerability assessment is proportionate to the scale of the activity and its expected lifespan, such that:

(a) for activities with an expected lifespan of less than 10 years, the assessment is performed, at least by using climate projections at the smallest appropriate scale;

(b) for all other activities, the assessment is performed using the highest available resolution, state-of-the-art climate projections across the existing range of future scenarios consistent with the expected lifetime of the activity, including, at least, 10 to 30 year climate projections scenarios for major investments.

For new activities and existing activities using newly-built physical assets, the economic operator integrates the adaptation solutions that reduce the most important identified physical climate risks that are material to that activity at the time of design and construction and has

assessed and the expected life-span of each project is assessed accordingly.

implemented them before the start of operations. The adaptation solutions implemented do not adversely affect the adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of cultural heritage, of assets and of other economic activities; are consistent with local, sectoral, regional or national adaptation strategies and plans; and consider the use of nature-based solutions or rely on blue or green infrastructure to the extent possible.

The climate projections and assessment of impacts are based on best practice and available guidance and take into account the state-of-the-art science for vulnerability and risk analysis and related methodologies in line with the most recent Intergovernmental Panel on Climate Change reports, scientific peer-reviewed publications, and open source or paying models. For existing activities and new activities using existing physical assets, the economic operator implements physical and non-physical solutions ('adaptation solutions'), over a period of time of up to five years, that reduce the most important identified physical climate risks that are material to that activity. An adaptation plan for the implementation of

those solutions is drawn up accordingly.

B.5 Generic Criteria for DNSH to Protection and Restoration of Biodiversity and Ecosystems

EU TAXONOMY SCREENING CRITERIA	TECHNICAL	GREEN PROJECTS OWN PERFORMANCE AND SELECTION PROCESSES	ANALYSIS AGAINST REQUIREMENT
6. PROTECTION AND RESTORATION OF BIODIVERSITY AND ECOSYSTEMS – <i>DO NO SIGNIFICANT HARM CRITERIA</i>			
<p>An Environmental Impact Assessment (EIA) or screening has been completed in accordance with Directive 2011/92/EU. Where an EIA has been carried out, the required mitigation and compensation measures for protecting the environment are implemented.</p> <p>For sites/operations located in or near biodiversity-sensitive areas (including the Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas, as well as other protected areas), an appropriate assessment, where applicable, has been conducted and based on its conclusions the necessary mitigation measures are implemented.</p>	<p>All of the Group's assets are compliant with the EU Directives on Environmental Impact Assessment (2014/52/EU) and Strategic Environmental Assessment (2001/42/EC). Where required by European, national or local legislation Environmental Impact Assessments have been conducted.</p> <p>EIAs are a vital component of German building and planning law and are therefore a necessary step to obtain the necessary permits in Germany. Permits and regulatory is an essential part of the due diligencethe Group conducts before acquiring any assets.</p>		✓

Minimum Social Safeguards

ISS ESG assessed the alignment of the due diligence and selection processes in place with the EU Taxonomy Minimum Social Safeguards as described in Article 18 of the Taxonomy Regulation⁹. The results of this assessment are applicable for every Project Category financed under this framework and are displayed below:

EU TAXONOMY REQUIREMENT	GREEN PROJECTS OWN PERFORMANCE AND SELECTION PROCESSES	ANALYSIS AGAINST REQUIREMENT
Alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.	<p>The due-diligence process put in place by the issuer includes a check on compliance with local laws and regulations. Given that Pacifico Renewables only operates in the European Union, the host countries respect fundamental human right, the local laws and regulation in those countries cover the relevant human rights issues related to renewable energy projects, measures to avoid and address adverse impacts related to workers, human rights, the environment, bribery, consumers and corporate governance that may be associated with its operations, supply chains and other business relationships are included in local laws and regulations.</p> <p>Further, Pacifico Renewables only operates and owns assets in countries that have ratified the ILO core conventions.</p>	✓

⁹ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32020R0852>

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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.
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ANNEX 1: Methodology

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 Pacifico Renewables Yield AG's Green Finance Framework contributes to related SDGs.

ANNEX 2: Quality management processes

SCOPE

Pacifico Renewables commissioned ISS ESG to compile a Green Finance Framework SPO. The Second Party Opinion process includes verifying whether the Green Finance Framework aligns with the Green Bond Principles (June 2021), Green Loan Principles (February 2021), EU Taxonomy Climate Delegated Act (June 2021), proposed European Green Bond Standard (July 2021) and to assess the sustainability credentials of its Green Finance Framework, as well as the issuer's sustainability strategy.

CRITERIA

Relevant Standards for this Second Party Opinion

- ICMA Green Bond Principles (June 2021)
- LMA Green Loan Principles (February 2021)
- EU Taxonomy Climate Delegated Act (June 2021)
- Proposed European Green Bond Standard (July 2021)

ISSUER'S RESPONSIBILITY

Pacifico Renewables' responsibility was to provide information and documentation on:

- Framework
- 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 Finance Framework to be issued by Pacifico Renewables based on ISS ESG methodology and in line with the Green Bond Principles (June 2021), Green Loan Principles (February 2021), EU Taxonomy (June 2021), proposed European Green Bond Standard (July 2021).

The engagement with Pacifico Renewables took place in August 2021 – February 2022.

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.

Learn more: <https://www.isscorporatesolutions.com/solutions/esg-solutions/green-bond-services/>

For Information about SPO services, contact: SPOsales@isscorporatesolutions.com

For more information on this specific Green Finance Framework SPO, please contact: SPOOperations@iss-esg.com

For Information about this Green Finance Framework SPO, contact: SPOOperations@iss-esg.com

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