

## SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Sustainable Finance Framework

Rönesans Holding

29 August 2024

### VERIFICATION PARAMETERS

Type(s) of instruments contemplated

- Green, social and sustainable finance instruments

Relevant standards

- Green Bond Principles (GBP), as administered by the International Capital Market Association (ICMA) (as of June 2021 with June 2022 Appendix 1)
- Green Loan Principles (GLP), as administered by the Loan Market Association (LMA) (as of February 2023)
- Social Bond Principles (SBP), as administered by the International Capital Market Association (ICMA) (as of June 2021)
- Social Loan Principles (SLP), as administered by the Loan Market Association (LMA) (as of February 2023)

Scope of verification

- Rönesans Holding Sustainable Finance Framework (as of Aug. 29, 2024)
- Rönesans Holding Eligibility criteria (as of Aug. 29, 2024)

Lifecycle

- Pre-issuance verification

Validity

- Valid as long as the cited Framework remains unchanged

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## SCOPE OF WORK

Rönesans Holding (“the Issuer,” “the Company” or “Rönesans”) commissioned ISS-Corporate to assist with its green, social and sustainable finance instruments by assessing three core elements to determine the sustainability quality of the instruments:

- Rönesans Holding’s Sustainable Finance Framework (as of Aug. 29, 2024), benchmarked against the International Capital Market Association’s (ICMA) Green Bond Principles (GBP) and Social Bond Principles (SBP) and the Loan Market Association’s Green Loan Principles (GLP) and Social Loan Principles (SLP).
- The Eligibility Criteria — whether the project categories contribute positively to the United Nations Sustainable Development Goals (U.N. SDGs) and how they perform against ISS-Corporate’s proprietary issuance-specific key performance indicators (KPIs) (see Annex 1).
- Consistency of green, social and sustainable finance instruments with Rönesans Holding’s sustainability strategy, drawing on the key sustainability objectives and priorities defined by the Issuer.

## RÖNESANS HOLDING OVERVIEW

Rönesans Holding AS is a diversified conglomerate operating in the following sectors as a contractor and investor: real estate, healthcare, renewable energy, industrial plants and concessions. The company was founded by Erman Ilicak in 1993 and is headquartered in Ankara, Türkiye, having operations in 31 countries and employing over 32,000 people at the date of publishing of this SPO.

### *ESG risks associated with the Issuer's industry*


Rönesans Holding AS is classified in the construction industry, as per ISS ESG's sector classification. Key sustainability issues faced by companies<sup>1</sup> in this industry are energy and resource efficiency, labor standards and working conditions, protection of human rights and community outreach, business ethics, and impact on land use and biodiversity.

This report focuses on the sustainability credentials of the issuance. Part III of this report assesses the consistency between the issuance and the Issuer's overall sustainability strategy.

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<sup>1</sup> Please note that this is not a company-specific assessment but rather areas that are of particular relevance for companies within that industry. Key ESG issues by industry are sourced from ISS ESG's Corporate Rating methodology.


## ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION <sup>2</sup>
<p><b>Part I:</b></p> <p><b>Alignment with GBP/GLP/SBP/SLP</b></p>	<p>The Issuer has defined a formal concept for its green, social and sustainable finance instruments regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the GBP, GLP, SBP and SLP.</p>	<p><b>Aligned</b></p>
<p><b>Part II:</b></p> <p><b>Sustainability quality of the eligibility criteria</b></p>	<p>The green, social and sustainable finance instruments will (re)finance the following eligible asset categories:</p> <p>Green categories: Renewable Energy, Energy Efficiency, Green Buildings, Clean Transportation, Climate Change Adaptation, Sustainable Water and Wastewater Management</p> <p>Social categories: Access to Essential Services - Healthcare, Education, Emergency/Disaster Relief; Affordable Housing; Socioeconomic Advancement and Empowerment</p> <p>Product and/or service-related use of proceeds categories<sup>3</sup> individually contribute to one or more of the following SDGs:</p>  <p>Process-related use of proceeds categories<sup>4</sup> individually (i) improve the Issuer's/Borrower's operational impacts and (ii) mitigate potential</p>	<p><b>Positive</b></p>

<sup>2</sup> The evaluation is based on Rönensans Holding's Sustainable Finance Framework (Aug. 29, 2024, version), on the analyzed eligibility criteria as received on Aug. 29, 2024.

<sup>3</sup> Renewable Energy, Energy Efficiency, Green Buildings, Clean Transportation, Climate Adaptation, Sustainable Water and Wastewater Management.

<sup>4</sup> Energy Efficiency, Sustainable Water and Wastewater Management.

	<p>negative externalities of the Issuer's/Borrower's sector on one or more of the following SDGs:</p> <div data-bbox="651 383 1002 499" style="text-align: center;">  </div> <p>The environmental and social risks associated with the use of proceeds categories are managed.</p>	
<p><b>Part III:</b> <b>Consistency of green, social and sustainability instruments with Rönnesans Holding's sustainability strategy</b></p>	<p>The key sustainability objectives and the rationale for issuing green, social and sustainable bonds are clearly described by the Issuer. All project categories financed are in line with the Issuer's sustainability objectives.</p> <p>At the date of publication of the report and leveraging ISS ESG Research, no severe controversies have been identified that the Issuer is exposed to.</p>	<p><b>Consistent with Issuer's sustainability strategy</b></p>

## SPO ASSESSMENT

### PART I: ALIGNMENT WITH THE GREEN BOND PRINCIPLES, SOCIAL BOND PRINCIPLES, GREEN LOAN PRINCIPLES AND SOCIAL LOAN PRINCIPLES

This section evaluates the alignment of Rönésans Holding’s Sustainable Finance Framework (as of Aug. 29, 2024) with the GBP, SBP, GLP and SLP.

GBP/SBP/GLP/SLP	ALIGNMENT	OPINION
<p><b>1. Use of Proceeds</b></p>	<p>✓</p>	<p>The Use of Proceeds description provided by Rönésans Holding’s Sustainable Finance Framework is <b>in line</b> with the GBP, SBP, GLP and SLP.</p> <p>The Issuer’s green and social categories align with the project categories as proposed by the GBP, SBP, GLP and SLP. Criteria are defined clearly and transparently. Disclosure of distribution of proceeds by project category will be provided to the potential investors ahead of a forthcoming sustainable bond issuance and environmental/social benefits are described.</p>
<p><b>2. Process for Project Evaluation and Selection</b></p>	<p>✓</p>	<p>The Process for Project Evaluation and Selection description provided by Rönésans Holding’s Sustainable Finance Framework is <b>in line</b> with the GBP, SBP, GLP and SLP.</p> <p>The project selection process is defined and structured in a congruous manner. ESG risks associated with the project categories are identified and managed appropriately. Moreover, the projects selected show alignment with the Issuer’s sustainability strategy and clearly show the intended benefit to the relevant population. The Issuer defines exclusion criteria for harmful project categories.<sup>5</sup></p> <p>The Issuer clearly defines responsibilities in the process for project evaluation and selection, is</p>

<sup>5</sup> In line with its partnership with the International Finance Corporation (IFC), the Group adheres to the criteria outlined in the [IFC Exclusion List](#).

		<p>transparent about it and involves various stakeholders in this process, in line with best market practice.</p> <p>The Company provides information on how the selection and evaluation process fits within the context of its overarching objectives, strategy, policy and/or processes relating to sustainability, in line with best market practice.</p>
<p><b>3. Management of Proceeds</b></p>	<p>✓</p>	<p>The Management of Proceeds provided by Rönésans Holding’s Sustainable Finance Framework is <b>in line</b> with the GBP, SBP, GLP and SLP.</p> <p>The net proceeds collected will equal the amount allocated to eligible projects. The net proceeds are tracked appropriately and are managed per bond (bond-by-bond approach). Moreover, the Issuer defines the intended temporary placement for the unallocated proceeds according to the Issuer’s liquidity guidelines and makes this information known to the lenders.</p>
<p><b>4. Reporting</b></p>	<p>✓</p>	<p>The allocation and impact reporting provided by Rönésans Holding’s Sustainable Finance Framework is <b>aligned</b> with the GBP, SBP, GLP and SLP.</p> <p>The Issuer commits to disclose the allocation of proceeds transparently and report with appropriate frequency. The reporting will be publicly available on the Issuer’s website. Rönésans Holding has disclosed the type of information that will be reported and explains that the level of expected reporting will be at the portfolio level. Moreover, the Issuer commits to report annually until the proceeds have been fully allocated.</p> <p>The Issuer is transparent on the level of impact reporting and the information reported and further defines the duration, scope and frequency of the impact reporting, and commits to get the</p>



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		allocation report audited by an external party, in line with best market practice.
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## PART II: SUSTAINABILITY QUALITY OF THE ELIGIBILITY CRITERIA

### A. CONTRIBUTION OF THE GREEN, SOCIAL, SUSTAINABLE INSTRUMENTS TO THE U.N. SDGs<sup>6</sup>

Companies can contribute to the achievement of the SDGs by providing specific services/products that help address global sustainability challenges, and by being responsible corporate actors, working to minimize negative externalities in their operations along the entire value chain. This section assesses the SDG impact of the UoP categories financed by the Issuer in two different ways, depending on whether the proceeds are used to (re)finance:

- Specific products/services
- Improvements of operational performance

#### 1. Products and services


The assessment of UoP categories for (re)financing products and services is based on a variety of internal and external sources, such as the ISS ESG SDG Solutions Assessment (SDGA), a proprietary methodology designed to assess the impact of an Issuer's products or services on the SDGs, as well as other ESG benchmarks (the EU Taxonomy Climate Delegated Acts, the Green/Social Bond Principles and other regional taxonomies, standards and sustainability criteria).

The assessment of UoP categories for (re)financing specific products and services is displayed on a three-point scale:



Each of the green, social and sustainable instruments' use of proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

#### **GREEN CATEGORIES:**

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p><b>Renewable Energy</b></p> <p><i>Investments or expenditures (financing/refinancing) related to the equipment, R&amp;D, construction, installation</i></p>	<p><b>Contribution</b></p>	

<sup>6</sup> The impact of the UoP categories on the SDGs is assessed with proprietary methodology and may therefore differ from the Issuer's description in the Framework.

*and maintenance of renewable energy sources and manufacturing of related equipment.*

*Eligible renewable energy sources include<sup>7</sup>:*

- *Wind power (onshore and offshore)*
- *Solar power (photovoltaics, concentrated solar power and solar thermal facilities)*
- *Geothermal energy with less than 100 gCO<sub>2</sub>/kWh measured on a lifecycle basis*
- *Construction or operation of electricity from hydropower with less than 100 gCO<sub>2</sub>/kWh measured on a lifecycle basis or power density greater than 5 W/m<sup>2</sup><sup>8</sup>*

**Renewable Energy**

*Investments or expenditures (financing/refinancing) related to the equipment, R&D, construction, installation and maintenance of renewable energy sources and manufacturing of related equipment.*

*Eligible renewable energy sources include<sup>9</sup>:*

- *Manufacture of hydrogen and hydrogen-based synthetic fuels in line with EUT criteria for manufacture of hydrogen.<sup>10</sup>*

**Renewable Energy**

*Investments or expenditures (financing/refinancing) related to the equipment, R&D, construction, installation and maintenance of renewable energy sources and manufacturing of related equipment.*

**Contribution**



**Contribution**



<sup>7</sup> The review is limited to the examples of projects spelled out in the Framework.

<sup>8</sup> Limited to projects with a generation capacity below 1,000 MW.

<sup>9</sup> The review is limited to the examples of projects spelled out in the Framework.

<sup>10</sup> Aligned with the technical screening criteria for EU Taxonomy Activity 3.10: Manufacture of hydrogen and hydrogen-based synthetic fuels.

*Eligible renewable energy sources include<sup>11</sup> :*

- *Biomass<sup>12</sup> and biogas derived from sustainable feedstock or waste sources that do not compete with food sources and are not from waste incineration<sup>13</sup>*

**Renewable Energy**

*Transmission and storage infrastructure (including auxiliary technical equipment) dedicated to renewable energy (e.g., batteries, hydrogen, capacitors).*

**Contribution**



**Renewable Energy**

*R&D for renewable energy technologies*

**Contribution**



**Renewable Energy**

*Storage of energy from renewable sources*

- *Construction and operation of electricity storage, including pumped hydropower storage powered 100% by renewable energy*
- *Development of green hydrogen storage<sup>14</sup> facilities, including the conversion of existing facilities, excluding fossil fuel-powered storage.*

**Contribution**



**Renewable Energy**

*Electric heat pumps dedicated to renewable electricity*

**Contribution**



<sup>11</sup> The review is limited to the examples of projects spelled out in the Framework.

<sup>12</sup> Limited to projects with emission intensity of less than 100 gCO<sub>2</sub>e/kWh and based on the waste feedstock using forestry or agricultural residues.

<sup>13</sup> With life cycle GHG emission intensity below 100 gCO<sub>2</sub>e/kWh, or there is life-cycle emission reduction of 80% GHG emissions reduction compared to fossil fuels, and derived from sustainable feedstock (e.g., agricultural residues or forestry residues) or waste sources that do not compete with food sources or deplete existing terrestrial carbon pools. Feedstock can include those certified by the Forestry Stewardship Council, Programme for the Endorsement of Forest Certified, Sustainable Biomass Program, or Roundtable on Sustainable Biomaterials. For biofuel processing, biofuel blending facilities (mixing with fossil fuels) is excluded. Energy crops, non-waste feedstock and feedstock that deplete carbon pools are excluded. Peat and 10% or more feedstock from uncertified sources is excluded. Palm oil that is not RSPO-certified is excluded. To produce electricity from landfills and/or mixed residual waste, the following criteria will apply: (i) if from municipal solid waste, the majority of recyclables (especially plastics) are segregated before energy conversion; (ii) landfill gas capture for flaring will be excluded; (iii) plastics, rubber, tire-derived fuels will be excluded as feedstock.

<sup>14</sup> Limited to projects with a generation capacity below 1,000 MW.

**Energy efficiency**

*Investments or expenditures (financing/refinancing) related to:*

*New data centers:*

- *Construction of new data centers to below 1.2 power usage effectiveness (PUE).*

**Contribution**



**Green Buildings**

*Investments or expenditures (financing/refinancing) related to new or existing commercial, residential, non-residential or mixed-use buildings that have met at least one of the criteria below:*

- *Achieved or expect to achieve, based on third-party assessment, greenhouse gas emission performance in the top 15% of their national building stock or with an EPC label of A*

**Contribution**



**Green Buildings**

*Investments or expenditures (financing/refinancing) related to new or existing commercial, residential, non-residential or mixed-use buildings that have met at least one of the criteria below:*

*Received, or expect to receive based on its design, construction and operational plans, certification according to third-party verified green building standards, such as<sup>15</sup>:*

- *LEED Gold or above*
- *BREEAM Very Good or above*
- *ÇEDBİK Green Building Certification Very Good and above (Commercial and Residential)*

**Contribution**



**Green Buildings**

*Investments or expenditures (financing/refinancing) related to new or existing commercial, residential, non-*

**Contribution**



<sup>15</sup> The review is limited to the examples of projects spelled out in the Framework.

*residential or mixed-use buildings that have met at least one of the criteria below:*

*Received, or expect to receive based on its design, construction and operational plans, certification according to third-party verified green building standards, such as<sup>16</sup>:*

- *BEP-TR "A" or above energy label provided by the energy performance certificate issued in accordance with the related Turkish Building Code*

**Clean Transportation**

*Investments or expenditures (financing/refinancing) related to low-carbon passenger transportation and related infrastructure<sup>17</sup>:*

- *Electric vehicles for public, passenger and freight transport, with zero direct emissions*
- *Electric transportation infrastructure (e.g., electric car charging stations, electrified railways and subways, including bridges and tunnels, stations, terminals, rail service facilities, safety and traffic management systems)*
- *Transport infrastructure and services including electrified railways and their extensions*

*Projects that support the elimination of carbon emissions and/or have positive social and ecological impact:*

- *O&M electric and hybrid vehicle fleets*
- *EV charging stations*

**Clean Transportation**

*Investments or expenditures (financing/refinancing) related to low-*

**Contribution**



**Contribution**



<sup>16</sup> The review is limited to the examples of projects spelled out in the Framework.

<sup>17</sup> These investments or expenditures will not be dedicated to the transport or storage of fossil fuels.

*carbon passenger transportation and related infrastructure*<sup>18</sup>:

- *Low carbon airport infrastructure in the field of aviation*<sup>19</sup>

**Climate Adaptation**

*Investments or expenditures (financing/refinancing) related to the development, maintenance, renovation and restoration activities/projects to prevent and manage the acute and chronic physical climate change related disasters and damages*

- *Flood prevention systems, landslide prevention structures, early warning systems*

**Sustainable Water and Wastewater Management**

*Investments or expenditures (financing/refinancing) related to R&D, construction, operation and maintenance projects in the field of water, storm water and wastewater/sewage systems such as*<sup>20</sup>:

- *Water treatment plants (drinking/potable water, desalination)*<sup>21</sup>
- *Wastewater treatment plants (recycling/reuse, discharge units, advanced treatment, pumping stations, chemical and biological treatment)*
- *Greywater systems*

**Sustainable Water and Wastewater Management**

*Investments or expenditures (financing/refinancing) related to R&D, construction, operation and maintenance projects in the field of water, storm water and wastewater/sewage systems such as:*

**Contribution**



**Contribution**



**Contribution**



<sup>18</sup> These investments or expenditures will not be dedicated to the transport or storage of fossil fuels.

<sup>19</sup> Aligned with the technical screening criteria for EU Taxonomy Activity 6.17: Low carbon airport infrastructure.

<sup>20</sup> The review is limited to the examples of projects spelled out in the Framework.

<sup>21</sup> The average carbon intensity of energy used to power the plant must be at or below 100 gCO<sub>2</sub>/kWh over the remaining lifetime of the asset.

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- *Rainwater harvesting systems*





**SOCIAL CATEGORIES:**

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p><b>Access to Essential Services – Healthcare</b></p> <p><i>Investments or expenditures (financing/refinancing) related to the development, construction, maintenance and operation of healthcare services that enhance access to public, not-for-profit, free or subsidized essential services, including:</i></p> <ul style="list-style-type: none"> <li>▪ <i>Infrastructure for hospitals, laboratories, clinics, healthcare, childcare</i></li> <li>▪ <i>Medical equipment and healthcare technology</i></li> </ul> <p><i>Target Population: Accessible for all</i></p>	<p><b>Contribution</b></p>	
<p><b>Access to Essential Services – Education<sup>22</sup></b></p> <p><i>Investments or expenditures (financing/refinancing) related to the development, construction, maintenance and operation of publicly available or subsidized education and training infrastructure and services, with the aim of ensuring affordability for students and private education and training services in lower socioeconomic areas.</i></p> <ul style="list-style-type: none"> <li>▪ <i>The portfolio includes primary and secondary schools, universities and tertiary education centers, as well as technical and vocational training centers and programs</i></li> </ul> <p><i>Target Population: Accessible for all in Türkiye</i></p>	<p><b>Contribution</b></p>	
<p><b>Access to Essential Services – Education</b></p>		

<sup>22</sup> Contribution to SDG 10 is limited to projects focused on primary and secondary education. For projects involving higher education and vocational training, only contribution to SDG 4 is applicable.

*Investments or expenditures (financing/refinancing) related to the development, construction, maintenance and operation of publicly available or subsidized education and training infrastructure and services, with the aim of ensuring affordability for students and private education and training services in lower socioeconomic areas to facilitate socioeconomic advancement and reduce social inequalities.*

- *Physical and mental development projects for young generation (including support to the students living in public dormitories, amateur sport clubs, youth projects, youth camps and thematic camps for children and youth from lower- and middle-income levels, disabled individuals) to promote socioeconomic advancement*

*Target Population: Accessible for all in Türkiye*

### Contribution



### Access to Essential Services – Emergency/Disaster Relief

*The provision of financial assistance for the purpose of disaster relief and emergency aid, with a view to facilitating economic redevelopment, reconstruction, poverty reduction and inequality reduction.*

- *Reconstruction of basic infrastructure (e.g., housing, electricity transmission network, water distribution network)*
- *Retail and commercial activities in the affected cities/provinces,*
- *Reconstruction of livelihoods/factories destroyed by the earthquake*
- *(Re)financing other vulnerable groups, including as a result of natural disasters*

### Contribution



*Target Population: Accessible for all in Türkiye*

**Affordable Housing**

*Investments or expenditures (financing/refinancing) meeting national/regional affordable housing definitions in the applicable jurisdiction, such as:*

- Türkiye
- The Netherlands

*Target Population:*

- Türkiye – beneficiaries that fall within the Housing Development Administration of Türkiye’s (TOKİ) definition of low- and middle-income groups, based on the public-sector wage index and maximum net monthly household income or beneficiaries who lost their homes in the 2023 Türkiye earthquake
- Netherlands – beneficiaries that fall within the Dutch Social Housing Law defined income thresholds to qualify for social housing benefit

**Contribution**



**Socioeconomic Advancement and Empowerment**

*Investments or expenditures (financing/refinancing) that help improve the socioeconomic status of women (e.g., enhancing the resilience of MSMEs<sup>23</sup> or women-owned businesses<sup>24</sup>).*

*Target Population: Beneficiaries that are classified as low- or middle-income earners as per official statistical authorities in each local jurisdiction*

**Contribution**



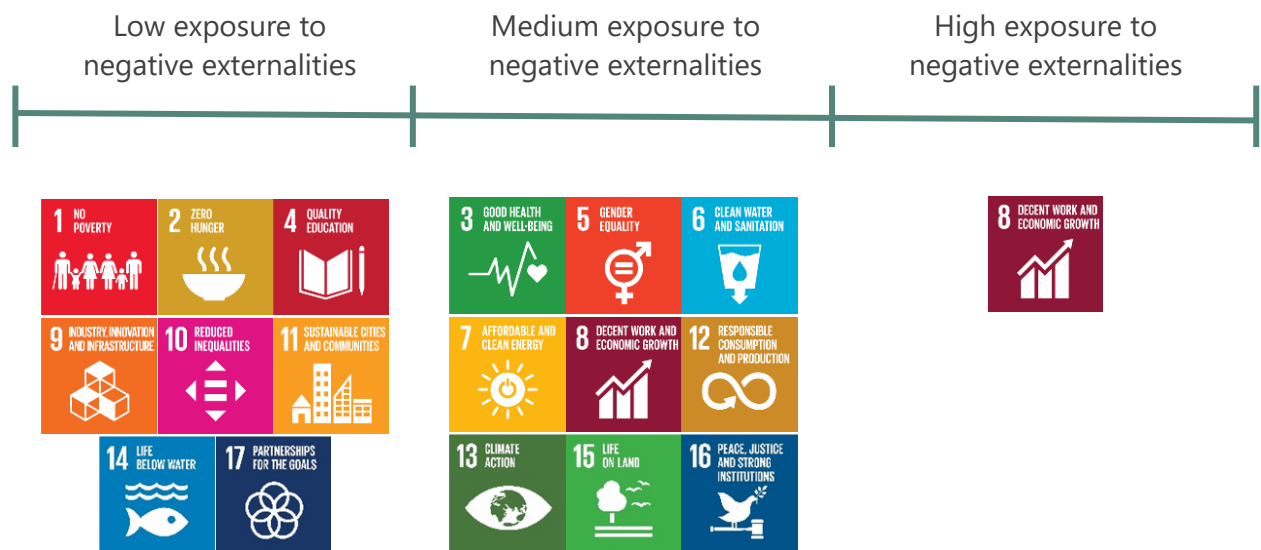
<sup>23</sup> The definition of SMEs and microfinance organizations is determined by each country in line with local standards.

<sup>24</sup> Majority owned (>50%) by women.

**2. Improvements of operational performance (processes)**

The below assessment qualifies the direction of change (or “operational impact improvement”) resulting from the operational performance projects (re)financed by the UoP categories, as well as related SDGs impacted. The assessment displays how the UoP categories mitigate the exposure to the negative externalities relevant to the Issuer’s business model and sector.

According to ISS ESG SDG Impact Rating methodology, potential impacts on the SDGs related to negative operational externalities in the construction sector (to which Rönescans Holding belongs) are the following:



The table below displays the direction of change resulting from the operational performance improvement projects. The outcome displayed does not correspond to an absolute or net assessment of the operational performance.

USE OF PROCEEDS (PROCESSES)	OPERATIONAL IMPACT IMPROVEMENT <sup>25</sup>	SUSTAINABLE DEVELOPMENT GOALS
<p><b>Energy Efficiency<sup>26</sup></b></p> <p><i>Investments or expenditures (financing/refinancing) related to:</i></p> <ul style="list-style-type: none"> <li>▪ <i>Equipment, systems, services and improving of industry processes that result in increased energy efficiency at</i></li> </ul>		

<sup>25</sup> Limited information is available on the scale of the improvement when no threshold is provided. Only the direction of change is displayed.

<sup>26</sup> The energy efficiency projects financed under this Framework could improve the energy efficiency of both manufacturing and/or non-manufacturing sites.

*least 20% and/or reducing GHG emissions by at least 20%.*

- *Installation, maintenance and repair of energy-efficient equipment such as HVAC systems, LED fixtures, pumps, electric motors, electric construction vehicles (electric forklifts, loaders, excavators), lighting, cleaning and washing equipment, process technologies and appliances.*
- *Transmission and distribution systems improvements to reduce energy losses and smart grid technology projects development and deployment of smart grids and smart meters, control and monitoring systems (automation devices).*
- *LED lighting systems*
- *Improve PUE of existing data centers to below 1.4.*

**Clean Transportation**

*Investments or expenditures (financing/refinancing) related to low-carbon passenger transportation and related infrastructure<sup>27</sup>:*

*Projects that support the elimination of carbon emissions and/or have positive social and ecological impacts, such as<sup>28</sup>:*

- *Kiosk emissions reduction projects<sup>29</sup>*
- *Intelligent transport system<sup>30</sup>*



<sup>27</sup> These investments or expenditures will not be dedicated to the transport or storage of fossil fuels.

<sup>28</sup> The review is limited to the examples of projects spelled out in the Framework.

<sup>29</sup> The Issuer commits to track and report the positive impact of this project.

<sup>30</sup> The Intelligent Transport System will utilize various technologies, including SCADA, BMS systems, road weather stations and a fiberoptic network to monitor and manage traffic. Sensors and detection technologies will gather data on vehicle counts, traffic density and road conditions, enabling real-time traffic monitoring and incident management. Dynamic speed limits will be adjusted based on traffic and weather conditions to prevent accidents and improve safety. The ITS aims to reduce CO<sub>2</sub> emissions by minimizing congestion and optimizing traffic flow. Additionally, the system will ensure rapid response to incidents, keeping the motorway operational and reducing environmental impact. The Issuer commits to track and report the positive impact of this project.

## Sustainable Water and Wastewater Management

*Investments or expenditures (financing/refinancing) related to R&D, construction, operation and maintenance projects in the field of water, storm water and wastewater/sewage systems such as:*

- *Upgrades to water infrastructure to enhance water use efficiency by replacing and upgrading inefficient systems to reduce water loss such as leak detection systems, installation of new pumping stations, installing of new pipes/upgrading pipe network, installation of new storage tanks or upgrading existing storage tanks*



## B. MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS ASSOCIATED WITH THE GREEN, SOCIAL AND SUSTAINABLE INSTRUMENTS

The table below evaluates the green, social and sustainable instruments against issuance-specific KPIs. All of the assets are/will be located in Turkey, the Netherlands and Kazakhstan.<sup>31</sup>

### ASSESSMENT AGAINST KPIs

#### All categories

#### Labor, health and safety

Rönesans Holding has measures in place systematically ensuring that assets financed under this Framework provide for high labor, health and safety standards for its own employees and volunteers.



For labor, the Netherlands, as a member of the European Union, is bound by high labor standards. In Turkey and Kazakhstan, countries with limited labor standards, the Issuer ensures high labor standards by its [adherence](#) to the United Nations Global Compact (UNGC). Through the UNGC, the Issuer commits to internationally recognized human rights standards, including freedom of association, collective bargaining, and prohibition of forced and child labor. As a signatory, the Issuer commits to applying all UNGC commitments to all of its assets. In addition, the Issuer is equipped with an internal [human rights policy](#) covering all the above-mentioned criteria and elements against harassment and discrimination, as well as the respect of confidentiality.

For health and safety, the Issuer and assets financed under this Framework are/will be ISO 45001 certified. In addition, regular compliance audits are performed annually. Audits are both internal, conducted by ISO certified auditors, and external, conducted by accredited third parties. Occupational health and safety training is also conducted by the Issuer for its employees, with over 632,000 hours of training completed in 2023.

#### Labor, health and safety in the supply chain



Rönesans Holding has measures in place systematically ensuring that assets financed under this Framework provide for high labor, health and safety standards in the supply chain.

For labor, the Issuer's [Third Party Code of Conduct Guide](#) subjects suppliers to the same rules as those imposed for Rönesans Holding's employees and

<sup>31</sup> The assessment is limited to the locations spelled out in the Framework.

volunteers as assessed above. A third party is defined by the Issuer as people or companies with whom Rönesans engages in commercial activities, including suppliers, customers, contractors and business partners. Suppliers are expected to adopt practices in accordance with internationally proclaimed human rights regulations such as the Universal Declaration of Human Rights and the International Labour Organization conventions.

For health and safety, working conditions must comply with legal regulations of the countries in which the third party operates. Moreover, the Issuer assesses whether the supplier is ISO 45001 certified and extended its occupational and health and safety management system to integrate the monitoring of subcontractors and their performances.

### Community Dialogue

Rönesans Holding has measures in place systematically ensuring that assets financed under this Framework feature community dialogue as a part of the planning process (e.g., sound information of communities, community advisory panels and committees, surveys and dialogue platforms, grievance mechanisms and compensation schemes).



The Issuer undergoes a Corporate Stakeholder Engagement Procedure and a Stakeholder Engagement Plan<sup>32</sup> in the planning stage of each project to assess risks and needs of stakeholders both impacted by it or involved in it. Rönesans engages with the local communities through various approaches, including public consultations and community meetings, feedback mechanisms, social impact assessments and grievance mechanisms.

### Wind power, hydropower

#### Conservation and biodiversity management

Rönesans Holding has measures in place systematically to ensure assets financed under this Framework provide for measures to protect habitat and wildlife during operation.



The Issuer commits to conduct an ecological assessment<sup>33</sup> for all its assets. The assessment is a mandatory process within the environmental and social impact assessment (ESIA) and environmental and social assessment procedures (ESAP).<sup>34</sup> The Issuer commits to conduct ESIA's systematically as the first step at the planning stage for all the financed assets and in adherence to the Equator Principles.

<sup>32</sup> Example of a Stakeholder Engagement Plan available [here](#). The Issuer commits for the content to be similar across assets.

<sup>33</sup> Example of a Biodiversity Action Plan available [here](#). The Issuer commits for the content to be similar across assets.

<sup>34</sup> An ESAP is required and systematically applied for projects under the Regulation for Renewable Resource Areas.



**Wind power, water supply, wastewater, waste management, transport infrastructures, solar power, social housing, biomass, circular economy, concentrated solar power, geothermal, green buildings, green hydrogen, hydropower, affordable housing**

**Conservation and biodiversity management**

Rönesans Holding has measures in place systematically ensuring that assets financed under this Framework underwent environmental impact assessments at the planning stage.



The Issuer confirms that all assets from Rönesans Holding have EIA permits. Projects cannot be pursued until the EIA is assessed positively regarding all topics, including biodiversity and wildlife. Moreover, in the planning step, an ESIA is the first assessment of all projects, conducted in adherence to the Equator Principles. In the Issuer’s projects falling under the Regulation for Renewable Energy Resource Areas, an extra Environmental & Social Due Diligence is conducted.

**Charging station, smart grid**

**Data protection and information security**

Rönesans Holding has measures in place systematically ensuring that assets financed under this Framework meet minimum requirements for data and information security.



The Issuer commits to ensuring user consent and providing clear disclosure on the purpose of data collection. Users can request data deletion through the Issuer’s established procedures. Moreover, the Issuer is equipped with a [Confidentiality, Trade Secrets, Personal Data Protection and Information Security Policy](#). It is currently in the process of implementing additional robust data security management systems aligning with ISO 27001. The certification audit is expected to be completed by August 2024. Relevant employees have been provided with informational training on this certification process.

**Green hydrogen**

**Energy efficiency**

Rönesans Holding has measures in place systematically ensuring that assets financed under this Framework provide for conversion efficiency of at least 80%.



The Issuer has currently not identified relevant investment opportunities. If relevant projects were initiated under this Framework, the Issuer has confirmed that it will use the technologies allowing for a conversion efficiency

of 80% at a minimum. Current technologies are alkaline water electrolysis and proton exchange membrane electrolysis. The Issuer commits to using either of the two technologies or any new technology in the future provided that the minimum conversion rate of 80% is respected.

**Biomass, waste management**

**Environmental aspects of construction (or production) and operation**

Rönesans Holding has measures in place systematically ensuring that assets financed under this Framework apply cogeneration technology.



The Issuer has currently not identified relevant investment opportunities. If relevant projects were initiated under this Framework, the Issuer has confirmed its commitment to systematically apply cogeneration technology to the assets.

**Solar power, energy efficiency, circular economy, hydrogen storage**

**Environmental aspects of construction (or production) and operation**

Rönesans Holding has measures in place systematically ensuring that assets financed under this Framework can be recycled at the end of their lives.



For the disposal and recycling of photovoltaic products, the Issuer commits to comply with the thresholds set by the [WEEE Directive](#) in the three identified locations.<sup>35</sup> A minimum of 85% of photovoltaic cells must be recovered and a minimum of 80% must be recycled. The Issuer also remains bound by national legislation on waste and end-of-life such as the Turkish Waste Electrical and Electronic Equipment Control Regulation and the [Kazakhstan Environmental Code](#).<sup>36</sup> In addition, the Issuer commits, for its Turkish assets, to the Sifir Atik certification for a [zero-waste management system](#).<sup>37</sup> In addition, the Issuer has a Waste Management Procedure<sup>38</sup> and Waste Management Plans<sup>39</sup> prepared for all of its assets.

**Geothermal**

**Environmental aspects of construction (or production) and operation**

<sup>35</sup> As a member of the European Union, the Netherlands is subject to applying the WEEE Directive in full.

<sup>36</sup> Compliance of the 2021 Environmental Code with EU environmental standards and internationally recognized approaches is high as per EU WECCOOP experts.

<sup>37</sup> The Sifir Atik certification is governed by Turkey's Ministry of Environment, Urbanization and Climate.

<sup>38</sup> The Waste Management Procedure regulates the Waste Management process of Rönesans Holding and Group Companies and determine the duties, authorities and responsibilities in compliance with local, international and IFC Performance Standards.

<sup>39</sup> The Waste Management Plan is applicable to the construction phase of projects. It ensures that all types of waste are controlled, handled, stored, transported and disposed of in compliance with regulations and lender requirements. Example of a Waste Management Plan available [here](#). The Issuer commits for the content of the assessment to be similar across assets.

Rönesans Holding has measures in place systematically ensuring that assets financed under this Framework are not located in proximity to major fault lines.



The Issuer has currently not identified geothermal investments. If projects were initiated under this Framework, geotechnical perspective assessments will be systematically conducted within the scope of the ESIA report, which the Issuer commits to undertake for all its assets. ESIA's are individually tailored for each project and adhere to the Equator Principles and the Environmental and Social Requirements of the European Bank for Reconstruction and Development. As such, it is mandatory to conduct assessments to ensure that the assets are not located in proximity to major fault lines.

**Water, wastewater**

**Environmental aspects of construction (or production) and operation**



Rönesans Holding has measures in place systematically ensuring that assets financed under this Framework feature clear measures for leak detection methods coupled with repair systems in place, as well as measures reducing the environmental impacts of sewage sludge disposal (e.g., exclusion of introduction into waterways and landfill, exclusion or standards for agricultural use, utilization of energy).

The Issuer commits to having all its assets equipped with a Water Management Procedure<sup>40</sup> and Water and/or Wastewater Management Plans.<sup>41,42</sup> Through its processes, clear measures are provided for ensuring leak detection, repair systems and water disposal.

**Circular economy, electric vehicles, medical equipment and healthcare technology, maintenance plants for rolling stocks and trains, public transport vehicles, rolling stocks and trains**

**Environmental aspects of construction (or production) and operation**

<sup>40</sup> Water Management Procedures regulate the duties, authorities and responsibilities of Water Management at Rönesans Holding and Group Companies. It aims to provide guidance complying with local, international and IFC Performance Standards.

<sup>41</sup> Water Management Plans focus on the protection of surface water and groundwater resources using risk assessments, investigation and action response triggers, and water management activities. Scope includes a zero-discharge policy of contaminated water into the surrounding environment. It also defines roles and responsibilities for implementing mitigation measures defined in this procedure and outlines monitoring and auditing requirements.

<sup>42</sup> Wastewater Management Plans provide control measures, protocols and safeguards to manage impacts on ambient water quality arising from project construction activities, including the control of discharges and residues, to minimize impacts to human health and the environment.

Rönesans Holding has measures in place ensuring that assets financed under this Framework can be assessed using life-cycle assessments.

- ✓ The Issuer is committing to conduct ESIA's on all its assets for the assessment of the environmental impacts of its assets. Life-cycle assessments are conducted on a case-by-case basis when commissioned by Rönesans' lenders. In addition, Rönesans Holding commits to ISO 14001 for its assets.

**Circular economy, electric vehicles, medical equipment and healthcare technology, green hydrogen, hydrogen storage, rail service facilities, public transport vehicles, rolling stocks and trains, SME financing, waste management**

#### **Environmental aspects of construction (or production) and operation**

Rönesans Holding has measures in place systematically ensuring that assets financed under this Framework provide a comprehensive environmental management system.

- ✓ The Issuer commits for all its assets to be aligned with a comprehensive environmental management system. Rönesans adheres to standards such as ISO 14001 for environmental management for its assets. Additionally, Environmental and Social Management Plans<sup>43</sup> (ESMP) are prepared for each asset to address unique project requirements.

#### **Water supply, wastewater, geothermal**

#### **Environmental aspects of construction (or production) and operation**

Rönesans Holding has measures in place systematically ensuring that assets financed under this Framework provide high standard regarding water quality, sustainable water withdrawal and measures to avoid contamination of soil and groundwater.

- ✓ The Issuer, for all its assets, commits to a Water Management Procedure<sup>44</sup> and Water and/or Management Plans.<sup>45</sup> Risk assessment is also embedded in as a part of the Environmental, Social, Health and Safety Requirements and the Environmental and Social Management System procedures, performed

<sup>43</sup> Example of ESMP available [here](#).

<sup>44</sup> Water Management Procedures regulate the duties, authorities and responsibilities of Water Management at Rönesans Holding and Group Companies. It aims to provide guidance complying with local, international and IFC Performance Standards.

<sup>45</sup> Wastewater Management Plans provide control measures, protocols and safeguards to manage impacts on ambient water quality arising from project construction activities, including the control of discharges and residues, to minimize impacts to human health and the environment.

<sup>46</sup> Water Management Plans focus on the protection of surface water and groundwater resources using risk assessments, investigation and action response triggers, and water management activities. Scope includes a zero-discharge policy of contaminated water into the surrounding environment. It also defines roles and responsibilities for implementing mitigation measures defined in this procedure and outlines monitoring and auditing requirements.

when required. In addition, water footprint calculation and monitoring studies are carried out for projects, operations and head offices in accordance with ISO 14046 Water Footprint Standard. Preemptive pollution measures and crisis responses measures and training are covered. On a best-efforts basis, the Issuer also works to implement technologies that provide proven water efficiency results in all its industrial projects. Best-efforts basis is also given in green building projects financed under this Framework for water footprint reduction (grey, blue and green water components).

**Green buildings, social housing**

**Environmental aspects of construction (or production) and operation**

Rönesans Holding has measures in place systematically ensuring that assets financed under this Framework provide for sustainable procurement of construction materials.



For green buildings and social housing, the Issuer commits to adopting sustainable procurement practices for building materials. This includes the use of circular concrete and bio-based materials such as wood, hemp and straw.<sup>47</sup> In the event that the use of reusable materials is not possible, Rönesans Holding and its Group Companies undertake the responsibility to minimize waste production and treat it accordingly.

[Ballast Nedam](#), a subsidiary of Rönesans Holding, commits to adopt sustainable procurement practices for building materials in its [2024-2026 CSR Policy](#). In addition, Ballast Nedam is committing to reaching a 50% circularity rate by 2030 for all construction activities. This threshold can be achieved through a combination of circularity at the production level (inflow) and at the end-of-life level (outflow).

**Medical equipment and healthcare technology**

**Ethics**



Rönesans Holding has measures in place systematically ensuring that assets financed under this Framework have policies in place prohibiting workplace discrimination (e.g., recruitment, assignment, remuneration, training and benefits).

The Issuer has a set of [policies](#) on ethical standards across all aspects of its operation. The [Code of Business Ethics](#), applicable for all employees, suppliers and partners includes guidelines on integrity, transparency, fairness and

<sup>47</sup> Projects include [climate-positive homes](#) made out of straw and a [CO<sub>2</sub>-negative residential building](#) by Ballast Nedam, a subsidiary of Rönesans Holding.

respect for human rights. The Compliance Procedures are a second set of guidelines to adhere to legal and regulatory requirements as well as the Issuer’s internal policies. The procedures include monitoring, reporting and addressing non-compliance issues. Moreover, the Issuer provides training and awareness programs for employees and partners on ethical standards. Additional policies include a [Conflict of Interest and Related Party Transactions Policy](#), [Anti-Bribery Corruption and Money Laundering Policy](#) and [Gift and Entertainment Policy](#). A whistleblower mechanism has been set and applicable to all the above commitments and at the disposal of all employees and third parties to report unethical behavior.

**SME financing**

**Inclusion**

Rönesans Holding has measures in place systematically ensuring that assets financed under this Framework have policies in place prohibiting workplace discrimination (e.g., recruitment, assignment, remuneration, training and benefits).



The Issuer has a set of [policies](#) on ethical standards across all aspects of its operation. The [Code of Business Ethics](#), applicable for all employees, suppliers and partners include guidelines on integrity, transparency, fairness and respect for human rights. The Compliance Procedures are a second set of guidelines to adhere to legal and regulatory requirements as well as the Issuer’s internal policies. The procedures include monitoring, reporting and addressing non-compliance issues. Moreover, the Issuer provides training and awareness programs for employees and partners on ethical standards. A whistleblower mechanism has been set and applicable to all the above commitments and at the disposal of all employees and third parties to report unethical behavior.

**Affordable housing, medical equipment and healthcare technology, medical care facilities**

**Inclusion**



Rönesans Holding has measures in place systematically ensuring that assets financed under this Framework have policies in place promoting inclusion and non-discrimination for socially disadvantaged groups (access referencing fairly prices and/or subsidized participation).

For healthcare, the Issuer, under this Framework, may develop, construct, upkeep and operate services enhancing access to public, not-for-profit, free or subsidized essential services.

For education, the Issuer, under this Framework, aims to ensure affordability for students and invest in lower socioeconomic areas through subsidizing private education and training services for socioeconomic advancement, reducing social inequalities.

For affordable housing projects, the Issuer follows local legislations defined in Turkey and the Netherlands.<sup>48</sup> In Turkey, beneficiaries of projects fall within Turkey's [Housing Development Administration \(TOKİ\)](#). Definition of low- and middle-income groups is based on the public-sector wage index and maximum net monthly household income. Those who lost their homes in the 2023 Turkey earthquake are eligible. In the Netherlands, beneficiaries fall within the Dutch Social Housing Law. Income thresholds are defined to qualify for [social housing benefit](#).

**Care facilities, education, medical care facilities**

**Quality management**

Rönesans Holding has measures in place systematically ensuring that assets financed under this Framework have a quality management system, strong medical/education standards and supervising bodies in place.



The issuer commits to certify its assets with ISO 9001. Additional certifications are set when required for particular assets. As such, medical laboratories are certified with ISO 15189 and medical devices are certified with ISO 13485. The subsidiary of Rönesans Holding operating assets such as hospitals is ISO 9001 certified. Risk assessments are conducted in addition to ISO certificates on a systematic basis by Rönesans Holding and its subsidiaries for any OHS-related risks and hazards.

**Care facilities**

**Quality management**



Rönesans Holding has measures in place systematically ensuring that assets financed under this Framework ensure a resident-centered environment regarding services and facilities (e.g., trained staff, privacy, recreational areas).

<sup>48</sup> The assessment is limited to the locations spelled out in the Framework. In the case of affordable housing: the Netherlands and Turkey

The Issuer commits to practices aligned with a resident-centered environment<sup>49</sup> on a best-efforts basis. At the time of drafting, in Kazakhstan, the Issuer has a 48% threshold on green spaces and lawns for the total area of the site, above the minimum requirements of 40%.<sup>50</sup>

**Medical care facilities, education, care facilities**

**Site location**



Rönesans Holding has measures in place systematically ensuring that assets financed under this Framework are located within a maximum of 250 meters from one or more modes of public transportation.

For healthcare facilities, the Issuer commits to a maximum distance of 250 meters from one or more modes of public transportation. For other assets, the Issuer commits to achieve this threshold on a best-efforts basis.

**Medical equipment and healthcare technology**

**User safety**



Rönesans Holding has measures in place systematically ensuring that assets financed under this Framework have product safety measures in place.

The Issuer commits to ISO 9001 for all its assets. In addition, Rönesans Holding ensures that assets related to medical equipment and healthcare technology follow the local regulations and safety standards. Public-private partnerships with local governments will constitute the majority of the investment structure and will follow the compliance level imposed by said governments.

**Care facilities, green hydrogen, medical care facility, waste management**

**Waste**



Rönesans Holding has measures in place systematically ensuring that assets financed under this Framework have measures to reduce and correctly dispose of waste.

<sup>49</sup> Resident-centered environment as per the Stewards of Affordable Housing for the Future's [framework for resident services](#).

<sup>50</sup> Code of Rules of the Republic of Kazakhstan for medical and preventive care establishments, SP RK 3.02-113-2014 (with amendments and additions as of April 12, 2023).



The Issuer commits for its assets to adhere to a Waste Management Procedure and Waste Management Plans.<sup>51</sup> For Turkish assets, the Issuer commits to the Sifir Atik<sup>52</sup> certification for a [zero-waste management system](#).

### Green buildings

#### Water

Rönesans Holding has measures in place systematically ensuring that assets financed under this Framework are equipped with water reduction measures.



The Issuer commits to certifying the relevant assets under this Framework with either LEED or BREEAM. These certifications include a series of water-related criteria, including water use reduction.

<sup>51</sup> Example of a Waste Management Plan available [here](#). The Issuer commits for the content of the assessment example to be applied on all its assets.

<sup>52</sup> The Sifir Atik certification is governed by Turkey's Ministry of Environment, Urbanization and Climate.

## PART III: CONSISTENCY OF GREEN, SOCIAL AND SUSTAINABILITY INSTRUMENTS WITH RÖNESANS HOLDING'S SUSTAINABILITY STRATEGY

*Key sustainability objectives and priorities defined by the Issuer*

TOPIC	ISSUER APPROACH
<p><b>Strategic ESG topics</b></p>	<p>The Issuer focuses on:</p> <ul style="list-style-type: none"> <li>▪ Human (Organizational Structure and Human Capital)                             <ul style="list-style-type: none"> <li>▪ Employee development and satisfaction</li> <li>▪ Equality, diversity and inclusion</li> <li>▪ Occupational health and safety</li> </ul> </li> <li>▪ Environment (Natural Capital and Environmental Impact)                             <ul style="list-style-type: none"> <li>▪ Combating climate change and adaptation</li> <li>▪ Circular economy and waste management</li> <li>▪ Water and wastewater management</li> <li>▪ Biodiversity and ecological impacts</li> </ul> </li> <li>▪ Society (Social and Relational Capital)                             <ul style="list-style-type: none"> <li>▪ Social impact and responsibility</li> <li>▪ Contribution to local economy and employment</li> <li>▪ Customer experience and satisfaction</li> </ul> </li> <li>▪ Management (Business and Technical Know-How)                             <ul style="list-style-type: none"> <li>▪ Digitalization, innovation and information security</li> <li>▪ Structural integrity, safety and durability</li> </ul> </li> </ul> <p>These sustainability pillars were defined with materiality assessments that considered current sustainability reporting standards, global trends, best practices and Sustainability Accounting Standard Board guidelines. Stakeholder opinions are gathered through surveys, incorporating insights from internal and external stakeholders, such as international financial institutions, public institutions, suppliers and customers.</p>
<p><b>ESG goals/targets</b></p>	<p>To achieve its strategic ESG topics, the Issuer has set:</p> <ul style="list-style-type: none"> <li>▪ Natural Capital and Environmental Impact:</li> </ul> <p>Reducing Scope 1 and Scope 2 emissions by 55% in 2030 compared to 2022. Being carbon net zero in all owned or operated projects and facilities by 2040. Reducing the ratio of plastic waste to total waste by 40% by the end of 2030 compared to 2022 levels. Reducing water consumption rate by 40% by the end of 2030 compared to 2022.</p>

	<ul style="list-style-type: none"> <li>▪ Organizational Structure and Human Capital:  Increasing the rate of female managers by 25% by 2030 compared to 2022. Increasing the female board member ratio to 50% in 2040. Reducing the lost time injury frequency rate by 3% annually and by 25% by 2030 within the scope of the Group’s zero accident target for its own employees and subcontractors.</li>   <li>▪ Business and Technical Know-How:  Ensuring 100% monitoring and control of the projects implemented according to the detailed structural analysis and risk assessment carried out at the beginning of each project during the construction process.</li>   <li>▪ Social and Relational Capital:  Increasing local employment rate by 30% by 2030 compared to 2022 Increasing proportion of payments made to local suppliers in all purchases in company operations by 25% in 2030 compared to 2022.</li> </ul>
<p><b>Action plan</b></p>	<p>The Issuer has established the corporate sustainability management department to coordinate and verify that proposals are considered and applied when accepted. The department conducts social and environmental risk monitoring of the Group’s projects to monitor the realization of the action plans through independent consultants. Support is provided by the department on assessing the consistency of possible investment opportunities with the Group’s ESG action plan. It also works on improving sustainability awareness within the Group’s companies through trainings, events and campaigns.</p>
<p><b>Climate transition strategy</b></p>	<p>In addition to the above short, mid and long-term goals, the Issuer has installed several working groups working on ensuring compliance of the Group’s strategy with the Paris Agreement, the EU Green Deal and the Dutch Climate Agreement.</p>
<p><b>ESG Risk and sustainability strategy management</b></p>	<p>In addition to the corporate sustainability management department and the working groups, the compliance of the projects and businesses with environmental and social conditions is monitored by audit services, provided by third party independent authorities. At the initial stages of projects and during periods of significant change (Management of Change), risk workshops are organized with all relevant participants and the actions taken are monitored together with Group Company and project management.</p>

<p><b>Top three areas of breaches of international norms and ESG controversies in the industry<sup>53</sup></b></p>	<p>Anti-competitive behaviors, accounting and disclosing standards, layoffs</p>
<p><b>Breaches of international norms and ESG controversies by the Issuer</b></p>	<p>At the date of publication and leveraging ISS ESG Research, no controversy in which the Issuer would be involved has been identified.</p>
<p><b>Sustainability reporting</b></p>	<p>The Issuer reports on its sustainability progress annually and publicly discloses its reports on the Group’s reporting page.</p>
<p><b>Industry associations, collective commitments</b></p>	<p>The Issuer is a member of/signatory to:</p> <ul style="list-style-type: none"> <li>▪ United Nations Global Compact since 2015</li> <li>▪ U.N. Women's Empowerment Principles since 2016</li> </ul>
<p><b>Previous sustainable/sustainability-linked issuances or transactions and publication of sustainable financing framework</b></p>	<p>-</p>

*Rationale for issuance*

Rönesans is establishing a Sustainable Finance Framework to issue instruments that will finance and refinance the transition to a low carbon, climate resilient economy while also contributing towards socially beneficial objectives. Rönesans also aims to use the Framework to contribute to the development of the sustainable finance market and growth of responsible investing.

The Group communicates its desire to provide its investor base with greater transparency over the use of proceeds and sustainability impacts of the investments financed under the Framework.

<sup>53</sup> Based on a review of controversies identified by ISS ESG over a two-year period, the top three issues that have been reported against companies within the construction industry are displayed above. Please note that this is not a company-specific assessment but rather areas that can be of particular relevance for companies within that industry.

## SECOND PARTY OPINION

Sustainability Quality of the Issuer  
and Sustainable Finance Framework

ISS-CORPORATE 

**Opinion:** *The key sustainability objectives and the rationale for issuing green bonds are clearly described by the Issuer. All project categories financed are in line with the Issuer's sustainability objectives.*

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## ANNEX 1: METHODOLOGY

The ISS-Corporate SPO provides an assessment of labeled transactions against international standards using ISS-Corporate's proprietary [methodology](#).

## ANNEX 2: QUALITY MANAGEMENT PROCESSES

### SCOPE

Rönesans Holding commissioned ISS-Corporate to compile a green, social and sustainable finance instruments SPO. The second-party opinion process includes verifying whether the Sustainable Finance Framework aligns with the Green Bond Principles, Social Bond Principles, Green Loan Principles and Social Loan Principles and assessing the sustainability credentials of its green, social and sustainable finance instruments, as well as the Issuer's sustainability strategy.

### CRITERIA

Relevant standards for this second-party opinion:

- Green Bond Principles, as administered by the International Capital Market Association (as of June 2021 with June 2022 Appendix 1)
- Green Loan Principles, as administered by the Loan Market Association (as of February 2023)
- Social Bond Principles, as administered by the International Capital Market Association (as of June 2021)
- Social Loan Principles, as administered by the Loan Market Association (as of February 2023)

### ISSUER'S RESPONSIBILITY

Rönesans Holding's responsibility was to provide information and documentation on:

- Framework
- Selection criteria
- Documentation of ESG risk management at the asset level

### ISS-CORPORATE'S VERIFICATION PROCESS

Since 2014, ISS Group, which ISS-Corporate is a part of, has built up a reputation as a highly reputed thought leader in the green and social bond market and has become one of the first CBI-approved verifiers.

This independent second-party opinion of the green, social and sustainable finance instruments to be issued by Rönesans Holding has been conducted based on proprietary methodology and in line with the GBP, GLP, SBP and SLP.

The engagement with Rönesans Holding took place from July to August 2024.

### ISS-CORPORATE'S BUSINESS PRACTICES

ISS-Corporate has conducted this verification in strict compliance with the ISS Group Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behavior and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.



## About this SPO

Companies turn to ISS-Corporate for expertise in designing and managing governance, compensation, sustainability and cyber risk programs that align with company goals, reduce risk and manage the needs of a diverse shareholder base by delivering best-in-class data, tools and advisory services.

ISS-Corporate assesses alignment with external principles (e.g., the Green/Social Bond Principles), analyzes the sustainability quality of the assets and reviews the sustainability performance of the Issuer itself. Following these three steps, we draw up an independent SPO so that investors are as well-informed as possible about the quality of the bond/loan from a sustainability perspective.

Learn more: <https://www.iss-corporate.com/solutions/sustainable-finance/bond-issuers/>.

For more information on SPO services, please contact: [SPOsales@iss-corporate.com](mailto:SPOsales@iss-corporate.com).

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