

Alliander Green Finance Framework

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Inhoud

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Section 1: Introduction to Alliander

1.1 About Alliander

We are a Dutch network company responsible for the regional distribution of energy including electricity, (green) gas and heat to more than 3 million Dutch households and businesses in our service areas. We operate an electricity network stretching out over 97,000 kilometres and a gas network covering 42,000 kilometres, and we take great pride in our networks being among the world's most reliable. Our 10,000 colleagues make sure the lights are on, homes are heated and businesses can keep operating.

Our primary task is to distribute energy to consumers, businesses and institutions. Grid manager Liander is responsible for properly distributing energy across all of the company's grids every single day. Qirion is concerned with developing sustainable technologies and intelligent energy infrastructures. Our new energy markets offer innovative and sustainable solutions and services that contribute to the new energy system. The energy that we distribute comes from diverse sources, such as energy plants and wind farms, as well as from imports via the national electricity and gas transport grids operated by TenneT and Gasunie respectively. In addition, a growing number of consumers and businesses are feeding self-generated renewable energy into our energy networks. The result is a dynamic interaction and interlinkage between energy supply and demand.

1.2 Alliander's mission and strategy

We are driven by the social importance of keeping energy reliable, affordable and accessible for everyone. Our social mission is to make sure the lights are

on, homes are heated and businesses can keep operating, not just today, but also in a sustainable tomorrow.

Goal for 2030

The Dutch government has set a goal for our country to be climate neutral by 2050, with an interim target of 55% reduction in emissions by 2030 compared to 1990 levels. To achieve this goal will require, among other things, a high degree of electrification of society, new forms of energy generation and alternatives for natural gas with associated infrastructural adjustments. This requires both the expansion and reinforcement of existing networks and a fundamental change in the way the energy system is designed, constructed, used and controlled. This goal is also influenced by global energy prices, geopolitical relations between countries and the extent to which we want to be self-sufficient as a country.

The Dutch energy system is in fast transition and faces some major challenges, in particular sufficient capacity and timely connection to the grid for customers and businesses have high priority.

By 2030, through our energy networks and market facilitation activities, our goal is to offer our customers, public authorities and partners timely solutions that fit within an affordable and reliable energy system and will accelerate the Netherlands' development and its sustainability transition.

We have refined our strategy to achieve the required acceleration to meet the pace of the energy transition, using their seven pillars. Within the pillars, we maintain strong focus on the following priorities:

- Further scaling up the necessary grid reinforcement and expansion of the networks
- Making the electricity grid more flexible
- Further improving communication with users and partners in the energy system.

Seven strategic pillars

1. Excellent management: Optimising maintenance and improving customer service

We service our networks smartly and efficiently and we are a reliable partner for our customers and society. Our work is customer-orientated and we ensure that our customers and partners have easy access to the required information to make choices that match their needs and fit within an affordable and reliable energy system.

2. Reduce demand for transmission capacity

We help our customers to make choices that reduce demand for transmission capacity. This cuts their energy bills and also ensures that the scarcity in terms of people and space can be used in the most effective way possible. We help municipalities and provinces to make system-efficient spatial-planning choices at a regional level and to develop transition pathways geared towards optimising the use of energy carriers and solutions within the developing energy system.

3. Making better use of the network

By making better use of the network, we want to connect more customers in the years to come. We are doing this by digitising the networks, which allows us to handle the available network capacity with greater flexibility and by increasing the load placed on the network in a controlled and safe manner.

4. Completing more work

We will be scaling up the construction of network expansions and upgrades even further. We will do this by implementing a more area and district based planning process, developing long term collaboration models with contractors and suppliers. We are also investing in the development of technical skills across the entire ecosystem whilst simultaneously developing smarter processes to enable us to use our scarce workforce in a more targeted manner.

5. Sharing data and developing new market services

Proactively making data and services available ensures that the energy market can function properly, customers can make choices beneficial to the network and we can balance supply and demand on a local level. Between now and 2030 we will therefore be making (more) asset and customer data available and offering it to customers as enriched data, so that they can control their own energy usage and make independent optimisation choices.

6. Developing infrastructure for heat and sustainable gases

We are creating new district heating networks and focusing on sustainable gases such as hydrogen, partly through repurposing of the gas network, to promote the optimisation of the entire energy system. We are working together with public authorities and companies to provide complete solutions, from design to management. We do this in neighbourhoods where it makes sense to use district heating networks and where a local heat source is present. This allows quick and large-scale use of sustainable heat and at the same time reduces the load on the power grid.

7. Future-proof foundations

Our organisation, our people, our working methods make up the foundations for implementing the aforementioned strategies. We are working to create an organisation that is responsive and agile and is characterised by a safety culture, cost-awareness, a focus on results, sustainability and inclusivity.





1.3 How we create value

We aim to create value for our stakeholders and for the society of today and tomorrow. We accomplish this through our daily work, by innovating, and by investing. We use the resources available to us as efficiently as possible, while focusing on making the greatest possible contribution to society. That contribution is expressed in our value creation model, which clearly shows our capital flows, how we use them, how we add value and the resulting benefits for society.

1.3.1 Sustainability is accelerating across all sectors

Alliander is contributing to the energy transition by giving all of our customers access to renewable energy under equal terms and conditions. As a result of climate change, growth in energy consumption will eventually have to be met by renewable sources such as wind and solar power, hydroelectric power or sustainable heat sources.

Each year we connect more charging points, wind turbines and solar farms to the power grid. We continue to make good progress in this area with the Netherlands now having the highest installed PV capacity per head of population.

The transition to a new, sustainable heating supply affects all companies, consumers and public authorities and at Alliander, we see it as our role to effectively facilitate the process of making the built environment sustainable and inform all impacted parties. However, the plans leading to the best-fit energy infrastructure for a sustainable future are varied, as such we are investigating and facilitating multiple solutions including district heating, hybrid heat pumps, sustainably produced hydrogen and green gases.

Please find the latest update on sustainable developments in their various service areas in their latest annual report available here.

1.3.2 Climate change mitigation

Noting the vast majority of our emissions relate to our core tasks of distribution and transformation of electricity and gas, which are essential for the energy transition of the Dutch grid, we have focused our efforts on limiting directly influenceable carbon emissions which covers the following:

- Scope 1: Gas leakage, company and lease cars
- Scope 2: Electrical network loss and buildings
- Scope 3: Commuting

We use a three-step approach to reduce our carbon footprint, transitioning us towards more sustainable operations.

1. Saving energy and improving energy efficiency
 - Working with the most energy efficient assets (cable, smart meters, substations) and a policy of continuous improving;
 - Targeted repair and replacement measures for gas leakage
 - All owned buildings qualify as at least A or B under EPC guidelines
 - Transitioning vehicle fleet to electric vehicles.
2. Using renewable energy where possible either self-generated or purchased from external parties
3. Carbon offsetting the use of non-renewable energy by purchasing certificates of origin for renewable energy from newly built windfarms in the Netherlands and Gold Standard verified emission reduction certificates (VERs) for methane leakages

We have committed to setting Science-Based Targets Initiative verified targets. As of 2024, we have been reporting in accordance with EU Corporate Sustainability Reporting Directive (CSRD) legislation and we are also in the process of creating a Climate Transition Plan.

In addition to our statutory duty under the Dutch Nature Protection Act, we are focusing more intensively on minimising or mitigating damage to biodiversity in our operational processes. In 2024, we launched the biodiversity management model for network companies which provides guidance on the changes that can be made and which business units are responsible for this. Biodiversity initiatives will also be included in the most important contracts for site management and maintenance.

1.3.3 Supply chain responsibility and circular procurement

As a network operator, we use large quantities of materials and, indirectly, of raw materials. However, we also want to make choices that contribute to keeping our planet livable: we want to build in an energy-efficient way, but we also want to use sustainable materials and focus on maintaining a healthy living environment. In procurement terms, we want to be aware of what we really need. We are aiming to increase the share of 'circular purchases' of our primary assets every year. To meet our circular ambitions, our management are focused along four lines:

1. Making efficient use of existing materials and reuse and refurbish components as much as possible
2. Where possible making circular purchases of our main components
3. Avoiding wasting materials in our operations
4. Maximize the percentage of waste recycled

Circular procurement demands intensive co-operation with suppliers. Underlining our commitment to this policy, we became one of the first twenty signatories of the Circular Procurement Green Deal with the aim of learning from each other's experiences when starting up circular procurement processes and to speed up circular purchasing. In 2024, circular procurement accounted for 39% of total procurement, including 9% of core assets and we aim to achieve 45% circular procurement by 2027.

1.4 Rationale for issuing Green Finance Instruments

We believe that Green Finance Instruments are an effective tool to channel investments to projects that have demonstrated climate and environmental benefits and thereby contribute to the achievement of the SDGs. By issuing Green Finance Instruments, we intend to align our funding strategy with our wider corporate mission, including our sustainability objectives and long-term goals.

We view the energy transition as a sustainability priority. To achieve this, we are prioritising investment in sustainable and energy efficient solutions and operating the electricity grid allows for integration of renewable in the Dutch energy system and therefore contributing to the transformation of the country. In addition, we aim to contribute to the development of the green bond market and to the growth of SRI and green dedicated investing. Lastly, Green Finance Instruments will help us to target investors with sustainability priorities and dedicated green investment pockets, while broadening the dialogue with our existing investor base.

Under this Green Finance Framework, we have the ambition to issue Green Finance Instruments (which may include drawn instruments such as bonds, loans and commercial paper) to finance and / or refinance environmentally impactful projects (as set out in the use of proceeds section). Alliander hope that such issuance will also help us attract ESG-focused investors and contribute to the growth of the green finance market.

1.5 Updates from 2024 Green Finance Framework

In the Annual Report 2023, in view of efforts made, Alliander concluded that they were sufficiently on track to implement supply chain responsibility and fulfil their obligations under the MSS requirements of the EU Taxonomy. Based on this Alliander adopted full alignment in the Green Finance Framework published in May 2024.

As part of CSRD reporting obligations from 2024 onwards, external assurance was required across all EU Taxonomy disclosures. Alliander appointed new auditors as part of a required periodic rotation of auditors and the view of the new auditors is that the scope of the MSS requirements for labor and human rights went beyond Alliander's tier-one suppliers or direct contractors to cover the entire value chain. Alliander therefore had to conclude that providing an externally assured statement about their entire value chain with regard to the MSS requirements for labor and human rights was not yet feasible.

As a result, Alliander is now partly aligned with the EU Taxonomy directive. In order to attain full alignment in the future Alliander will focus on the following areas of improvement:

- Increasing visibility on the impact outside the immediate business partners, i.e. from tier-1 to tier-x
- Prioritization of the biggest risk areas and activities and description of indirect suppliers and impact assessment
- Describe internal monitoring, including internal audits, and prioritize the recovery process

Section 2: Green Finance Framework Overview

Alliander continues to demonstrate a commitment to upholding the latest market standards, and this Framework is in alignment with International Capital Markets Association (ICMA) Green Bond Principles 2021 (with June 2022 Appendix 1)¹ as well as the Loan Market Association (LMA) Green Loan Principles 2023² (GLP).

The current version continues to align the selection criteria for the eligible green asset categories to the EU Taxonomy³ and highlights its compliance with the applicable, ‘Do No Significant Harm’ (DNSH) criteria⁴. This framework hence sets out its approach with regards to:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting
5. External review

Alliander follows the recommendation of the ICMA Green Bond Principles (GBP) in relation to External Verification and has engaged ISS-Corporate to review and provide a Second Party Opinion on this Framework.

This Framework enables Alliander to issue a broad range of Green Finance instruments, such as bonds, commercial paper (“CP”)⁵, private placements and loans.⁶ This Framework may be updated or expanded in line with

¹ https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond-Principles_June-2022-280622.pdf

² <https://www.lma.eu.com/sustainable-lending/documents#green-loan-principles139>

³ Climate Delegated Act of June 2021 <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32021R2139>

⁴ Alliander strives to meet the ‘Minimum Social Safeguards’ (MSS) criteria of the EU Taxonomy on a best-efforts basis but is currently unable to evidence wholly fulfilling the requirements of full alignment. See Section 2.2.1 for further detail.

⁵ In line with ICMA’s ‘The role of commercial paper in the sustainable finance market’ paper, October 24

⁶ Unless specified otherwise, in the framework any reference to Green Finance instruments will be deemed to apply to all of these debt instrument types

updated versions of the Green Bond Principles, Green Loan Principles, emerging market standards and best practice. Future updates of this Framework may incorporate additional eligible projects, impact KPIs, or other relevant information as Alliander deem relevant. Any major update will be subject to review by any qualified SPO provider.










2.1 Use of proceeds

The net proceeds of Green Finance instruments will be exclusively used to finance and / or refinance in whole or in part eligible assets ('Eligible Green Assets') in the following categories, together forming the 'Eligible Green Asset Portfolio':

1. Renewable Energy
2. Energy Efficiency (Smart technology)
3. Green Buildings.

The eligible green assets are reported through net asset value. In light of the recommendations of the EU Green Bond Standard and its position towards refinancing long-dated green assets, we moved from capital expenditure reporting to net asset value reporting in 2022. The table on the next page provides an overview of the Eligibility Criteria:

Green Eligible Asset Category (ICMA/LMA)	Description Eligible Assets and Related Eligibility Criteria	Financial Line Item	Eligibility to Green Finance	Contribution to UN SDGs	EU Economic Activities and NACE Code	Contribution to EU Environmental Objectives ⁷
Renewable Energy (EU TSC 4.9 ⁸)	<ul style="list-style-type: none"> Assets aimed at integrating and enhancing the transmission capacity for renewable energy in the Dutch electricity grid⁹ 	Net asset value	100% ¹⁰	 	<ul style="list-style-type: none"> Transmission of Electricity (NACE D35.13) 	<ul style="list-style-type: none"> EU Environmental Objective 1: Climate Change Mitigation (Article 6) Substantial contribution to EU Objective 1: (1.a) Generating, storing or using renewable energy or climate-neutral energy (including carbon-neutral energy), including through using innovative technology with a potential for significant future savings or through necessary reinforcement of the grid
Energy Efficiency (EU TSC 4.9 ⁵)	<p>Smart technology</p> <ul style="list-style-type: none"> Installation, maintenance and repair of smart meters recording customer's gas and electricity consumption for demand management, including: <ul style="list-style-type: none"> - Sensor and technology deployment in mid/high voltage grid - Wireless networks and fibre optic cable and network for transmitting and receiving data 	Net asset value	100%	 	<ul style="list-style-type: none"> Specialised construction activities (NACE F43) Electricity, Gas, Steam and Air Conditioning Supply (NACE D35) 	<ul style="list-style-type: none"> EU Environmental Objective 1: Climate Change Mitigation (Article 6) Substantial contribution to EU Objective 1: <ul style="list-style-type: none"> - (1.b) Improving energy efficiency - (1.g) Establishing energy infrastructure required for enabling decarbonization of energy systems
Green Buildings (EU TSC 7.1, 7.7 ⁵)	<ul style="list-style-type: none"> New or refurbished buildings which meet any of the following criteria: <ul style="list-style-type: none"> - EPC rating $\geq A^{12}$; or - The Primary Energy Demand, is at least 10% lower than the threshold set for the nearly zero-energy building (NZEB) requirements¹¹ Energy efficiency projects in buildings which result in reduction of primary energy demand (PED) of at least 30% or complies with the applicable requirements for major renovations (DIRECTIVE 2010/31/EU) 	Net asset value	100%		<ul style="list-style-type: none"> Construction of residential and non-residential buildings (NACE F41) Electric, plumbing and other construction installation activities (NACE 43.2) 	<ul style="list-style-type: none"> EU Environmental Objective 1: Climate Change Mitigation (Article 6) Substantial contribution to EU Objective 1: <ul style="list-style-type: none"> - (1.b) Improving energy efficiency

7 Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (Text with EEA relevance) EUR-Lex - 32020R0852 - EN - EUR-Lex (europa.eu)

8 EU TSC category description in line with EUR-Lex-32021R2139 : 4.9 - Transmission and distribution of electricity; 7.1 - Construction of new buildings; 7.7 Acquisition and ownership of buildings

9 The system is the interconnected European system, i.e., the interconnected control areas of Member States, Norway, Switzerland and the United Kingdom, and its subordinated systems;

10 Alliander previously defined the electricity grid eligible amount by applying a weighting factor that corresponded to the share of renewable electricity produced in the Netherlands. In 2023, the share of renewable electricity produced in the Netherlands was 50%. (Source: <https://www.nationaalklimaatplatform.nl/nieuws12/2627274.aspx?t=2023-Hernieuwbaar-verder-gegroeid-Meerdere-doelen-gehaald>) Under the EU Taxonomy Regulation, 100% of the asset value of the grid is classified as Green Eligible Assets therefore going forward Alliander will remove the use of a weighting factor.

11 Only for buildings built after 31 December 2020 and building performance is certified using an as built Energy Performance Certificate (EPC). For buildings larger than 5000 m², the building will undergo testing for air-tightness and thermal integrity and the life-cycle Global Warming Potential (GWP) will be calculated and disclosed to investors and clients. For large non-residential building (with an effective rated output for heating systems, systems for combined space heating and ventilation, air-conditioning systems or systems for combined air-conditioning and ventilation of over 290 kW) it is efficiently operated through energy performance monitoring and assessment

2.2 Process for Project Evaluation and Selection

Alliander has established the following decision-making process to determine the eligibility of nominating assets, assessing and documenting the eligibility of proposed nominated assets.

The selection of the assets is carried out by Alliander's Green Finance Working Group, composed of members of the CSR, Finance, Treasury, Procurement departments and in cooperation with relevant business units. Eligible Green Asset selection and evaluation is based on:

- Expected eligible amounts;
- Eligibility Criteria described in Alliander's Green Finance Framework including the technical screening criteria proposed by the European Union (EU) classification of environmentally sustainable economic activities (EU Taxonomy);
- Clear contribution of the selected assets toward reducing CO2 emissions or facilitating the reduction thereof, as well as circularity and supply chain transparency, if applicable.

In addition to the Eligibility Criteria above, Alliander conducts a supplementary assessment of the Eligible Green Assets based on any additional environmental standards or certifications available (e.g. ISO certifications, such as NTA8120/ISO55001).

The Alliander Green Finance Working Group will also be responsible to:

- Monitor the Eligible Green Asset Portfolio;
- Exclude assets that no longer comply with the Eligibility Criteria or have been disposed of and replace them, on a best efforts basis;
- As Green Finance Instruments mature, remove the oldest assets from the Eligible Green Asset Portfolio for an equivalent amount, to ensure that Green Finance Instruments continue to fund new assets where capex and/or opex had been used for allocation purposes for term-based liabilities;
- Maintain the Green Finance Framework up to date in order to reflect any changes with regards to the evolution of Alliander's sustainability strategy and targets and continued alignment of project categories with appropriate national and international sustainability taxonomies and legislation;
- Manage potential environmental and social risks in association with the eligible green assets and align to EU Taxonomy requirements on best-efforts basis;



- Preparation of allocation and impact reports associated with the Green Finance Framework and overseeing relevant external assurance processes

Lastly, Alliander's Sustainability Guidelines and Policies define minimum standards for the business processes, including those financed with the proceeds of Green Finance Instruments issued under this Framework. Alliander also applies risk management measures in its capital allocation decisions which are supported by company-wide planning, reporting and controlling systems. These policies are the Sustainable Procurement Policy¹², Supplier Code of Conduct¹³, and the Corporate Social Responsibility Policy¹⁴. These policies cover the company's approach to mitigating social and environmental risks associated with eligible projects. For example, the Supplier Code of Conduct, based on the guidelines of the Organisation for Economic Co-operation and Development (OECD), covers all Alliander's direct suppliers. It asks suppliers to demonstrate ethical behaviour and business practices including that they respect the Universal Declaration of Human Rights and the international conventions on terms of employment and working conditions as laid down by the International Labour Organisation (ILO). Alliander's strong evaluation and selection process, corporate sustainability and risk management framework, helps to mitigate potential environmental and social risks associated with the Eligible Green Assets, in accordance with the recommendations of the EU Taxonomy in relation to 'DNSH Assessment'. In the unlikely case of specific project-related risks, Alliander intends to transparently inform investors within its Green Finance Report.

2.3 Management of Proceeds

Alliander intends to allocate the net proceeds from its Green Finance Instruments to an Eligible Green Asset Portfolio, selected in accordance with the Eligibility Criteria and project evaluation and selection process presented above. This portfolio consists of new and / or existing assets.

Alliander will track the level of allocation for the Eligible Green Asset Portfolio which matches or exceeds the balance of net proceeds from its outstanding Green Finance Instruments¹⁵.

Additional Eligible Green Assets will be added to the Issuer's Eligible Green Asset Portfolio to the extent required, in accordance with the Eligibility Criteria.



¹² <https://www.alliander.com/en/organisation/procurement/>

¹³ <https://www.alliander.com/content/uploads/dotcom/10032015-Alliander-Supplier-Code-of-Conduct.pdf>

¹⁴ <https://www.alliander.com/en/corporate-social-responsibility/>

¹⁵ CP issuance will be assessed on the highest amount of outstanding CP issuance during the reporting period to ensure that at all times Green CP outstanding is matched by Eligible Green Assets.

Activated Eligible Green Assets shall qualify for refinancing without a specific look-back period¹⁶, provided that at the time of issuance they follow the relevant Eligibility Criteria. In case Alliander would select Eligible green capital expenditures or operating expenditures, they shall qualify for refinancing with a maximum two-year look-back period before the issuance year of the Green Finance Instrument.

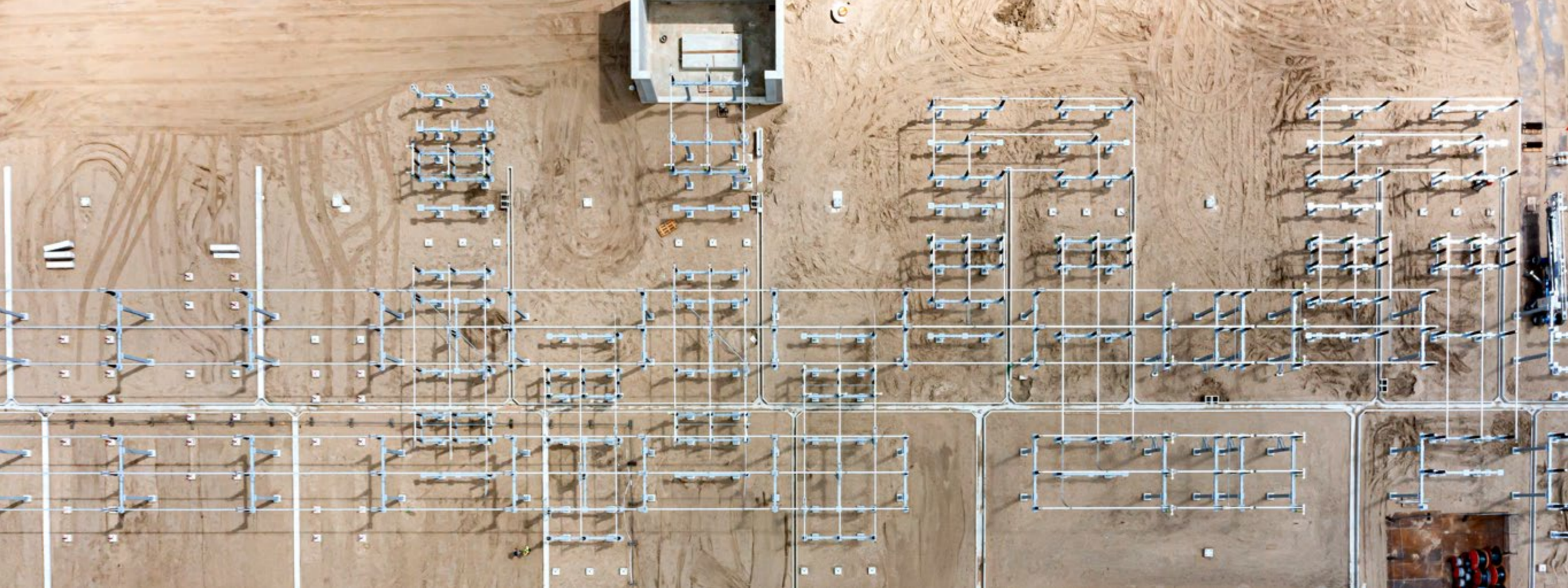
Alliander intends to fully allocate the proceeds within 24 months after the issuance date of the Green Financing instruments.

Pending the allocation or reallocation of the net proceeds to Eligible Green Assets, Alliander will invest the balance of the net proceeds, at its own discretion, into bank deposits, investment funds, money market funds or liquid marketable instruments, until the allocation to new Eligible Green Assets. In doing so, it will seek to prioritise ESG-focused instruments, such as green deposits and ESG-aligned money market funds.

If for any reason, any assets were no longer eligible, Alliander will use its best efforts to substitute such asset, as soon as practical once an appropriate eligible substitution option has been identified.

¹⁶ In alignment with the recommendation of the EU Green Bond Standards Usability Guide, published in March 2020 (source: https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/200309-sustainable-finance-teg-green-bond-standard-usability-guide_en.pdf.)





2.4 Reporting

Alliander will report on the allocation of net proceeds and related impact annually until the proceeds of each Green Finance Instruments have been fully allocated, and as necessary in the event of material changes or in case of substitution of Eligible Green Assets. This Green Finance Report will be made available within the Investor Relations' section on Alliander's website¹⁷.

a. Allocation Reporting

Liability-based:

- Breakdown by type of Green Finance instruments
- Estimate of the share of financing vs refinancing

- With regards to any Green CP issued under the framework, on an annual and aggregated portfolio basis:
 - Simple average of Green CP outstanding during reporting period
 - Highest amount of outstanding Green CP during reporting period

Asset-based:

- The aggregated amount of allocation of the net proceeds to the Eligible Green Assets, at category and sub-category level, with a description or selected case studies if feasible;
- The balance of any unallocated proceeds invested in bank deposits, investment funds, money market funds, or liquid marketable instruments;
- Where relevant, the breakdown per type of Eligible Green Assets (e.g., asset values, capital expenditures)

¹⁷ <https://www.alliander.com/en/investors/>

b. Impact Reporting

Alliander intends to report on the environmental impacts of the Eligible Green Assets funded with the Green Finance Instruments proceeds through a dedicated impact report¹⁸. Alliander intends to align, on a best effort basis, the reporting with the portfolio approach described in “Handbook - Harmonised Framework for Impact Reporting (June 2022)¹⁹”.

The impact reporting will provide:

- A brief description of the Eligible Green Assets;
- Where feasible, metrics regarding Eligible Green Assets’ environmental impacts, as described below:

ICMA / LMA Eligible Category	Potential impact reporting indicators to be provided at Eligible Category level
Renewable Energy	<ul style="list-style-type: none"> • Capacity of renewable energy production connected in the grid (in MW) • Renewable energy production feed into grid by solar, wind capacity (in MWh) • Estimated avoided CO2 emissions (in metric tonnes CO2e)
Energy Efficiency	Smart technology: <ul style="list-style-type: none"> • Estimated avoided CO2 emissions (in metric tonnes CO2e) • Energy consumption savings (in GJ per year)
Green Buildings	<ul style="list-style-type: none"> • Average primary energy consumption savings (in GJ per year) • Estimated avoided CO2 emissions (in metric tonnes CO2e)
Social impact metrics	<ul style="list-style-type: none"> • Number of customers being services electricity • Number of customers with solar panels added to the grid • Lost Time Injury Frequency Rate

2.5 External Review

a. Second Party Opinion

ISS-Corporate has reviewed the portfolio of Eligible Green Assets, as well as the alignment of Alliander’s Green Finance Framework with ICMA’s Green Bond Principles 2021 (with June 2022 Appendix 1), the LMA’s Green Loan Principles 2023 and the EU Taxonomy Climate Delegated Act (June 2023). ISS-Corporate’s Second Party Opinion (SPO) is available on Alliander’s website.

b. Annual Audit/Limited Assurance on the Allocation Reporting

Alliander intends to obtain a limited assurance report by its auditor on the allocation of Green Finance Instrument’s proceeds to a portfolio of Eligible Assets. Such reporting that will be incorporated within the Alliander Green Finance Report, which will be made available on Alliander’s website.



¹⁸ Impact Reporting may be supplemented by qualitative and/or case-study reports on outcomes and impacts of the Eligible Green Assets funded. Where relevant, information may be provided on data reporting and impact assessment methodologies to increase transparency.

¹⁹ https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Harmonised-Framework-for-Impact-Reporting-Green-Bonds_June-2022-280622.pdf

Disclaimer

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be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects have been prepared are correct or exhaustive or, in the case of assumptions, fully stated in the Framework.

No representation is made as to the suitability of any Green Finance Instruments to fulfil environmental and sustainability criteria required by prospective investors. Each potential purchaser of Green Finance Instruments should determine for itself the relevance of the information contained or referred to in this Framework or the relevant Green Finance Instruments documentation for such Green Finance Instruments regarding the use of proceeds and its purchase of Green Finance Instruments should be based upon such investigation as it deems necessary. Alliander has set out its intended policy and actions in this Framework in respect of use of proceeds, project evaluation and selection, management of proceeds and reporting, in connection with the Alliander Green Finance Instruments. However, it will not be an event of default or breach of contractual obligations under the terms and conditions of any such Green Finance Instruments if Alliander fails to adhere to this Framework, whether by failing to fund or complete Eligible Green Assets or by failing to ensure that proceeds do not contribute directly or indirectly to the financing of the excluded activities as specified in this Framework, or by failing (due to a lack of reliable information and/or data or otherwise) to provide investors with reports on uses of proceeds and environmental impacts as anticipated by this Framework, or otherwise.

In addition, it should be noted that all of the expected benefits of the Eligible Green Assets as described in this Framework may not be achieved. Factors including (but not limited to) market, political and economic conditions, changes in government policy (whether with a continuity of the government

or on a change in the composition of the government), changes in laws, rules or regulations, the lack of available Eligible Green Assets being initiated, failure to complete or implement projects and other challenges, could limit the ability to achieve some or all of the expected benefits of these initiatives, including the funding and completion of Eligible Green Assets. Each environmentally focused potential investor should be aware that Eligible Green Assets may not deliver the environmental or sustainability benefits anticipated and may result in adverse impacts.

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