



Green Schuldschein Framework



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1. Introduction

This Framework is a slightly revised version of the previous Framework (dated June 2018). It has been updated to incorporate new information on the methodology of applying a pro rata approach for eligible projects in the Category B "Energy Transmission, Distribution and Smart Grid Projects" (see page 13). These changes will increase transparency on the approach chosen.

1.1 PROFILE ENCEVO

Encevo S.A. is the holding company, which leads the Encevo Group, essentially composed of the energy provider Enovos and the grid operator Creos.

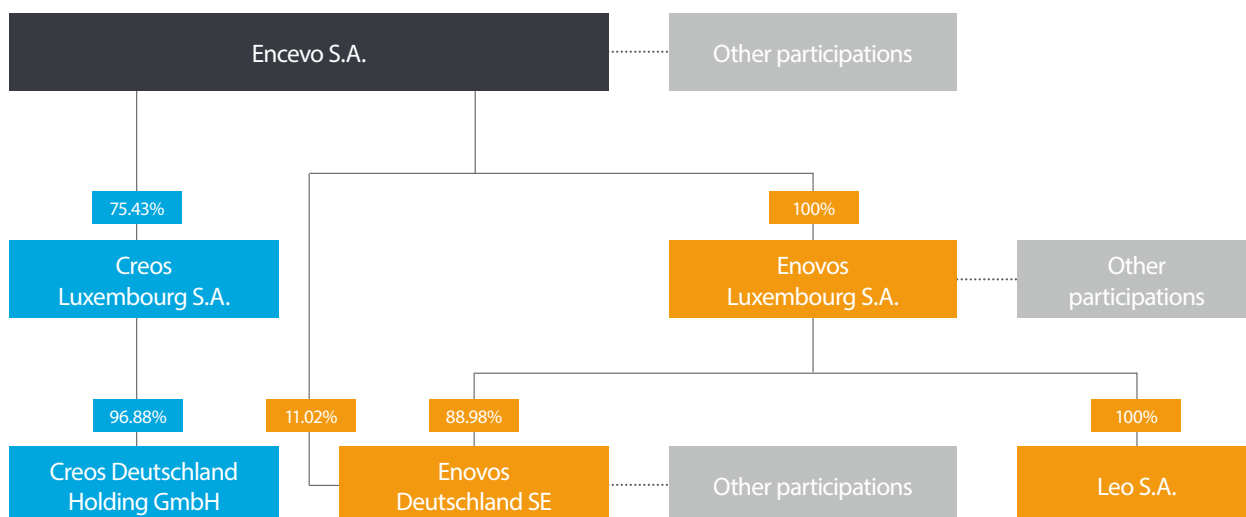
Encevo defines the group strategy as well as governance and ensures financing to all group entities with a view to guarantee the sustainable development of the whole group.

Encevo also provides, through its skilled and experienced staff of over 160 employees, various support services to group entities, including finance, treasury management, accounting, legal, human resources, facility management, IT, internal audit, risk management and insurance. The purpose thereof is to create synergies and increase overall efficiency and effectiveness throughout the group.

Further, the role of Encevo is to position the group in relation to its stakeholders (employees, shareholders, government, customers, suppliers, investors, partners, media...).

As a regional energy leader and key player in Luxembourg's energy transition, Encevo Group employs, as of May 2018, a workforce of more than 1,600. The group owns more than 300,000 delivery points for natural gas and electricity and operates over 10,150 km of electrical power lines and 3,700 km of gas pipelines. Encevo's stable shareholding structure, healthy finances and solid strategic position in the European market make the Encevo Group a reliable partner.

Group Structure



For further information, please visit www.encevo.eu

1.2 SUSTAINABILITY AT ENCEVO

Today's European energy market is in constant evolution, and Encevo Group plays a proactive role in shaping the future of energy production and distribution in the Greater Region¹. The group believes in taking the long view; driving real sustainable progress. The group considers its contribution to a sustainable future as an integral part of its strategy.

The group's shared aims and values adapt to the regional realities of the different markets.

Courses of action in relation to business ethics and managerial transparency, organisation, company bylaws, shareholders and human resources, value creation through commitment to social projects, protection of the environment and support for cultural programmes are deployed to make Corporate Social Responsibility (CSR) a part of management and decision-making mechanisms. Many of these commitments have been made publicly official and can be found in the CSR section of Encevo Group's annual report.

In November 2015, the group's efforts have been recognised by Luxembourg's national institute for sustainable development and social responsibility (INDR) with the award of the ESR² label to Enovos International (now Encevo), Enovos Luxembourg, Creos Luxembourg and the Luxembourgish real estate branches of the group.

In alignment with Encevo's strategy and sustainability vision, the company is considering to issue a Green Schuldschein to finance and refinance projects that are focused on environmental topics across its operations.

1.2.1 Sustainability Development Goals

In keeping with the recent international trends Encevo decided to take the United Nations Sustainable Development Goals ("SDGs") as the guiding thread of its CSR context analysis.

In order to achieve a long-term economic growth with sustainable benefits for the economy, the society and the environment, Encevo Group is committed to contribute to the U.N. Sustainable Development Goals (SDG). More specifically, the group examined the seventeen objectives and divided them into three categories, taking into account the group's strategy, national priorities, feedback from internal experts, and interactions with its internal and external stakeholders. The result of this exercise was the conclusion that Encevo Group has a direct, active role to play in six of the seventeen SDGs, a moderately direct role to play in five, and an indirect role to play in the remaining six (see graphic below). Encevo Group therefore decided to structure and focus its efforts on the key Sustainable Development Goals for which it believes it has an active and direct role to play.



Encevo Group supports the Sustainable Development Goals

¹ Area of Saarland, Lorraine, Luxembourg, Rhineland-Palatinate, Wallonia and the rest of the French Community of Belgium, and the German-speaking Community of Belgium (source: Wikipedia: https://en.wikipedia.org/wiki/Greater_Region)

² Entreprise Socialement Responsable – Socially Responsible Company

SUSTAINABLE DEVELOPMENT GOAL 7: AFFORDABLE AND CLEAN ENERGY



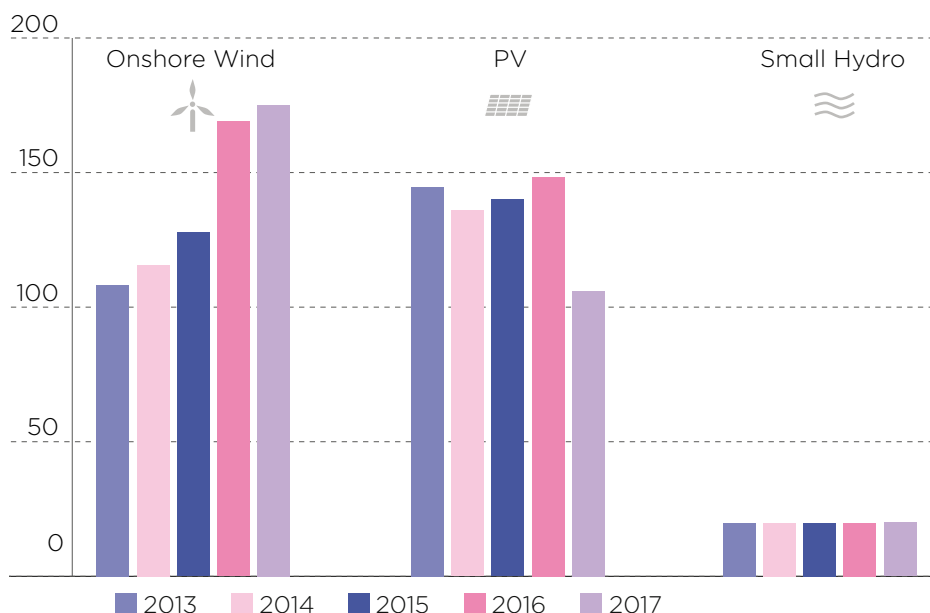
Reliable, clean and affordable energy supply is the backbone of economic development in advanced as well as emerging markets.

In Europe, both, policies and measurable targets have been elaborated in order to assure all citizens are granted access to affordable and clean energy. The European Commission's Energy Union Package brings forward the vision and the strategy vital for progress in terms of energy security, solidarity and trust. On the other hand, the 2020 Climate and Energy Package and the 2030 Climate and Energy Framework help quantifying and measuring progress towards the common goals.

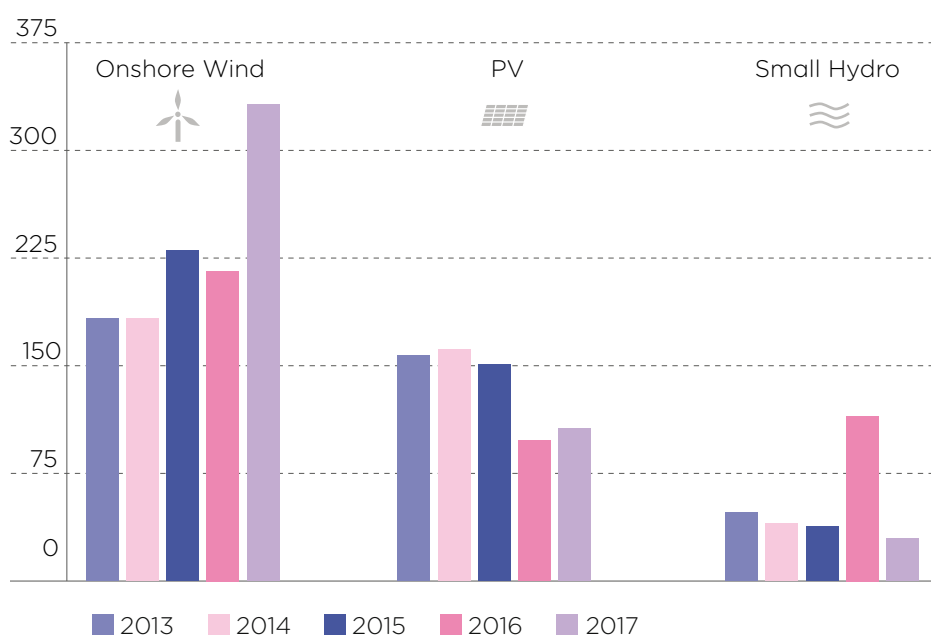
Luxembourg's current energy mix is predominantly based on fossil fuels. Encevo Group is aware of the crucial role it has to play in putting in place the transition to a future fuelled by clean, reliable energy.

Thanks to its renewable energy production of 663 GWh in 2017, Enovos has been able to provide the equivalent of 165,850 medium-sized households with 100% renewable energy and thus avoided the emission of more than 375,000 tons of CO₂. The graphs below will give you an overview of the installed capacity and electrical production per year and technology.

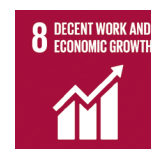
Capacity per Year and Technology [MW]



Electrical Production per Year and Technology [MWh]



SUSTAINABLE DEVELOPMENT GOAL 8: DECENT WORK AND ECONOMIC GROWTH



The way towards reliable energy supply goes through a sustainable business model and economic growth. The group's ultimate goal being serving customers and creating long-term value for society at large, it regularly adapts and optimises its business model with regard to changing market conditions. As a result, the group initiated a continuous investment policy targeting efficient, high-performance grids and renewable energy sources such as onshore wind, photovoltaic systems and small-scale hydropower³.

With over 1,600 employees, Encevo Group is one of the largest employers in the Greater Region and recognises its responsibility in investing into human capital. Facilitating the on-going professional training of collaborators is at the core of its human resources approach.

A well-trained workforce brings advantages to the individuals and to the organisations, especially if well combined with diversity management (Enovos Luxembourg brings together 17 nationalities!) to grant equal opportunities to all employees. In this context, Enovos Deutschland signed the German Diversity Charter ("Charta der Vielfalt", during the German Diversity Day), and Encevo S.A. has signed the Luxembourgish version in May 2018: a written commitment to ban discrimination at work and make a decision to work towards reflecting the diversity of the society in the workplace.

Furthermore, the group is aware of the growing importance attributed to the responsibility of large companies with regard to the social impacts within their supply chain. As such, it is currently developing a framework regarding how its performance in this field could be improved during the upcoming years.

³ Small hydro is the production of hydroelectric power. The definition of a small hydro asset varies and the assets have a generating capacity of 1 to 20 MW.

SUSTAINABLE DEVELOPMENT GOAL 9: INDUSTRY, INNOVATION AND INFRASTRUCTURE



Sustainable Development has been a proven catalyst for innovation in the energy sector and is expected to continue acting as such. Trends such as the electrification of mobility and the digitalization of energy production (smart energy), infrastructure (smart grids) and consumption (smart homes) have all contributed to the transition to a more efficient, less polluting economy. Encevo Group takes society's growing ecological awareness to heart: e.g. since 2011, Enovos supplies renewable electricity to its retail customers at no additional cost. Creos, by maintaining, upgrading and developing the grids, has a very strategic part to play in the development of the regions where the company is active; enabling distributed generation, blending industrial facilities in the landscapes and ensuring that the environment is protected while improving the efficiency of the grids are among the main challenges for the company.

The reinforcement of the prosumer community, consumers producing electricity themselves, requires an infrastructure capable of monitoring and regulating energy uptake from these decentralized sources – smart-metering – while maintaining a reliable supply level for all.

SUSTAINABLE DEVELOPMENT GOAL 11: SUSTAINABLE CITIES AND COMMUNITIES



Over the past years as part of the development of sustainable cities and communities, Encevo Group observed the decentralisation of energy production and the increasing importance of prosumers (i.e. consumers who have become their own producers) generating their own green electricity at near zero marginal cost around the world. More and more, communities feel the need to have a say on the way the energy they consume is produced. In this changing environment, the group needs to appropriately engage with its stakeholders on each level and to enable them to take part in the transition to a low-carbon economy through continuous infrastructure development.

Last but not least, with the eco-mobility trend in the Greater Region gaining more and more ground, Encevo Group sees an increased adoption of electric vehicles. The Encevo Group plays an essential role in enabling the spread of this form of eco-friendly mobility. Creos, together with three other grid operators, aims to provide the infrastructure for 800 public electrical vehicle charging stations in Luxembourg by 2020, whereby Creos is to provide the infrastructure for 750 out of the 800 public electrical vehicle charging stations. On the supply side, Enovos has been awarded in a public tender process to supply the public electrical vehicle charging stations with 100 % renewable energy.

SUSTAINABLE DEVELOPMENT GOAL 12: RESPONSIBLE CONSUMPTION AND PRODUCTION

According to the United Nations, if people worldwide switched to energy efficient light bulbs the world would save US\$120 billion annually. In Luxembourg, thanks to the continuously increased energy efficiency, a substantial decrease in per capita energy demand is expected for the upcoming decades. However, the Group expects the total regional energy demand to be impacted to a lesser extent, as a consequence of the forecasted demographic changes: in Luxembourg, a 67 % population increase is forecasted by 2050 according to Eurostat. At the European level, the full integration of the energy market has been articulated in the Energy Union strategy. As a consequence, the Group expects the evolution of the market structures in which it operates during the upcoming years.

In terms of energy efficiency, the company continues to play its role as an enabler, providing the technological background for energy reduction in households as well as businesses. Encevo Group is well aware of the challenges that lay ahead, and of the need for further innovation to realise greater energy efficiency to live up to the EU 2020 goals. Going even further, energy efficiency can only be achieved by leveraging the full potential of technical expertise, innovation, creativity and our team's outstanding focus on our customer.

SUSTAINABLE DEVELOPMENT GOAL 13: CLIMATE CHANGE

The energy sector is the largest single contributor to Green House Gas (GHG) emissions in Europe. Accordingly, this sector plays a determining role in accomplishing the energy transition. Since the Paris COP21 and Marrakesh COP22 conferences, countries committed to quantifiable targets and the acceleration and globalization of the transition to low-carbon economy has been on track. The Encevo Group is at the forefront of the energy transition in Luxembourg and the neighbouring Greater Region.



1.2.2 Highlights

1) Compliance

The Encevo Group has adopted a Code of Business Conduct, which sets out the ethical and compliance standards to which our employees comply. The Encevo Group expects equally high standards from its business partners. Additional policies have been adopted in various areas such as personal data protection, conflicts of interest and insider dealing.

The group launched a personal data protection compliance program at the beginning of 2017 in order to ensure compliance with the EU General Data Protection Regulation.

In 2017, the group also adopted a more global compliance action plan, aimed at strengthening its governance. Specifically, compliance and data protection officers have been appointed in the most significant entities of energy sales and grid business and actions within its compliance process areas (risk assessment, training, controls and internal audit) have been implemented.

Clearly, Encevo Group has a zero tolerance policy regarding corruption. This principle is reflected in the Code of Business Conduct, which also addresses, in greater detail, the related topics of 'accepting and offering gifts and entertainment' and 'conflicts of interest'. In addition, the Code of Business Conduct includes a 'whistle-blowing policy', which protects employees who report improper or illegal practices. It aims to ensure that possible cases of corruption may be confidentially reported through a specific channel without risk of retaliation.

In addition, at the end of 2017, the group adopted a work instruction relating to conflicts of interest, which is now being implemented in 2018.

2) Health and Safety

Reducing risks, ensuring safety for the group's employees and for the general public is crucial for the Encevo Group. To be able to organise relevant trainings, provide employees and external stakeholders with quality information, and improve processes for more safety, the group analyses the risks linked to its activities and takes action to mitigate them. Improving the security of the workforce is a permanent objective for the group. Training and certifications, HSE Programs (Encevo holds the "Sécher a Gesond mat System" (SGS)⁴ Label), an ergonomics audit, awareness-raising sessions and security screening patrols are among the main developments in this domain.

3) Waste Management

The 3R's waste management concept – Reduce, Re-use, Recycle – has contributed to a better waste sorting and an overall reduction in waste quantity on the group's main sites in Luxembourg.

Encevo and Creos Luxembourg both have been awarded the SuperDrecksKëscht label. This ecological waste management initiative – certified according to DIN EN ISO 14024 – supports and trains companies to achieve recycling, transparent waste transaction and a more sustainable waste management in general.

4) Biodiversity

In order to preserve the biodiversity and in compliance with the applicable legislation, Encevo Group attaches particular attention to the management of the environmental impact of installations before building new ones or changing an existing one.

For any project concerning the deployment of renewable energy generation installations in Luxembourg, the Ministry for Sustainable Development and Infrastructures (MDDI) gives the environmental authorizations according to the laws in place. Communes give the construction permits. Compensation measures to be implemented are as well included in the authorization process. The compliance with these requirements from the Ministry is a prerequisite for the authorization to deploy the installations. Such measures can include: replanting hedges or trees, digging a pond, or any other action the Ministry deems appropriate to offset the risk to local biodiversity.

⁴ "safe and healthy with system", is a label created by the "Association d'Assurance Accidents" (AAA) in order to encourage initiatives, provide advice and coach employers regarding risk prevention and occupational health and safety.

Concerning grid investments, Creos is also concerning the environmental impacts, as for example the continued use of underground cables and encapsulated stations. In addition underground lines are naturally less exposed to weather conditions, and are less vulnerable as a result. Creos now has 94.7% of its low-voltage power lines and 71.4% of its medium-voltage lines underground, representing over 7,900 km or 80% of the entire network, a level of performance, which exceeds European standards. Creos has always been concerned that its facilities should be integrated effectively with the environment. Today, for example, new high voltage transformer stations are all gas-insulated substations. Furthermore, low- and medium-voltage substations within the boundaries of local communities are today constructed exclusively as shielded substations with stonewalls, or prefabricated concrete or steel structures, or are directly integrated into a building.

Concerning the end-of-life management of the renewables installations, each year Encevo sets aside provisions, in accordance with the law, to anticipate decommissioning costs. When the time comes, the installations are then dismantled and sold, or entrusted to companies whose mission is to separate the various components to allow their recycling. At present, no asset under Encevo's responsibility has reached this stage of the life cycle. On the other hand, Creos has end-of-life assets, for which replacement investments are required. The related costs of these replacement investments are included in the Capex.

5) Local Communities

Encevo Group is committed to engage with local communities in a responsible manner with present and future generations in mind.

The group is willing to build strong and sustainable relationships with customers and partners, based on mutual trust. To achieve this vision, the group:

- Continuously works on improved customer relations
- Acts for knowledge and informs about:
 - the amount of energy produced and indicates how many CO2 emissions are avoided by using the renewable energy produced by the installation instead of energy from depletable sources
 - the amount of water saved, which would otherwise has been required for cooling if the energy came from depletable sources
- Supports local communities: Encevo Group supports municipalities, when they engage in photovoltaic projects, even when the Group is not the lead partner of the project: The Group proposes to ensure coordination between municipalities and installers, participates in meetings with the municipalities and their representatives, and thus contributes to answering their questions and to demonstrate the benefits of a renewable energy installation. Dialogue and pedagogy are therefore more crucial as municipalities become full players in these projects.
- Sponsors initiatives and events such as Luxembourg's 2017 Sustainability Forum organised by IMS, and hosts IMS in the group's facilities in Strassen since July 2017.
- Participates and organises fairs and events
- Has been setting up in 2010 its foundation under the aegis of Fondation de Luxembourg. Fondation Enovos supports following causes: enhancement and development of renewable energy sources in Luxembourg and the Greater region; active promotion of research in the fields of environmental studies and sustainable development by supporting scientific projects; social projects.
- Initiates, supports and promotes projects such as "Creos Hëllef Haiti" or the creation of a hostel for asylum seekers in the former Creos buildings in Mersch.

2. Basis of this Green Schuldschein Framework

The ICMA Green Bond Principles are a set of voluntary guidelines that recommend transparency and disclosure and promote integrity in the development of the Green Schuldschein market by clarifying the approach for issuing a Green Schuldschein. The Encevo Green Schuldschein Framework follows the ICMA Green Bond Principles (GBP) 2017 edition, which provides guidelines in four core components:

- 1. Use of Proceeds**
- 2. Process for Project Evaluation and Selection**
- 3. Management of Proceeds**
- 4. Reporting**

2.1 USE OF PROCEEDS

The net proceeds from the issuance of a Green Schuldschein will be used by Encevo to finance or refinance, in whole or in part, a selected pool of “Eligible Projects and Assets” in Luxembourg that promote the transition toward a sustainable economy. The net proceeds will be used exclusively on projects and assets that comply with the Eligible Categories and criteria set out below.

The long-term ambition is to allocate the majority of the net proceeds to new projects and assets (defined as projects and assets financed within the next 5 years). Part of the net proceeds will be allocated to existing properties no older than two years. The proportion of financing to new projects and assets will be disclosed in the annual reporting.

Exclusionary criteria:

The net proceeds will not be allocated or linked to:

- fossil energy generation
- nuclear energy generation
- research and/or development within weapons and defense
- potentially environmentally negative resource extraction (such as rare-earth elements or fossil fuels)
- hydroelectric power production units with a capacity above 25MW
- gambling
- tobacco.

Encevo intends to allocate the proceeds of the Green Schuldschein issue to a portfolio of Eligible Green Projects and Assets (the “Eligible Green Portfolio”) within the following Eligible Categories:

A. RENEWABLE ENERGY PROJECTS:

- Development, construction, installation and maintenance of renewable energy production units, from sources including, but not limited to wind power, solar PV installations and hydroelectric power (the financing of hydroelectric power plants is limited to units with a capacity less than 25MW).

B. ENERGY TRANSMISSION, DISTRIBUTION AND SMART GRID PROJECTS:

- Development, construction and reconstruction of electricity networks that enhance the transmission capacity for renewable energy.
- Investments in existing infrastructure to increase energy efficiency and decrease network losses.
- Investments in new infrastructure that improve reliability of energy supply and energy efficiency through the use of smart grid technologies and the installation of smart meters.

C. SUSTAINABLE REAL ESTATE:

- Sustainable real estate or green building is a building that, in its design, construction or operation, reduces or eliminates negative impacts, and can create positive impacts on our climate and natural environment. Green buildings preserve precious natural resources and improve our quality of life.
- The proceeds of the Schuldschein will be used for investments in existing and new buildings, which meet at least the minimum requirements of DGNB Gold.

DGNB (“Deutsche Gesellschaft für Nachhaltiges Bauen” e.V. or German Sustainable Building Council) is the most recent green certificate to be developed and incorporates the latest research and understanding of sustainability issues. It aims to offer objective description and assessment of the sustainability of buildings and urban districts and to base assessment on the quality in use of the building or district, i.e. the overall performance of the property or area, over its entire life cycle, rather than on specific items.

On its website, the DGNB describes itself as follows:

“The German Sustainable Building Council (DGNB – Deutsche Gesellschaft für Nachhaltiges Bauen e.V.) was founded in 2007 by 16 initiators from various subject areas within the construction and real-estate sectors. The aim was to promote sustainable and economically efficient building even more strongly in future. The reaction to the founding of the DGNB was extremely positive. By the beginning of 2008 121 organizations had already joined the DGNB. Today the association has more than 1.100 members throughout the entire world, because we see ourselves as a German and international knowledge platform.”

D. CLEAN TRANSPORTATION SOLUTIONS

based on non-fossil fuel or hybrid technologies and supporting infrastructure, including improvements of the grid in order to prepare it for the connection and installation of electric vehicle charging stations.

2.2 PROCESS FOR PROJECT EVALUATION AND SELECTION

Projects financed and/or refinanced through the Green Schuldschein proceeds are evaluated and selected by a working group of representatives with the required level of expertise and seniority from Encevo, Enovos Luxembourg and Creos Luxembourg together with Group Finance, Legal and CSR.

This team of representatives from business, CSR, Legal and Group Finance will evaluate the nominated projects and assets, and ensure compliance with the (green eligibility criteria) of the Eligible Categories. A consensus decision by the team is required to approve the Eligible Projects and Assets before any allocation of net proceeds. The Eligible Projects and Assets must of course also be compliant with applicable national laws and regulations, as well as internal policies and guidelines. As per Encevo Group's internal policies, all projects above a threshold of 25 MEUR will require the additional approval of the Encevo Board of Directors. All decisions will be duly documented.

To ensure legitimacy in this process a list of all Eligible Projects and Assets that meet the green eligibility criteria will be kept by Encevo. This list will be used as a tool to determine if there is a current or expected capacity to issue a Green Schuldschein.

For Category B "Energy Transmission, Distribution and Smart Grid Projects", which is further subdivided into three sub-categories:

- Development, construction and reconstruction of electricity networks that enhance the transmission capacity for renewable energy
- Investments in existing infrastructure to increase energy efficiency and decrease network losses
- Investments in new infrastructure that improve reliability of energy supply and energy efficiency through the use of smart grid technologies and the installation of smart meters

Encevo applies a pro rata approach to calculate the portion of the grid investments that are considered as "Eligible" using the portion of renewable energy transmitted through the grid.

This ratio is derived for each year, where in projects assigned to Category B has been invested, and shall reflect the renewable energy transmitted via the grid where the investments have been done. Hence, for the electricity grid of Creos Luxembourg⁵, Encevo considers the so-called "Home Production" which is injected into the grid and consequently transmitted and in addition "Imports from Germany".

The "Home Production" in Luxembourg can be divided into the following categories:

- Cogeneration
- Hydroelectric*
- Wind*
- Waste Incineration
- Biogas*
- Photovoltaic*

The energy mix of Germany, which has been used to derive the portion of renewable energy imported from Germany to Luxembourg is compounded as follows:

- Natural Gas
- Stone Coal
- Nuclear Energy
- Brown Coal
- Renewable Energy* (sub-divided into Hydroelectric, Photovoltaic, Biomass, Wind (Offshore & Onshore))

By adding all categories marked with a "*" and dividing this sum by the total amount of energy produced in Luxembourg and imported from Germany, Encevo obtains the mentioned ratio, reflecting the portion of renewable energy transmitted via the electricity grid. This exercise is repeated for each year to obtain the ratios presented above.

⁵ Apart from a very small part, which can be neglected, the whole grid in Luxembourg belongs to Creos Luxembourg.



2.3 MANAGEMENT OF PROCEEDS

Encevo intends to allocate the proceeds from the Green Schuldschein to an Eligible Green Portfolio, selected in accordance with the use of proceeds criteria and evaluation and selection process presented above. These projects can be newly built, existing, but can also include refurbishments.

Encevo intends to determine sufficient Eligible Projects and Assets in the Eligible Green Portfolio to ensure that the total balance of green investments and expenditures always exceeds the total amount of all outstanding Green Schuldscheins.

For each new Green Schuldschein issuance, where necessary, additional Eligible Green Projects and Assets will be added to the Eligible Green Portfolio to ensure sufficient and timely allocation of the incremental net proceeds. In case any projects or assets cease to be eligible during the outstanding period of the Green Schuldschein, Encevo will, on a best effort basis, remove the project from the Eligible Green Project Portfolio and replace it, if necessary, as soon as reasonably practicable.

Encevo will set up internal segregated monitoring system to track the allocation of “Green proceeds” to Eligible Projects and Assets.

Whilst any Green Schuldschein net proceeds remain unallocated, Encevo will hold the balance of net proceeds not yet allocated to Eligible Projects and Assets in its internal cash pooling⁶. Unallocated proceeds will be subject to Encevo’s prudent liquidity management practices (in-line with existing corporate guidelines and policies).

⁶ Purpose of the so-called „Zero-Balancing Cash Pool System“ is to optimize the liquidity management of the group through cash concentration in order to reduce external cash needs and hence improve net interest position. Therefore the balances of the sub-accounts are automatically transferred (“pooled”) to the master account, held by the holding Encevo, at the end of each day, which shows the overall net cash position of the group. By means of this “cash pooling” the debit and credit balances on sub-accounts are offset against each other, which leads to the reduction of external cash needs and hence a reduction of interest expenses.

2.4 REPORTING

The Green Bond Principles require Green Schuldschein issuers to provide information on the allocation of proceeds. In addition to the information to which projects Green Schuldschein proceeds have been allocated, the Green Bond Principles recommend communicating on the expected impact of the projects.

The reporting basis for the Encevo Green Schuldschein and other potential green funding is intended to be on the Eligible Green Portfolio by Eligible Category or, when feasible, by Eligible Projects.

The reporting will be prepared yearly until full allocation and thereafter in case of material changes. Encevo expects to allocate all proceeds within 5 years.

The report will be made publically available on the following website:

<https://www.encevo.eu/en/accueil/financial-information>

2.4.1 Allocation Reporting

Encevo intends to report the allocation to the Eligible Green Portfolio. To the extent practicable, Encevo will provide:

- A qualitative description of key projects
- The amounts invested in Eligible Projects and Assets
- The proportion of new and existing projects and assets
- The balance of unallocated cash and/or cash equivalents.

2.4.2 Impact Reporting

Where feasible, Encevo may report on the environmental and social impacts of the Eligible Green Portfolio funded with the Green Schuldschein proceeds, or refer to existing sustainability and CSR reporting. Key impact reporting indicators for Encevo's use of proceeds may include:

- The number of smart grid components installed (smart meters, smart stations etc.)
- Number of households provided with access to renewable energy
- The estimated annual greenhouse gas emission reductions (CO₂, SF6)
- The estimated annual energy consumption savings
- The certificates regarding energy efficiency of the new buildings



3. External Review

3.1 SECOND PARTY OPINION (PRE ISSUANCE)

This Encevo Green Schuldschein Framework has been reviewed by Sustainalytics, which has issued a Second Party Opinion. The Second Party Opinion as well as the Green Schuldschein Framework will be made available to the Green Schuldschein investors.

3.2 VERIFICATION (POST ISSUANCE)

Encevo intends to request, annually until full allocation and thereafter in case of material changes, a limited assurance report provided by Sustainalytics on the allocation of the Green Schuldschein proceeds to the Eligible Green Portfolio.

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encevo.eu

Encevo S.A.
2, Domaine du Schlossgoard
L-4327 Esch-sur-Alzette
Postal address:
B.P. 558
L-2015 Luxembourg
T (+352) 2737-9000
F (+352) 2737-9100
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