



WHEN TRUST MATTERS



UNICAJA BANCO GREEN BOND FRAMEWORK



Document title: Second Party Opinion on UNICAJA BANCO GREEN BOND FRAMEWORK

Prepared by: DNV Business Assurance Spain, S.L.U

Location: Madrid

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This assessment is valid so long as the evidence provided to DNV remains materially unchanged and remains applicable in the context of the financial Framework being assessed.

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Disclaimer

Our assessment relies on the premise that the data and information provided by the client to us as part of our review procedures have been provided in good faith. Because of the selected nature (sampling) and other inherent limitations of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organisation were applied as per the scope of work. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this assessment.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2011 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct¹ during the assessment and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of statements or data reviewed as part of this assessment. DNV maintains complete impartiality toward stakeholders interviewed during the assessment process.

¹ DNV Code of Conduct is available from the DNV website (www.dnv.com)

UNICAJA BANCO GREEN BOND FRAMEWORK

DNV INDEPENDENT ASSESSMENT

Scope and Objectives

UNICAJA BANCO, S.A. (henceforth referred to as “UNICAJA” or the “Company”) is the fifth largest bank in the Spanish financial system in terms of volume of assets, with a proven trajectory of solvency and financial soundness. The bank takes on the historic mantle from a wide range of savings banks from different geographic areas of Spain, some centuries old, and all with a long trajectory as lending institutions with a marked social character. Unicaja Banco has its headquarters in Malaga and is clearly positioned as a flagship financial institution in six Autonomous Communities, its regions of origin (Andalusia, Asturias, Cantabria, Castilla-La Mancha, Castilla y León and Extremadura), with a proximity banking approach. The Group only performs its activity in Spain, with a large and diversified presence throughout 80% of the country.

UNICAJA has decided to update its Green Bond Framework (henceforth referred to as the “Framework” or “GBF”) published in 2022. The updated Framework includes, among others, a revised process for Project Evaluation and Selection. The Framework enables issuance of Green Bonds.

DNV Business Assurance Spain, S.L.U. (henceforth referred to as “DNV”) has been commissioned by UNICAJA to provide a Green Bond eligibility assessment on the Framework. Our methodology to achieve this is described under ‘Work Undertaken’ below. We were not commissioned to provide independent assurance or other audit activities.

No assurance is provided regarding the financial performance of bonds issued via the Framework, the value of any investments in the Bond, or the long-term environmental benefits of the transaction. Our objective has been to provide an assessment that the Framework has met the criteria established on the basis set out below.

Responsibilities of the Management of UNICAJA and DNV

The management of UNICAJA has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform UNICAJA management and other interested stakeholders in the Framework as to whether the Framework is aligned with Green Bond Principles 2021 (GBP). In our work, we have relied on the information and the facts presented to us by UNICAJA.

DNV is not responsible for any aspect of the projects or assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by UNICAJA management and used as a basis for this assessment were not correct or complete.

Basis of DNV’s opinion

We have adapted our green and social eligibility assessment methodology to create a UNICAJA- specific Green/Social and Sustainability-Linked Bond/Loan Framework Eligibility Assessment Protocol (henceforth referred to as “Protocol”) - see Schedule 2. Our Protocol includes a set of suitable criteria that can be used to underpin DNV’s opinion.

As per our Protocol, the Use of Proceeds criteria against which the Framework has been reviewed are grouped under the four Principles:

- **Principle One: Use of Proceeds.** The Use of Proceeds criteria are guided by the requirement that any Green/Social Financing Instrument must use the funds raised to finance eligible activities, that should produce clear green benefits.
- **Principle Two: Process for Project Evaluation and Selection.** The Project Evaluation and Selection. Evaluation criteria are guided by the requirements that an issuer of a Green/Social Financing Instrument should outline the process it follows when determining the eligibility of an investment using the proceeds and outline any impact objectives it will consider.
- **Principle Three: Management of Proceeds.** The Management of Proceeds criteria are guided by the requirements that the Green/Social Financing Instruments should be tracked within the issuing organisation, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled should be made.

- **Principle Four: Reporting.** The Reporting criteria are guided by the recommendation that at least annual reporting should be provided on the use of proceeds until all have been allocated, and that quantitative and/or qualitative performance indicators should be used.

Work undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by UNICAJA in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

- Creation of an UNICAJA-specific Protocol, adapted to the purpose of the Framework, as described above and in Schedule 2 to this Assessment.
- Assessment of documentary evidence provided by UNICAJA on the Framework and supplemented by a high-level desktop research. These checks refer to current assessment best practices and standards methodology.
- Discussions with UNICAJA management, and review of relevant documentation and evidence related to the criteria of the Protocol.
- Documentation of findings against each element of the criteria. Our opinion as detailed below is a summary of these findings.

DNV's findings

DNV's findings regarding Use of Proceeds financing are listed below, with further detail provided in Schedule 2.

1. Principle One: Use of Proceeds.

UNICAJA intends to use the proceeds from issuance of Bonds to finance or re-finance green projects which contribute to the achievement of the SDGs. Proceeds will be used for acquisition or development of projects within the categories of:

- Renewable Energy
- Green buildings.

All green projects, including those for re-financing, will be reviewed according to the same eligibility and exclusionary criteria as defined in the GBF. In addition, re-financing will only be eligible for projects financed within the last three years.

DNV concludes that eligible categories outlined in the Framework are consistent with the categories outlined in the Green Bond Principles 2021.

2. Principle Two: Process for Project Evaluation and Selection.

DNV reviewed the GBF which describes the process through which projects are evaluated and selected. UNICAJA has created a specific process and committee for the evaluation and selection of eligible projects to review that projects meet eligibility criteria, apply exclusionary criteria, and to monitor eligible projects during lifetime of the bonds. The ESG working Group (consisting of the ESG, ESG Risks and ESG Developments Directorates) will evaluate, on quarterly basis, the potential eligible loans and decide and approve the Green Eligible portfolio, that will be incorporated into the management and reporting processes for its approval. This includes the Credit Risk Committee, the Steering Committee and the Sustainability Committee of the Board of Directors.

The Framework also outlines the actions that will be taken if a project is no longer eligible.

DNV concludes that UNICAJA's Framework appropriately describes the process of project evaluation and selection and is in line with the requirements of the GBF.

3. Principle Three: Management of Proceeds.

DNV has reviewed the Framework and evidence which states that use of proceeds of any Bond issuance will be directed to financing and re-financing UNICAJA's green projects.

The Framework articulates that a green bond register will be created for the purpose of monitoring the eligible projects/assets and the allocation of proceeds to these projects/assets which contribute to the achievement of the SDGs.

UNICAJA intends for the full proceeds to be disbursed at point of issuance, however any funds pending allocation will be placed in UNICAJA's liquidity portfolio.

DNV concludes that there is a clear process in place for the management of proceeds as outlined within the Framework, and that this meets the requirements of the Sustainable Financing of the GBP.

4. Principle Four: Reporting.

DNV can confirm UNICAJA has committed to annual reporting specific to any Bond issuance on the allocation of the expenditure and the balance remaining until the tracked proceeds are fully allocated to eligible projects.

UNICAJA has also committed to provide impact reporting on the expected environmental impacts of the eligible green projects financed. UNICAJA clearly outlines the proposed impact indicators for each eligible category and units of measurement.

DNV concludes that UNICAJA has made appropriate plans to produce reporting on the allocation and the environmental impacts of the issuances and that this is in line with the requirements of the GBP

On the basis of the information provided by UNICAJA and the work undertaken, it is DNV's opinion that the Framework meets the criteria established in the Protocol and that it is aligned with the stated definition of green bonds within the Green Bond Principles 2021.

for DNV Business Assurance Spain, S.L.U

Madrid, 28 June 2024.

A handwritten signature in blue ink, appearing to read "Lars Appel".

Lars Appel

Project Manager
DNV – Business Assurance

A handwritten signature in blue ink, appearing to read "Juan Andrés Salido".

Juan Andrés Salido



Project Sponsor and Technical Reviewer
DNV – Business Assurance


About DNV

Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight.

With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 13,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

SCHEDULE 1: DESCRIPTION OF ACTIVITIES TO BE FINANCED UNDER THE FRAMEWORK

ICMA Eligible Project Categories	Description of Projects to be Financed	EU environmental Objective and EU Taxonomy Activities	UN SDG Alignment
Renewable Energy	<p><u>Investments dedicated to</u></p> <ul style="list-style-type: none"> – support the electricity generation from the following technologies: solar, wind, hydro, geothermal, hydrogen and bioenergy, including the acquisition, construction, operation, maintenance or repowering of facilities. – support the development, construction, equipment, operation and maintenance of new or additional Energy Transmission and Distribution networks from renewable sources. 	<p>Climate change mitigation</p> <p>3.10. Manufacture of hydrogen</p> <p>4.1. Electricity generation using solar photovoltaic technology</p> <p>4.3. Electricity generation from wind power.</p> <p>4.5. Electricity generation from hydropower.</p> <p>4.6. Electricity generation from geothermal energy.</p> <p>4.7 Electricity generation from renewable non-fossil gaseous and liquid fuels.</p> <p>4.9. Transmission and distribution of electricity.</p> <p>4.14. Transmission and distribution networks for renewable and low-carbon gases.</p>	 

ICMA Eligible Project Categories	Description of Projects to be Financed	EU environmental Objective and EU Taxonomy Activities	UN SDG Alignment
Green Buildings	<p><u>Investments dedicated</u> to promote the acquisition, development and construction of buildings and renovation projects on existing buildings aiming at improving their energy efficiency in line with best available techniques, such as district heating, smart grids and efficient renovation measures.</p>	<p>Climate change mitigation</p> <p>Adaptation to climate change</p> <p>7.1. Construction of new buildings</p> <p>7.2. Renovation of existing buildings</p> <p>7.7. Acquisition and ownership of buildings</p>	

SCHEDULE 2: UNICAJA SPECIFIC GREEN BOND FRAMEWORK ELIGIBILITY ASSESSMENT PROTOCOL

1. Use of proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1a	Type of bond	<p>The bond must fall in one of the following categories, as defined by the Green Bond Principles (GBP):</p> <ul style="list-style-type: none"> • Green Use of Proceeds Bond • Green Use of Proceeds Revenue Bond • Green Project Bond • Green Securitized Bond 	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> – Unicaja_Green Bond Framework_May_2024 – Discussions with issuer 	<p>The UNICAJA Framework applies to:</p> <ul style="list-style-type: none"> - Bonds falling in the category of a Green Use of Proceeds Bond.
1b	Green Project Categories	<p>The cornerstone of a Green Bond is the utilization of the proceeds which should be appropriately described in the legal documentation for the security.</p>	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> – Unicaja_Green Bond Framework_May_2024 – Discussions with issuer 	<p>We conclude that the Framework describes the proposed utilization of proceeds.</p>
1c	Environmental benefits	<p>All designated Green Project categories should provide clear environmentally sustainable benefits, which, where feasible, will be quantified or assessed by the issuer.</p>	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> – Unicaja_Green Bond Framework_May_2024 – Discussions with issuer 	<p>The GBF outlines the expected environmental benefits that will be realised by this Bond issuance: Renewable energy produced</p> <ul style="list-style-type: none"> – GHG emissions reduced/avoided – Environmental Certifications/EPC labels obtained

2. Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2a	Investment-decision process	<p>The issuer of a Green Bond should outline the decision-making process it follows to determine the eligibility of projects using Green Bond proceeds. This includes, without limitation:</p> <ul style="list-style-type: none"> • A process to determine how the projects fit within the eligible Green Projects categories identified in the GBP; • The criteria making the projects eligible for using the Green proceeds; and <ul style="list-style-type: none"> • The environmental sustainability objectives 	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> – Unicaja_Green Bond Framework_May_2024 – Policy on ESG risk financing exclusions, 2024 – Regulations of the Sustainability and CSR Committee – Discussions with issuer 	<p>DNV reviewed the GBF which describes the process through which projects are evaluated and selected. UNICAJA has created a specific process and committee for the evaluation and selection of eligible projects to review that projects meet eligibility criteria, apply exclusionary criteria, and to monitor eligible projects during lifetime of the bonds. The ESG working Group (consisting of the ESG, ESG Risks and ESG Developments Directorates) will evaluate, on quarterly basis, the potential eligible loans and decide and approve the Green Eligible portfolio, that will be incorporated into the the management and reporting processes for its approval. This includes the Credit Risk Committee, the Steering Committee and the Sustainability Committee of the Board of Directors. The Framework also outlines the actions that will be taken if a project is no longer eligible.</p> <p>DNV concludes that UNICAJA's Framework appropriately describes the process of project evaluation and selection and is in line with the requirements of the GBP.</p>
2b	Issuer's environmental and social and governance framework	<p>In addition to information disclosed by an issuer or a borrower on its Green Bond process, criteria and assurances, Green Bond investors may also take into consideration the quality of the issuer's overall framework and performance</p>	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> – Unicaja_Green Bond Framework_May_2024 – Unicaja policies 2024: Sustainability, CSR, Environmental, Climate Change – Unicaja Sustainable Action Plan, April 2023 	<p>We conclude that, from the information provided and publicly available information, UNICAJA's approach to managing environmental sustainability is in line with the objective of the Framework.</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		regarding sustainability. environmental	<ul style="list-style-type: none"> Unicaja Non-financial Annual Report 2023 Discussions with issuer 	

3. Management of proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3a	Tracking procedure	The net proceeds of Green Bonds should be credited to a sub-account, moved to a sub-portfolio or otherwise tracked by the issuer in an appropriate manner and attested to by a formal internal process that will be linked to the issuer's lending and investment operations for Green Projects.	Evidence reviewed: <ul style="list-style-type: none"> Unicaja_Green Bond Framework_May_2024 Discussions with issuer 	<p>We conclude that proceeds will be tracked in an appropriate manner and attested to by a formal internal process, which is documented in the Framework.</p> <p>DNV concludes that there is a clear process in place for the management of proceeds as outlined within the Framework, and that this meets the requirements of the Sustainable Financing of the GBP.</p>
3b	Tracking procedure	So long as the Green Bonds are outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible Green investments or loan disbursements made during that period.	Evidence reviewed: <ul style="list-style-type: none"> Unicaja_Green Bond Framework_May_2024 Discussions with issuer 	We conclude that there is a clear process in place for the tracking of the balance taking disbursements into account.

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3c	Temporary holdings	Pending such investments or disbursements to eligible Green Projects, the issuer should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds.	Evidence reviewed: <ul style="list-style-type: none"> Unicaja_Green Bond Framework_May_2024 Discussions with issuer 	We conclude that UNICAJA has disclosed how it will manage any unallocated proceeds within its liquidity portfolio.

4. Reporting

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
4a	Periodical reporting	In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, issuers should provide at least annually a list of projects to which Green Bond proceeds have been allocated including - when possible, with regards to confidentiality and/or competitive considerations - a brief description of the projects and the amounts disbursed, as well as the expected environmentally sustainable impact.	Evidence reviewed: <ul style="list-style-type: none"> Unicaja_Green Bond Framework_May_2024 Discussions with issuer 	<p>DNV can confirm UNICAJA has committed to annual reporting specific to the use of proceeds from any Green Bond, on the allocation of the expenditure and the balance remaining until the tracked proceeds are fully allocated to eligible projects. UNICAJA has also committed to provide impact reporting on the expected environmental impacts of the eligible green projects financed. UNICAJA clearly outlines the proposed impact indicators for each eligible category and units of measurement.</p> <p>DNV concludes that UNICAJA has made appropriate plans to produce reporting on the allocation and the environmental impacts of the issuances and that this is in line with the requirements of the GBP..</p>