

BNZ

BNZ 2024

Powering Europe
to a greener future

Green Loans Policy

The logo for BNZ, consisting of the letters 'BNZ' in a bold, black, sans-serif font. The letters are closely spaced and have a slight shadow effect, giving them a three-dimensional appearance. The 'B' and 'N' are connected at the top, and the 'Z' is positioned to the right of the 'N'.

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1. Introduction

BNZ is an independent power producer (IPP) specializing in renewable energy, with a focus on the development, construction, and operation of solar photovoltaic projects across Southern Europe. The company has a strong presence in Portugal, Italy, and Spain. BNZ manages a diverse portfolio of projects, driven by a deep commitment to environmental sustainability and social responsibility.

Mission

BNZ's mission is to fulfil customer energy needs through zero-carbon solutions while safeguarding the environment and supporting local communities. The company aims to empower its people and stakeholders, secure optimal returns for investors, and pursue continuous growth and expansion.

Values

BNZ's core values include Responsibility, Transparency, Flexibility, Integrity, Communication, Diversity, and Teamwork. The company is dedicated to upholding its commitments, honouring its responsibilities, and striving for excellence in all endeavors.

Vision

BNZ aspires to become a global leader in sustainable and innovative energy production, providing customers with reliable, competitive, and affordable 100% clean energy. The company aims to achieve this through its passionate and experienced team, while contributing to the economic growth of local communities.



2. Sustainability at BNZ

BNZ’s sustainability strategy goes beyond compliance, aiming to create a positive impact on the planet and society. The company integrates environmental, social, and governance (ESG) principles into its operations, ensuring long-term risk mitigation, fostering innovation, and cultivating active engagement with sustainability matters.

BNZ is committed to embedding sustainability risks and opportunities into its operational framework,

generating both social and environmental benefits. By setting and monitoring Key Performance Indicators (KPIs), BNZ aligns its efforts with the United Nations Sustainable Development Goals (UN SDGs), demonstrating a strong commitment to responsible business practices.

BNZ has strategically aligned its operations with six priority SDGs, ensuring meaningful contributions through targeted actions and measurable outcomes. The table below illustrates how BNZ’s KPIs link to these SDGs:

UN SDGs	BNZ Key Actions and KPIs
 <p>4 QUALITY EDUCATION</p>	<ul style="list-style-type: none"> • Training hours received/given (#): Tracks the development of employees' skills and professional growth. • Apprenticeships/internships offered (#): Supports education and career development for underrepresented communities. • Euros invested in H&S improvement (€): Ensures training and safety measures are in place, indirectly supporting knowledge enhancement.
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<ul style="list-style-type: none"> • Clean energy production (MWh): Renewable energy generation directly contributes to SDG 7. • Energy consumption intensity per high-impact sector (GWh): Encourages efficient energy use. • Households supplied (#): Measures accessibility and affordability of clean energy
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<ul style="list-style-type: none"> • Job creation (Job-years/GWh/year): Quantifies the economic benefits of renewable energy projects in terms of employment. • Hours worked (#): Highlights workforce contributions to project success. • Gender diversity in project site staff (%): Promotes inclusivity and equality in the workforce.
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<ul style="list-style-type: none"> • Carbon footprint (tCO2e/€million): Links emissions to economic output, promoting responsible resource use. • Waste recycling (plastic, paper, hazardous waste) (Kg): Measures waste reduction and recycling efforts. • Non-renewable energy consumption (%): Encourages sustainable energy practices.
 <p>13 CLIMATE ACTION</p>	<ul style="list-style-type: none"> • GHG emissions (tCO2e): Tracks and mitigates greenhouse gas emissions. • Avoided emissions (tCO2e/year): Measures the environmental benefits of clean energy projects. • Energy performance metrics: Supports climate mitigation through renewable energy deployment
 <p>15 LIFE ON LAND</p>	<ul style="list-style-type: none"> • Land conserved or restored (hectares): Tracks ecosystem rehabilitation efforts. • Species planted (#): Measures contributions to biodiversity. • Activities negatively affect biodiversity-sensitive areas (#): Monitors and mitigates environmental impacts.

3. Objectives and Scope

This policy demonstrates BNZ's dedication to sustainable financing by providing a structured approach to support its renewable energy projects. Specifically, it serves as a framework for financing and refinancing eligible solar projects across Southern Europe, focusing on operations in Portugal, Italy, and Spain.

Aligned with the Green Loan Principles (GLP) issued by the Loan Market Association (LMA), this policy ensures that all financed projects adhere to stringent environmental standards while advancing BNZ's sustainability objectives. To further reinforce transparency and credibility, BNZ has obtained a Second Party Opinion (SPO) from DNV Business Assurance, validating compliance with the GLP framework.

This policy governs the responsible use of proceeds and reinforces BNZ's mission to advance renewable energy and global sustainability

4. Eligible Projects

Under BNZ's scope, Eligible Projects are projects which are focused on producing or enhancing renewable energy sources. This category includes different technologies: onshore wind, solar photovoltaic, energy storage solutions.

Under BNZ's investments perimeter, renewable energy assets are considered eligible investments, focused strategically on geographies where these sustainable investments also have a positive impact, supporting the development of local communities, while adding value into the society. For a project to be eligible, its investment activities must be related to the development, construction or operation of the technologies previously mentioned.

It is important to mention BNZ is also considering and evaluating new growth opportunities such as BESS and Hybridisation between the earlier mentioned different technologies.

5. Use of Proceeds

In 2024 BNZ closed its first Senior and Junior Financing adding up to 420 million Euros and 260 million Euros respectively. All these proceeds are meant to be allocated to finance and re-finance, in part or in full, renewable energy projects complying with BNZ's internal eligibility criteria requirements. Funds must be allocated to projects facing different stages, such as development, construction and operational phase. This Green Loan Policy will be BNZ's guidance to accomplish our ambitious growth programme for the upcoming years.

Specific uses of these proceeds are established in the Senior and Junior Financing Agreements, and the funds will be only applicable to expenditures and investment activities to support BNZ's pipeline and objectives. All the proceeds will be exclusively allocated to projects that yield clear environmental benefits within high impact into local communities where the projects are developed.

This policy promotes transparency and integrity, ensuring that all green proceeds contribute directly to verifiable sustainability outcomes of each project of BNZ's portfolio.



6. Project Evaluation and Selection

The Evaluation and Selection process of projects under this Green Loan Policy are guided by rigorous environmental criteria to ensure each project contributes to BNZ's sustainability goals. Eligible projects to be financed will be evaluated, selected and prioritised by the Sustainability team in cooperation with the Finance team.

This process is conducted through Investment Committees where the quality of the projects is carefully analysed from various optics: technology and location, environmental compliance, financial viability and technical feasibility. These projects contribute to Sustainable Development Goal 7 (Affordable and Clean Energy) by expanding access to renewable energy and SDG 13 (Climate Action) by reducing greenhouse gas emissions and supporting the transition to a low-carbon economy.

BNZ's has a strong ESG policy which is in line with market reputable standards, and the company is also committed to comply with Equator Principles to ensure the best practices among all the projects. Sustainability is a fundamental part of the organization, integrating all departments involved in the daily tasks of BNZ.

Each project is carefully analysed by our sustainability team using the relevant standards and metrics to evaluate potential impacts. This structured Evaluation and Selection process, ensures that green loans support projects with positive environmental impacts, reinforcing the integrity of our green financing commitments.

7. Management of Proceeds

The Management of Proceeds under this Green Loan Policy ensures that funds are tracked and allocated exclusively to eligible green projects, with allocation verified annually by external auditors.

BNZ has strong experience in managing renewable energy assets, counting with a solid and responsible funds allocation strategy for the whole portfolio. This strategy is based in the cash needs per project,

considering the different stages for each project and current deadlines.

The loans proceeds will be credited to a dedicated account for tracking funds allocation toward the approved activities. The borrower is required to document each disbursement, linking it to specific projects and expenditure that meet the required eligibility criteria.

It is in BNZ's best interests to execute a transparent funds allocation process to satisfy all the reporting requirements deriving from the Financing Agreements, but also to show through periodic reporting the whole process of funding for each project ensuring transparency and integrity in its cash management activity.

DNV revised various documentation to prove the transparency related to all the agreements and processes to be managed by BNZ in their SPO.

8. Reporting and Transparency

For this Green Loan Policy, BNZ is committed to provide annual reporting until the maturity of the Financing Agreements. To uphold accountability, this policy requires regular reporting and transparency measures that track and communicate the environmental impacts of funded projects. Reporting and Transparency are central to ensuring integrity of green loans among various stakeholders.

BNZ must provide periodic reports detailing fund allocation, project progress, and environmental outcomes. Allocation Reporting, delivered annually, will specify amounts allocated to eligible projects, refinancing proportions, and the status of unallocated proceeds. Impact Reporting will include metrics such as renewable energy generated (MWh/year), GHG emissions avoided (tCO₂e/year), and total installed capacity (MW), aligning with the Green Loan Principles and ensuring transparency and measurable sustainability outcomes.

These practices promote trust among stakeholders, demonstrating that green loan proceeds are used responsibly and effectively for projects with demonstrable environmental benefits and strong commitment to society.

9. Managing Risk and Protecting Projects

The Revenue Department actively manages financial and market risks to ensure the long-term success and stability of renewable energy projects. By securing well-structured PPAs and route-to-market contracts, the team minimizes revenue volatility and ensures that projects are protected against market fluctuations.

This risk management approach helps safeguard the financial health of the projects, ensuring that the green loans are repaid, and that environmental and sustainability goals are met without disruptions.

This proactive risk management further supports the Green Loan Policy by ensuring the sustainability of both the financial and environmental outcomes of BNZ's renewable energy projects

10. Revisions and Updates

This Green Loan Policy will be subject to regular review and update to ensure it remains aligned with evolving environmental standards, regulatory requirements, and industry best practices. As the field of sustainable finance advances and new green technologies emerge, the policy will be periodically evaluated to incorporate needed changes.

Revisions may also be made in response to feedback from stakeholders or to enhance the policy transparency. Any update to this policy will be communicated clearly to lenders, stakeholders, and partners to ensure ongoing compliance and mutual understanding of the revised standards. This commitment to regular revisions enables the Green Loan Policy to continually support projects that meaningfully contribute to sustainability.



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