

UNICAJA BANCO GREEN BOND FRAMEWORK

DNV ELIGIBILITY 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 developed a Green Bond Framework (henceforth referred to as the "Framework" or "GBF"). The Framework enables issuance of Green Bonds.

DNV GL Business Assurance España, 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 GBF, 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 GBF 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. 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 eligibility assessment methodology to create an UNICAJA- specific Green Bond 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 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 an issuer of a green bond must use the funds raised to finance eligible activities. The eligible activities should produce clear environmental benefits.
- **Principle Two: Process for Project Evaluation and Selection.** The Project Evaluation and Selection criteria are guided by the requirements that an issuer of a green bond should outline the process it follows when determining eligibility of an investment using Green Bond 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 a green bond should be tracked within the issuing organization, 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 to the bond investors should be made of the use of bond proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible.

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.

Findings and DNV's opinion

DNV's findings are listed below:

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 project meet eligibility criteria, apply exclusionary criteria, and to monitor eligible projects during lifetime of the bonds. The Sustainability and CSR Committee decides and approves the Green Eligible portfolio. The Framework also outlines the actions that will be taken if a project is no longer eligible.

DNV has reviewed evidence of the documentation describing the evaluation and selection of all projects reviewed, according to the criteria defined in 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.

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.

Page 4 of 9

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.

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 GL Business Assurance España S.L.U.

Madrid, 13th May 2022



Lars Appel
Project Manager
DNV – Business Assurance








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 12,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

SCHEDULE 1: DESCRIPTION OF CATEGORIES/ASSETS TO BE FINANCED

Eligible Sustainable Category	Description	EU Environmental objective	SDG
<p>Renewable Energy</p>	<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>Green Buildings</p>	<p><u>Investments dedicated to</u> 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 Adaptation to climate change</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	The bond must fall in one of the following categories, as defined by the Green Bond Principles (GBP): <ul style="list-style-type: none"> • Green Use of Proceeds Bond • Green Use of Proceeds Revenue Bond • Green Project Bond • Green Securitized Bond 	Evidence reviewed: <ul style="list-style-type: none"> – Unicaja_Green Bond Framework_May_2022 – Discussions with issuer 	The UNICAJA Framework applies to: <ul style="list-style-type: none"> - Bonds falling in the category of a Green Use of Proceeds Bond.
1b	Green Project Categories	The cornerstone of a Green Bond is the utilization of the proceeds which should be appropriately described in the legal documentation for the security.	Evidence reviewed: <ul style="list-style-type: none"> – Unicaja_Green Bond Framework_May_2022 – Discussions with issuer 	We conclude that the Framework describes the proposed utilization of proceeds.
1c	Environmental benefits	All designated Green Project categories should provide clear environmentally sustainable benefits, which, where feasible, will be quantified or assessed by the issuer.	Evidence reviewed: <ul style="list-style-type: none"> – Unicaja_Green Bond Framework_May_2022 – Discussions with issuer 	The GBF outlines the expected environmental benefits that will be realised by this Bond issuance: <ul style="list-style-type: none"> – Renewable energy produced – 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 • The environmental sustainability objectives 	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> – Unicaja_Green Bond Framework_May_2022 – Regulations of the Sustainability and CSR Committee – Discussions with issuer 	<p>The Framework describes that UNICAJA has created a specific process 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 bond. The Sustainability and CSR Committee decides and approves the Green Eligible portfolio. The Framework also outlines the actions that will be taken if a project is no longer eligible.</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 regarding environmental sustainability.</p>	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> – Unicaja_Green Bond Framework_May_2022 – Unicaja policies: Sustainability, CSR, Environmental, Climate Change – Unicaja Sustainable Action Plan, November 2021 – Unicaja Non-financial Annual Report 2021 – Discussions with issuer 	<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>

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_2022 – Regulations of the Sustainability and CSR Committee – Discussions with issuer 	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.
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_2022 – Regulations of the Sustainability and CSR Committee – Discussions with issuer 	We conclude that there is a clear process in place for the tracking of the balance taking disbursements into account.
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_2022 – Regulations of the Sustainability and CSR Committee – 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_2022 - 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.</p> <p>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>