

VERIFIER'S REPORT

ENGIE Southern Africa (Pty) LTD

CLIMATE BONDS INITIATIVE PRE-ISSUANCE VERIFICATION

27 March 2023

I VERIFIERS REPORT

ENGIE Southern Africa (Pty) Ltd. - CBI PRE-ISSUANCE VERIFICATION



For and on behalf of: ENGIE Southern Africa (Pty) Ltd.

Project Location: South Africa

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Reviewed by: Petrus Gildenhuys

Signed:

A handwritten signature in black ink, appearing to read "P. Gildenhuys", written over a light grey rectangular background.

Position: Director

Date: 27 March 2023

This report has been prepared by IBIS Environmental Social Governance Consulting Africa Proprietary Limited (Registration No.: 2016/034677/07), with all reasonable skill, care and diligence within the terms of the contract with the client, incorporating our standard terms and conditions of business and taking account of the resources devoted to it by agreement with the client. We disclaim any responsibility to the client and others in respect of any matters outside the scope of the above.

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1. INTRODUCTION

1.1. BACKGROUND

ENGIE Southern Africa (Pty) Ltd. (referred to as “ENGIE”, or “the issuer”, or “the company”) aims to issue a R2.5Bn Green Finance Instrument (Green Loan) to finance the design, procurement, construction, operation, and maintenance of 3 Solar PV projects with an expected installed capacity of 75MW each. The nominated projects would address the severe power shortage challenges in South Africa and ensure access to cheaper and more sustainable supply of electricity while also supporting the issuer’s sustainability strategy and commitment towards carbon neutrality transition.

To this end, IBIS Environmental Social Governance Consulting Africa Pty Ltd (IBIS) has been appointed by ENGIE to conduct a pre-issuance verification of its *Green Loan Instrument and the associated use of proceeds* in accordance with the standards of the Climate Bonds Initiative (CBI) for the purpose of CBI certification of the green loan.

This pre-issuance verification of the *Green Loan* was conducted by IBIS in accordance with the CBI pre-issuance verification requirements.

1.2. OBJECTIVES

The objectives of this assignment are to:

- Assess the compliance of ENGIE’s *Green Loan Instrument and its associated use of proceeds* with the requirements of the CBI Climate Bonds Standard Version 3.0;
- Present a Verifier’s Report (this report) detailing the work performed and the resulting outcome; and
- Provide a Second Party Assurance Statement to ENGIE on the compliance of the Green Loan and its associated use of proceeds with the CBI Climate Bond Standard Version 3.0.
- The Pre-Issuance Verifier’s report was concluded on 27 March 2023 and is provided as a concise and separate stand- alone report.

1.3. APPROACH AND METHODOLOGY

IBIS conducted the pre-issuance verification process by way of the following 3 tasks:

- **Task 1 - Planning and Preparation:**

In coordination with ENGIE, IBIS confirmed the context, objectives, approach, and scope of the project. The list of information and documents requested by IBIS was shared by ENGIE.

- **Task 2 – Green Loan Issuance Review:**

Based on the documentation provided and interviews conducted with ENGIE's Management team, IBIS conducted a verification exercise to determine the alignment of the Green Loan instrument and its associated use of proceeds with the core components of the Climate Bond Standard's pre-issuance certification criteria. The audit reviewed the commitments made by the issuer and the internal controls and processes put in place to ensure that the commitments are met.

- **Task 3 – Second Party Assurance Statement and Verifier's Report:**

Subsequent to the verification exercise, IBIS consolidated the results in two deliverables:

- The Verifier's Report that articulates the findings from the verification exercise conducted (this report) in line with the CBI requirements; and
- The Assurance Statement submission in accordance with the ISAE3000 standard.
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1.4. APPLICABLE STANDARDS

IBIS conducted the engagement in alignment with the *International Standard on Assurance Engagements (ISAE) 3000 (Revised)*, *Assurance engagements other than audits or reviews of historical financial information* issued by the International Auditing and Assurance Standards Board, which Standard inter alia requires that the assurance practitioner follows due process and comply with ethical requirements.

The criteria specified in the following applicable CBI standards were applied during the pre-issuance verification exercise:

- Climate Bonds Standard (Version 3.0) dated December 2019;
- Climate Bonds Standard & Certification Scheme Sector Criteria for Solar Energy (Version 2.1); and
- Climate Bonds Standard & Certification Scheme - Guidance for Verifiers (Version 2.0) dated December 2019.

1.5. LIMITATIONS AND RESTRICTION OF LIABILITY

No constraints were encountered by IBIS while conducting this exercise. The verification was based on the documents provided, the correspondence with ENGIE by email, and various interviews conducted. All conclusions and recommendations made represent the professional views of the IBIS team that conducted the verification against the specified standards mentioned and should not be interpreted as a review against any legal regulations.

IBIS does not assume any responsibility for potential errors in information provided by ENGIE or changes resulting from situations outside the scope of this engagement. Our work has been undertaken to enable us to express the conclusion on the specified scope and objectives of the engagement to the

Directors of ENGIE in accordance with the terms of our engagement, that includes the submission of this report to the CBI certification body and the publication of the assurance statement, and for no other purpose.

1.6. LIST OF DOCUMENTS RECEIVED AND REVIEWED

S/N	Documents Received and Reviewed
1	ENGIE's Green Finance Framework
2	Climate Bond Information Form
3	ENGIE's Climate Change Report
4	ENGIE's Integrated Annual Report
5	ENGIE's Indicative Green Loan Term Sheet
6	Environmental Management Programme – Grootspruit Solar PV
7	Environmental Authorization – Grootspruit Solar PV
8	Forecast Energy Sales – Grootspruit Solar PV
9	Environmental Authorization – Graspán Solar PV
10	Forecast Energy Sales – Graspán Solar PV
11	Environmental Authorization – Sannaspos Solar PV
12	Forecast Energy Sales – Graspán Solar PV
13	Climate Bonds Standard & Certification Scheme Sector Criteria for Solar (version 2.1)

1.7. LIST OF STAKEHOLDERS INTERVIEWED

S/N	Name	Designation
1	Quentin De Crane	Acquisitions, Investments and Financial Advisory, ENGIE.
2	Kishan Pema	Acquisitions, Investments and Financial Advisory, ENGIE.
3	Philip Battes	Acquisitions, Investments and Financial Advisory, ENGIE.

4	Arvana Singh	Sustainability Structurer, Co-Ordinator & Financial Arranger, Nedbank
5	Mthandeni Vilakazi	Sustainability Structurer, Co-Ordinator & Financial Arranger, Nedbank

1.8. REPORT STRUCTURE

The report is structured to provide an overview of ENGIE’s proposed projects related to its Green Loan, followed by the pre-issuance assessment criteria and ENGIE’s alignment with the four core components of the Climate Bonds Standard.

2. DESCRIPTION OF THE GREEN FINANCE ISSUANCE AND FRAMEWORK

2.1. ENGIE SOUTHERN AFRICA

ENGIE is a wholly owned subsidiary of ENGIE SA, a multinational utility company headquartered in Paris (France) with a strong foothold in the water, electricity, gas and energy services businesses. The group is present in 70 countries and is listed on the Paris, Brussels and Luxembourg stock exchanges. The company, formed on 22 July 2008 by the merger of Gaz de France and Suez and subsequently rebranded to ENGIE S.A. in 2015, traces its origins to the Universal Suez Canal Company founded in 1858 to construct the Suez Canal.

ENGIE's SA African activities comprise a total of 3,000 MW of electricity generation facilities, both in operation and under construction, located in Morocco, Egypt, Senegal, and South Africa. The company's service activities in Morocco, Tunisia, Algeria, South Africa, Mozambique, Côte d'Ivoire, Burkina Faso, Mali, Senegal, Ghana, and Niger; decentralized power generation, mini-grids development, and Solar-Home-Systems (SHS) in 9 countries serving over more than 4 million people.

With the ever evolving systematic and global risks posed by climate change, ENGIE has made strong commitments towards tackling the impact of global warming through the transformation of its business model to achieve high sustainability standards. In February 2020, the company set mid-term decarbonization targets which have been certified to be aligned to the 2 degrees scenario by Science Based Targets Initiatives (SBTi).

To operationalize achieving these decarbonization targets, the issuer bid and was awarded Solar PV projects through the Renewable Energy Independent Power Producer Procurement Programme ("REIPPPP") bid window. ENGIE seeks to finance the development, construction, operation, and maintenance of these nominated projects through a R2.5Bn CBI certified Green Loan instrument. The nominated projects are:

- Grootspuit Solar PV
- Sannaspos Solar PV
- Graspan Solar PV

Each project is operated by a ring-fenced entity within ENGIE. The projects would address the electricity challenges in South Africa while ensuring access to a cleaner, sustainable and more cost-effective source of energy through increased electricity supply sources and improved service coverage.

2.2. ENGIE'S GREEN FINANCE FRAMEWORK

ENGIE has developed a Green Finance Framework (referred to as "the Framework") which is aligned with the four core components of the Loan Market Association's (LMA) Green Loan Principles and

Climate Bond Standards version 3.0 as well as the requirements of the South African Green Finance Taxonomy. The summarized findings from the review based on the 4 components of the Climate Bond Standards are:

- **Use of Proceeds:** ENGIE commits to allocating the amount equivalent to the net proceeds of the Green Loan Instrument towards exclusively financing new green projects that fall within the eligibility criteria and aligned with the requirements of the Climate Bonds Standards (v.3) and applicable sector criteria. The proposed nominated projects, which are listed in the framework, fall under the solar energy sector criteria.
- **Process for Evaluation and Selection of Projects and Assets:** ENGIE has clearly defined its eligibility criteria within its Green Finance Framework. An Investment Committee will be responsible for ensuring that the nominated projects are in line with the eligibility criteria, the Solar Energy sector specific requirements of the Climate Bonds Standards and the South African Green Finance Taxonomy criteria. The nominated projects will be screened against an exclusion list for environmental and social considerations.
- **Management of Proceeds:** ENGIE commits to tracking the allocation of proceeds using a green register. The net proceeds will remain in the account of the lender and shall be disbursed to the sub-account of each project entity. There will be no unallocated proceeds as the net proceeds will only be disbursed gradually to the dedicated sub-accounts of each project entity upon approval of the committee.
- **Reporting:** ENGIE commits to providing annual update reports in line with the requirements of the Climate Bonds Standard, which will disclose information regarding the climate impacts of the nominated projects and the allocation of the net proceeds. The reports will be made available on the issuer's website.
- **External Review:** ENGIE has appointed an independent CBI Approved Verifier (IBIS) to provide an assurance report to determine the conformance of the issuer's Green Loan and its associated use of proceeds with the Climate Bonds Standard's requirements prior to issuance. The issuer also commits to engage with an independent CBI approved consultant to conduct a post-issuance verification of the Green Loan Instrument and its associated use of proceeds.

3. VERIFICATION CRITERIA AND RESULTS

3.1. SUMMARY OF VERIFICATION CRITERIA

The pre-issuance verification criteria in line with the Climate Bonds Standard are based on the 4 pillars:

- Use of Proceeds;
- Process for Evaluation and Selection of Projects and Assets;
- Management of Proceeds; and
- Reporting Prior to Issuance.

For issuers who wish to obtain a pre-issuance certification for their green finance instrument, the requirements defined in each of these aforementioned pillars must be met to confirm that:

- The Issuer has established appropriate internal processes and controls prior to the issuance of the green loan instrument;
- The processes and internal controls are sufficient to enable compliance with the Climate Bonds Standard after the issuance of the Bond, and that the allocation of proceeds is well monitored; and
- The Issuer has provided a Green Finance Framework which is consistent with the pre-issuance criteria of a Climate Bonds Standard.

IBIS assessed ENGIE's Green Finance Framework and the Nominated Projects against the criteria and requirements detailed in the Climate Bonds Standard Version 3.0 as follows:

- Part A: pre-issuance requirements around the 4 pillars; and
- Part C: eligibility of projects and assets.

(Part B relates to the Post-issuance Requirements which is not applicable at this stage of the project.)

The following sections detail the requirements and measures of each pillar with the documented commitments made by ENGIE (*in text boxes*) to comply with them as assessed by IBIS.

3.2. PART A: PRE-ISSUANCE REQUIREMENTS

3.2.1. Use of Proceeds

The pre-issuance requirements for use of proceeds and the findings of IBIS' assessment are as follows:

The Issuer shall document the Nominated Projects & Assets which are proposed to be associated with the Bond and which have been assessed as likely to be Eligible Projects & Assets. The Issuer

shall establish a list of Nominated Projects & Assets which can be kept Up to Date during the term of the Bond.

ENGIE has documented the nominated projects/assets for financing under the Green Loan in its Green Finance Framework. The projects have been assessed against the CBI Standards (V 3.0) as likely to be eligible projects. The nominated projects are:

- *Grootspruit Solar PV*
- *Sannaspos Solar PV*
- *Graspan Solar PV*

The 3 nominated projects listed in the Green Bond Framework were confirmed to all fall within the CBI Solar Energy Sector Criteria.

The issuer commits to establishing and maintaining a green register of all nominated projects which will be kept updated during the term of the loan.

The expected Net Proceeds of the Bond shall be no greater than the Issuer's total investment exposure to the proposed Nominated Projects & Assets, or the relevant proportion of the total Market Value of the proposed Nominated Projects & Assets which are owned or funded by the Issuer.

*The total investment cost for the 3 nominated projects is estimated at **R3.5Bn**, and the total expected net proceeds of the Green Loans is estimated at **R2.5Bn**. Therefore, the expected net proceeds will not be greater than the total investment exposure of the projects.*

Nominated Projects & Assets shall not be nominated to other Certified Climate Bonds, Certified Climate Bonds, Certified Climate Debt Instruments, green bonds, green loans or other labelled instruments (such as social bonds or SDG bonds) unless it is demonstrated by the Issuer that:

- Distinct portions of the Nominated Projects & Assets are being funded by different Certified Climate Bonds, Certified Climate Bonds, Certified Climate Debt Instruments, green bonds, green loans or other labelled instruments or
- The existing Certified Climate Bond, Certified Climate Bond or Certified Climate Debt Instrument is being refinanced via another Certified Climate Bond, Certified Climate Bond or Certified Climate Debt Instrument

The issuer confirmed that the nominated projects and assets have not and shall not be nominated to any other debt instrument certified by the Climate Bond Initiative or any other green bond label.

3.2.2. Process for Evaluation and Selection of Projects and Assets

The pre-issuance requirements relating to the Process for Evaluation and Selection of Projects and Assets, and findings of IBIS' assessment are as follows:

The Issuer shall establish, document, and maintain a decision-making process which it uses to determine the eligibility of the Nominated Projects & Assets.

ENGIE has defined its decision-making process used to determine the eligibility of the Nominated Projects and Assets in its Green Finance Framework.

The decision-making process shall include, without limitation:

- A statement on the climate-related objectives of the Bond.

The issuer has defined the climate-related objective of the Green Loan in the Framework. ENGIE understands the risks of climate change warming and the need for environmental preservation within its sector. The nominated projects aim to achieve carbon neutrality while addressing the systematic risks.

- How the climate-related objectives of the Bond are positioned within the context of the Issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability.

As part of its sustainability strategy, ENGIE set mid-term decarbonization targets aligned with the 2 degrees scenario as certified by the Science Based Targets Initiatives (SBTi). The Green Loan instrument aims to support the Issuer's achievement of the decarbonization targets while strengthening its commitment in combating the impact of climate change risks.

This aligns the climate-related objective of the bond to the issuer's overarching sustainability strategy.

- Issuer's rationale for issuing the Bond.

The rationale for the issuance of this instrument is in response to the severe power shortage in South Africa. The nominated projects under this loan will support the continuous access to adequate supply of clean and sustainable sources of electricity under the Renewable Energy Independent Power Producer Procurement Programme ("REIPPPP") while supporting the issuer's drive towards meeting its decarbonization targets.

In addition, Engie acknowledges that raising green funding is critical towards achieving its strategy and commitment to playing a leading role in the carbon neutrality transition.

This is outlined within the Green Finance Framework.

- A process to determine whether the Nominated Projects & Assets meet the eligibility requirements specified in Part C of the Climate Bonds Standard.

According to the Framework, the issuer commits to ensure that all nominated projects identified as eligible under the Green Loan Instrument will be verified by the Investment Committee against the CBI taxonomy and the requirements of the Solar Energy Sector specific criteria as specified in the Part C of the Climate Bonds Standard.

Issuer should include under Clause 2.1 further aspects of the decision-making process, including:

- Related eligibility criteria, including, if applicable, exclusion criteria or any other process, applied to identify and manage potentially material environmental, social or governance risks associated with the Nominated Projects & Assets.

The framework confirms that all nominated projects under this green instrument will be screened by the Investment Committee against a clearly defined exclusion list and eligibility criteria as articulated within the framework. Nominated projects will also be subjected to the technical screening requirements of the SA Green Finance Taxonomy to ensure that the projects “Do No Significant Harm (DNSH)” to any environmental objective while complying to the Minimum Social Safeguards.

- Green standards or certifications referenced in the selection of Nominated Projects & Assets.

The Framework is aligned with the Climate Bond Standards Version 3.0 and the requirements of the South African Green Finance Taxonomy (including DNSH assessment and alignment with the minimum social safeguards) as required in the selection of the Nominated Projects.

The issuer shall assess that all proposed Nominated Projects & Assets to be associated with the Bond meet the documented objectives as stated under Clause 2.1.1 and are likely to conform to the relevant eligibility requirements under Part C of the Climate Bonds Standard.

The Framework confirms that all proposed nominated projects associated with Loan will be assessed against the documented eligibility requirements and the Solar Energy sector specific criteria of the Climate Bonds Standard.

The nominated projects have been assessed against the relevant eligibility requirements and have been identified within the CBI Taxonomy as required under the Part C of the Climate Bonds Standard.

3.2.3. Management of Proceeds

The Pre-issuance requirements for Management of Proceeds and findings of IBIS’ assessment are as follows:

The systems, policies, and processes to be used for management of the Net Proceeds shall be documented by the Issuer and disclosed to the Verifier, and shall include arrangements for the following activities:

- The Net Proceeds of the Loan can be credited to a sub- account, moved to a sub-portfolio, or otherwise tracked by the Issuer in an appropriate manner and documented.

The process for the Management of the Net Proceeds is documented in the Green Finance Framework. The Net Proceeds of the Green Loan shall remain with the lenders prior to disbursement. The notice of drawdown will be submitted by the issuer to the relevant facility agents (lenders). The Global Facility Agent who would communicate between lenders and issuer shall ensure that the drawdown processes/disbursement has been completed by all lenders in line with the project plan.

Upon approval, the net proceeds will be disbursed directly to a dedicated sub-account of each project.

- The balance of unallocated Net Proceeds can be managed as per the requirements in Clause 7.3.

There would be no unallocated proceeds as the net proceeds will continually remain with the lender and only gradually disbursed directly to the projects upon request and approval.

- The earmarking process can be used to manage and account for funding to the Nominated Projects & Assets and enables estimation of the share of the Net Proceeds being used for financing and refinancing.

ENGIE has an earmarking and tracking of proceeds process in place which is detailed in the Framework. There will be no refinancing of nominated projects as 100% of the net proceeds will be allocated to new financing of the nominated projects.

3.2.4. Reporting Prior to Issuance

The Pre-issuance requirements for Management of Proceeds and findings of IBIS' assessment are as follows:

The Issuer shall prepare a Green Bond Framework and make it publicly available prior to Issuance or at the time of Issuance. The Green Bond Framework shall include, without limitation:

The Issuer has prepared a Green Finance Framework and confirms that the Green Finance Framework will be made publicly available

Confirmation that the Bond issued under the Green Bond Framework are aligned with the Climate Bonds Standard. This may include statements of alignment with other applicable standards, such as the EU Green Loan Standard, the ASEAN Green Loan Standard, Chinese domestic regulations, Japanese Green Loan Guidelines, etc.;

The Green Loan issued under the Green Finance Framework is aligned with the Climate Bonds Standards (V 3.0) and the requirements of the South African Green Finance Taxonomy, as referenced.

- A summary of the expected use of proceeds, as defined under Clause 1.1, and the expected contribution of the relevant sectors or sub-sectors to the rapid transition required to achieve the goals of the Paris Climate Agreement; and

The Green Finance Framework indicates that proceeds of the Green Loan will be applied as defined under Clause 1.1 and the expected contribution of the relevant sectors or sub sectors to rapid transition required to achieve the goals of the Paris Climate Agreement.

The projects to be financed by the green instrument are listed in the Green Finance Framework. The expected use of proceeds is focused on the Solar Energy sector which will contribute to decarbonization targets which will further contribute towards achieving the goals of the Paris Climate Agreement.

- A description of the decision-making process, as defined under Clause 2.1, with particular reference to the requirements in Clause 2.1.2.

The framework has a description of decision-making process as defined under clause 2.1 with reference to Clause 2.1.2. This involves the approval of the eligible projects by the Investment Committee only after ensuring consistency with the eligibility criteria and the Solar Energy Sector-specific requirements.

- On the methodology and assumptions to be used for: confirming, where required by relevant Sector Eligibility Criteria, the characteristics or performance of Nominated Projects & Assets required to conform to the relevant eligibility requirements under Part C of the Climate Bonds Standard; and any other additional impact metrics that the issuer will define;

The methodology and impact metrics to be considered for reporting the performance of the nominated projects have been included in the framework. This conforms to the requirements of the Solar Energy sector criteria under Part C of the Climates Bond Standard.

- A summary of the approach to the management of unallocated Net Proceeds in accordance with Clause 3.1.

There shall be no unallocated proceeds as the net proceeds of the green loan will be gradually disbursed directly to the sub-accounts of the nominated projects for immediate utilization upon request/approval. This is clearly stated in the framework.

- The intended approach to providing Update Reports to reaffirm conformance with the Climate Bonds Standard while the Bond remains outstanding;

ENGIE commits to engaging with an approved CBI verifier to conduct the Post Issuance compliance review of the annual reports.

- The list of proposed Nominated Projects & Assets associated with the Loan and the investment areas, as provided in Clause 9.1, into which the Nominated Projects & Assets fall. Where there are limits on the amount of detail that can be made available about specific Nominated Projects & Assets, information shall be presented on the investment areas which the Nominated Projects & Assets fall into, provided in Clause 9.1, and the Issuer shall provide an explanation of why details on Nominated Projects & Assets is limited; and

The list of proposed Nominated Projects associated with the Loan and the investment areas as aligned with Clause 9.1 has been detailed in the Framework. The Nominated Projects are:

- *Grootsproot Solar PV*
- *Sannaspos Solar PV*
- *Graspan Solar PV*

All projects fall within the Solar Energy Sector of the Climate Bonds Standards as well as the CBI Taxonomy.

- Where a proportion of the Net Proceeds are used for refinancing, an estimate of the share of the Net Proceeds used for financing and refinancing, and the relevant Nominated Projects & Assets or investment areas which may be refinanced. This may also include the expected look-back period for refinanced Nominated Projects & Assets.

The issuer confirms that 100% of the Net Proceeds will be fully allocated to new projects, therefore there will be no refinanced projects.

The Issuer shall include in the Disclosure Documentation:

- The investment areas, as provided in Clause 9.1, into which the Nominated Projects & Assets fall;

The disclosure documentation (specifically the Green Loan Term Sheet) contains the investment areas into which the nominated projects fall as required in Clause 9.1 of the Climate Bonds Standard.

- The intended types of temporary investment instruments for the management of unallocated Net Proceeds in accordance with Clause 7.3.;

This is not applicable as there will be no unallocated proceeds. However, the management of proceeds is clearly defined within the Term Sheet and Framework.

- The Verifier engaged by the Issuer for the mandatory verification engagements;

ENGIE has commissioned IBIS Consulting Limited as an independent verifier approved by the Climate Bonds Standards Board to perform the Pre-Issuance Verification of the Loan. The issuer also commits to engaging a CBI approved verifier for the post issuance verification exercise. This is clearly defined in the Framework.

- The envisaged approach to providing update reports to reaffirm compliance with the Climate Bonds Standard while the Loan is outstanding, including location of published materials; and

The Issuer will engage a CBI approved independent verifier to conduct the annual Post-Issuance verification. Details of the annual report are included in the Green Finance Framework. The Annual Report will be made publicly available on the issuer's website.

- Disclaimer of the Climate Bonds Initiative provided for in the agreement certification.

ENGIE commits to include the CBI Disclaimer provided in the certification agreement in the Disclosure documentation.

3.3. PART C: ELIGIBILITY OF PROJECTS AND ASSETS

In line with the objectives of the Paris Climate Agreement, eligible projects and assets under the Climate Bonds Standard can be considered as contributing to the quick transition towards a low-carbon and climate-resilient economy.

Clause 9 of Part C of the Climate Bonds Standards refers to the Climate Bonds Taxonomy. The taxonomy provides an overview of the mitigation and adaptation investment opportunities across the major sectors of the global economy. It serves as an initial screen for inclusions and exclusions for climate-aligned sectors and is used by the Climate Bonds Initiative when reviewing labelled Bonds or Loans for inclusion into its Green Bond list.

Clause 10 refers to detailed criteria, contained in the Sector Eligibility Criteria documents. The criteria contained in these documents must be met for projects and assets to be considered eligible.

The measures and commitments made by ENGIE are as follows:

The nominated projects listed under the use of proceeds section of the Green Finance Framework are aligned with the Climate Bonds Standards (v.3) and applicable sector criteria.

The use of proceeds shall be allocated to nominated projects and assets which align with approved applicable sector specific criteria. The applicable sector is the Solar Energy Sector Eligibility Criteria.

Technical Criteria for Selected Projects and Assets:

Solar Energy Sector Criteria

Sector Criteria Requirements	IBIS Findings	Requirements Met
Eligible Project & Assets that have activities in solar electricity generation facilities or solar thermal facilities shall have a minimum of 85% of electricity generated from solar energy resources.	<i>Eligible projects will be onshore solar electricity generation facilities and have a minimum of 85% of electricity generated from solar energy resources.</i> <i>It includes wholly dedicated transmission infrastructures, grid connections and other supporting infrastructure for onshore solar electricity generation facilities including inverters, transformers, security systems, battery energy storage systems and control systems.</i>	Yes

CONCLUSION

Based on the information and documentation provided by the Issuer during the verification process, IBIS has examined the documented commitments and undertakings, and nothing has come to our attention that would lead us to believe that ENGIE's Green Loan Instrument does not, in all material respects, meet the prerequisites for pre-issuance certification under the Climate Bonds Standard (Version 3.0).

[Redacted]

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