



ALTERNERGY HOLDINGS CORPORATION GREEN FINANCE FRAMEWORK

Document title: Second Party Opinion on Alternergy's Green Finance Framework

Prepared by: DNV (Thailand) Co., Ltd.

Location: Bangkok, Thailand

Date: 13 February 2024

Project ON: 10491049

This statement is valid until the Framework provided in January 2024 remains unchanged.

Table of Contents

Table of Contents.....	2
DNV’S INDEPENDENT ASSESSMENT	3
Scope and Objectives	3
Responsibilities of the Management of the Customer and DNV	3
Basis of DNV’s Opinion	4
Work Undertaken.....	4
Findings and DNV’s Opinion.....	5
Schedule 1. Description of Categories to be financed or refinanced through the Customer’s Green Financing Instruments	7
Schedule 2. Contributions to UN SDGs	8
Schedule 3. Eligibility Assessment Protocol	9
Schedule 4. Green Financing Instruments External Review Form	13

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 limitation 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 organization were applied as per scope of work. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Statement.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO IEC 17029:2019 - Conformity Assessment - General principles and requirements for validation and verification bodies, 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 included in the Framework except for this Statement. DNV maintains complete impartiality toward stakeholders interviewed during the assessment process.

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

DNV'S INDEPENDENT ASSESSMENT

Scope and Objectives

Alternergy Holdings Corporation (the "Customer" or "Alternergy") is a Philippine pioneer and a pure-play renewable energy developer with ownership interests in wind, solar, run-of-river hydro, battery energy storage systems, and retail electricity supply. As a company of "firsts", Alternergy has a well-defined and committed strategic focus on renewable power generation that paved the way for future renewable growth in the Philippines.

Alternergy focuses on helping the Philippines achieve its renewable energy potential through the development of wind, solar, and run-of-river hydro power projects across the country. In doing so, Alternergy has developed a Green Finance Framework (the "Framework") with the aim to allocate funds towards relevant green project categories identified under Alternergy's business model. Under the Framework, Alternergy can issue different types of Green Financing Instruments, including bonds, loans, or any other debt instruments (collectively "Green Finance Instruments" or "GFIs"), in alignment with the stated standards and principles (collectively the "Principles"):

- Green Bond Principles ("GBP"), issued by the International Capital Markets Forum ("ICMA") in June 2021.
- Green Loan Principles ("GLP"), issued by the Loan Market Association ("LMA"), the Loan Syndications and Trading Association ("LSTA"), and the Asia Pacific Loan Market Association ("APLMA") in February 2023.
- ASEAN Green Bond Standards ("ASEAN GBS"), issued by the ASEAN Capital Markets Forum ("ACMF") in October 2018.

DNV (Thailand) Co., Ltd. ("DNV") has been commissioned by the Customer to review its Framework and provide a Second Party Opinion on the Framework, based on the Principles.

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 instruments issued via the Customer's Framework, the value of any investments, 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 the Customer and DNV

The management of the Customer 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 the Customer's management and other interested stakeholders in the Framework as to whether the Framework is aligned with the Principles. In our work, we have relied on the information and the facts presented to us by the Customer. DNV is not responsible for any aspect of the nominated 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 the Customer's management and used as a basis for this assessment were not correct or complete.

Basis of DNV's Opinion

We have adapted our assessment methodology to create the Alternergy-specific Eligibility Assessment Protocol (henceforth referred to as "Protocol"). 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 core components:

1. Use of Proceeds

The Use of Proceeds criteria are guided by the requirement that an issuer of a bond / a borrower of a loan must use the funds raised to finance or refinance or to repay equity of eligible activities. The eligible activities should produce clear environmental benefits.

2. Process for Project Evaluation and Selection

The Project Evaluation and Selection criteria are guided by the requirements that an issuer of a bond / a borrower of a loan should outline the process it follows when determining eligibility of an investment using Green Bond / Loan proceeds and outline any impact objectives it will consider.

3. Management of Proceeds

The Management of Proceeds criteria are guided by the requirements that a bond / loan should be tracked within the organization, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled.

4. Reporting

The Reporting criteria are guided by the recommendation that at least annual reporting should be made of the use of proceeds and that quantitative and/or qualitative performance indicators should be used, where feasible.

No assurance is provided regarding the financial performance of instruments issued via the Framework, the value of any investments, 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.

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 the Customer 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 Alternergy-specific Protocol, adapted to the purpose of the Framework, as described above and in Schedule 3 to this Assessment;
- Assessment of documentary evidence provided by the Customer on the Framework and supplemented by a high-level desktop research. These checks refer to current assessment best practices and standards methodology;
- Review of published materials by the Customer and the website of the Customer, and where relevant, parent organizations;
- Discussions with the Customer's management, and review of relevant documentation and evidence related to the criteria of the Protocol; and
- Documentation of findings against each element of the criteria. Our opinion as detailed below is a summary of these findings.

Our opinion as detailed below is a summary of these findings.

Findings and DNV's Opinion

DNV's findings on the alignment with Principles are listed below:

1. Use of Proceeds

The Framework states that an amount equal to the net proceeds of green bonds, loans, and other financing instruments issued by Alternergy and its subsidiaries and affiliates, will be exclusively used to finance and/or refinance, in whole or in part, expenditures or investments directly related to the eligible green projects listed under Schedule 1.

The Framework defines the following eligible green project categories.

Eligible Green Project Categories

- Renewable Energy

DNV undertook an analysis of the associated project type to determine the eligibility as "Green" and in line with the Principles, as well as the ASEAN Taxonomy. DNV concludes that the eligible categories outlined in the Framework are consistent with the categories outlined in the Principles and the ASEAN Taxonomy. This finding does not relieve the Customer of the obligation to ensure that projects do no significant harm (DNSH) and fulfill social aspects as defined by the ASEAN Taxonomy.

2. Process for Project Evaluation and Selection

Alternergy has set up a Sustainability Committee, who is in charge of the evaluation and selection process of the Eligible Green Projects. The Sustainability Committee will be responsible for the review and approval process by evaluating the projects shortlisted in line with Alternergy's three core businesses. Any project considered as an eligible project in accordance with the Framework, with a look back period of not more than three years, is then earmarked for the use of proceeds of a green finance instrument. The composition of the Sustainability Committee is subject to change as Alternergy deems necessary.

DNV concludes that Alternergy's Framework appropriately describes the process for Project Evaluation and Selection.

3. Management of Proceeds

Alternergy describes the process for management of net proceeds under this Framework:

The evidence reviewed, through Alternergy's Green Finance Framework, shows how Alternergy plans to manage the net proceeds from the Green Finance Instruments; in accordance with the evaluation and selection process in the Principles. Alternergy will establish a Green Financing Projects Register (GFPR), for the sole purpose of including eligible projects that are established by the company (i.e., through the evaluation and selection process of the Sustainability Committee). The Chief Sustainability Officer and Chief Financial Officer will temporarily invest the balance of unallocated proceeds in cash or cash-equivalent instruments within its normal treasury processes. Any unallocated proceeds will not be invested in excluded categories as defined in this framework.

DNV has reviewed the evidence presented and concludes that the Framework appropriately describes the process for Management of Proceeds.

4. Reporting

Alternergy has confirmed that it will disclose the allocation of the net proceeds of the green finance instruments and publish annual reports on its website (www.Alternergy.com). This will also include details on corresponding environmental impacts – and all relevant documentation, including the Framework, update reports, and external review report, will also be made available on the company website.

On the basis of the information provided by Alternergy 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 Financing Instruments within the Principles.



for DNV (Thailand) Co., Ltd.

Bangkok, Thailand / 13 February 2024

A handwritten signature in blue ink, appearing to read "Jerus D'Silva".

Jerus D'Silva
Technical Reviewer
Supply Chain and Product Assurance
(SCPA)

A handwritten signature in blue ink, appearing to read "Kobrat C.".

Kobrat Chotruangprasert
Senior Assessor
Supply Chain & Product Assurance
(SCPA)

Schedule 1. Description of Categories to be financed or refinanced through the Customer's Green Financing Instruments

Eligible Green Project Categories	Eligible Criteria and Description	DNV Findings
Renewable Energy	Solar energy <ul style="list-style-type: none"> Development, construction, installation, and maintenance of solar facilities (Photovoltaic or concentrated solar plants including floating solar with less than 15% usage of non-renewable energies as backup power) 	DNV finds that the criteria and project types are eligible projects according to the Principles.
	Wind energy <ul style="list-style-type: none"> Development, construction, installation, and maintenance of wind facilities (onshore and offshore projects including floating wind turbines) 	DNV also finds that the criteria and project types are aligned with the Technical Screening Criteria (TSC) established under the ASEAN Taxonomy.
	Hydropower <ul style="list-style-type: none"> Development, construction, installation, and maintenance of hydroelectricity production facilities (run-of-river sites without artificial reservoirs) and with GHG emissions intensity < 100 gCO₂e/kWh 	Note that this finding does not relieve the Customer of the obligation to ensure that these projects do no significant harm (DNSH) and fulfill social aspects as defined by the ASEAN Taxonomy.
	Energy transmission and distribution <ul style="list-style-type: none"> Transmission, distribution, and support infrastructure for renewable energy systems 	
	Energy storage <ul style="list-style-type: none"> Energy management, control, and storage systems for solar energy, wind energy, and hydropower 	

Schedule 2. Contributions to UN SDGs

Alternergy's Green Finance Objectives	Eligible Project Categories	UN SDGs	DNV Findings
<p>Alternergy strives to be a pioneering renewable power company in the Philippines. Its mission is to develop power projects throughout the country from renewable energy resources.</p> <p>Alternergy's diversified renewable energy portfolio allows it to have a mix of complementary power generation revenues.</p> <p>Alternergy's competitive strengths result in its success in project development and execution, and ability to secure new opportunities for growth in the Philippines and the Pacific Islands.</p>	<p>Renewable Energy</p>	<p>SDG 7: Affordable and Clean Energy</p>	<p>DNV is of the opinion that the eligible category outlined in the Framework contributes to the achievement of the listed UN SDG(s).</p>

Schedule 3. Eligibility Assessment Protocol

1. Use of Proceeds

Ref.	Criteria	Requirements	DNV Findings				
1a	Type of bond / loan	<p>The Bond / Loan must fall in one of the following categories, as defined by the Green Bond Principles:</p> <ul style="list-style-type: none"> Green Use of Proceeds Bond Green Use of Proceeds Revenue Bond Green Project Bond Green Securitized Bond Loan instrument made available for Green project (Green use of loan proceeds) 	<p>The Framework states that an amount equal to the net proceeds of green bonds, loans, and other financing instruments issued by Alternergy and its subsidiaries and affiliates, will be exclusively used to finance and/or refinance, in whole or in part, expenditures or investments directly related to the eligible green projects listed under Schedule 1.</p> <p>The reviewed evidence confirms that the Green Financing Instruments meet the criteria under the Principles, and DNV confirms this process to be well aligned with the Principles.</p>				
1b	Green Project Categories	<p>The cornerstones of Green Bond and Loan are the utilization of the proceeds of the bond and the loan which should be appropriately described in the legal documentation for the security.</p>	<p>Eligible project category presented by Alternergy is as follows:</p> <ul style="list-style-type: none"> Renewable Energy <p>The above-mentioned project category meets the Eligible Green Project Categories in the Principles. The listed projects are also aligned with the relevant TSC listed under the ASEAN Taxonomy.</p> <p>DNV confirms this to be well aligned with the Principles and the ASEAN Taxonomy. This does not relieve the Customer of the obligation to ensure that projects do no significant harm (DNSH) and fulfill social aspects as defined by the ASEAN Taxonomy.</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>Alternergy's Framework provides information on the environmental benefits to include:</p> <table border="1" data-bbox="767 1397 1445 1532"> <thead> <tr> <th>Eligible Category</th> <th>Environmental Benefit</th> </tr> </thead> <tbody> <tr> <td>Renewable Energy</td> <td> <ul style="list-style-type: none"> Annual GHG emissions reduced or avoided (in tonnes of CO₂ equivalent) </td> </tr> </tbody> </table> <p>DNV confirms that the proposed use of proceeds will reasonably be expected to deliver meaningful environmental benefits.</p>	Eligible Category	Environmental Benefit	Renewable Energy	<ul style="list-style-type: none"> Annual GHG emissions reduced or avoided (in tonnes of CO₂ equivalent)
Eligible Category	Environmental Benefit						
Renewable Energy	<ul style="list-style-type: none"> Annual GHG emissions reduced or avoided (in tonnes of CO₂ equivalent) 						
1d	Refinancing Share	<p>In the event that a proportion of the proceeds may be used for refinancing, it is recommended that issuers provide an estimate of the share of financing vs. re-financing, and where appropriate, also clarify which investments or project portfolios may be refinanced.</p>	<p>The Framework states that an amount equal to the net proceeds of green bonds, loans, and other financing instruments issued by Alternergy and its subsidiaries and affiliates, will be exclusively used to finance and/or refinance, in whole or in part, expenditures or investments directly related to the eligible green projects listed under Schedule 1.</p> <p>Based on the scope and definition of eligible project categories listed by Alternergy, as stated under Schedule 1, Alternergy expects to allocate all funds to financing in initial phases. However, this does not rule out possible allocations to refinancing later in the project life.</p>				

			The proposed management of net proceeds from the Green Finance Instruments is confirmed by DNV to reasonably be expected to meet the criteria under the Principles.
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2. Process for Project Selection and Evaluation

Ref.	Criteria	Requirements	DNV Findings
2a	Investment-decision process	<p>The Issuer of a Green Bond and Loan should outline the decision-making process it follows to determine the eligibility of projects using Green Bond and Loan proceeds. This includes, without limitation:</p> <ul style="list-style-type: none"> The environmental objectives of the eligible Green Projects; The process by which the issuer determines how the projects fit within the eligible Green Projects categories; and Complementary information on processes by which the issuer identifies and manages perceived environmental and social risks associated with the relevant project(s). 	<p>Alternergy has set up a Sustainability Committee, who is in charge of the evaluation and selection process of the Eligible Green Projects.</p> <p>From the Framework</p> <p><i>"The Sustainability Committee's roles include the following:</i></p> <ul style="list-style-type: none"> <i>review, select, and validate the eligible green portfolio based on the framework;</i> <i>validate annual reporting for investors;</i> <i>monitor the ongoing evolution related to sustainable capital markets, in terms of disclosure and reporting, to align with market best practices; and</i> <i>review the framework to reflect any changes with regard to Alternergy's strategies and initiatives."</i> <p>The Framework also includes an Exclusion List of Activities:</p> <p>From the Framework</p> <p><i>Alternergy commits to not knowingly allocating the net proceeds of green finance instruments to finance or refinance assets, projects, or sectors included in the following exclusionary criteria:</i></p> <ul style="list-style-type: none"> <i>development, refining, and transportation of fossil fuels (including coal, oil, and gas);</i> <i>fossil-fuel power generation;</i> <i>nuclear power generation; and</i> <i>weapons and defense.</i> <p><i>Projects, assets, or expenditures associated with any harm to human rights, labour rights, or the environment are also excluded.</i></p> <p>DNV confirms this process for project selection and evaluation to be well aligned with the Principles.</p>
2b	Issuer / borrower's environmental and governance framework	<p>Issuers are also encouraged to:</p> <ul style="list-style-type: none"> Position the relevant information within the context of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability. Provide information, if relevant, on the alignment of projects with official or market-based taxonomies, related eligibility criteria Have a process in place to identify mitigants to known material risks of 	<p>The Framework describes a governance structure for selecting projects for investment. Alternergy's Sustainability Committee will be responsible for the review and approval process by evaluating the projects shortlisted in line with Alternergy's three core businesses.</p> <p>From the Framework</p> <p><i>Any project considered as an eligible project in accordance with this framework, with a look back period of not more than three years, is then earmarked for the use of proceeds of a green finance instrument. The composition of the Sustainability Committee is subject to change as Alternergy deems necessary.</i></p> <p>DNV confirms that Alternergy's environmental, social, and governance (ESG) strategies and grouping of projects with eligibility criteria, are well aligned with the Principles.</p>

		negative environmental and/or social impacts from the relevant project(s).	
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3. Management of Proceeds

Ref.	Criteria	Requirements	DNV Findings
3a	Tracking procedure	<ul style="list-style-type: none"> (Bond) 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. (Loan) The proceeds of Green Loans should be credited to a dedicated account or otherwise tracked by the borrower in an appropriate manner, so as to maintain transparency and promote the integrity of the product. Where a green loan takes the form of one or more tranches of a loan facility, each green tranche(s) must be clearly designated, with proceeds of the green tranche(s) credited to a separate account or tracked by the borrower in an appropriate manner. 	<p>The evidence reviewed, through Alternergy's Green Finance Framework, shows how Alternergy plans to manage the net proceeds from the Green Finance Instruments; in accordance with the evaluation and selection process in the Principles.</p> <p>Alternergy will establish a Green Financing Projects Register (GFPR), for the sole purpose of including eligible projects that are established by the company (i.e., through the evaluation and selection process of the Sustainability Committee).</p> <p>Management of the net proceeds will be as follows:</p> <p>From the Framework</p> <p><i>"To manage the net proceeds of each green finance instrument, Alternergy will establish a GFPR to be managed by the Chief Sustainability Officer and Chief Financial Officer to ensure that 1) proceeds from each green finance instrument are earmarked to finance or refinance eligible green projects identified in the GFPR based on the eligibility criteria outlined in this framework, and 2) remaining proceeds are regularly monitored so that the amount of incoming funds does not exceed the portfolio's value."</i></p> <p>It is also evident in the Framework for Annual Reporting that, with regards to Allocation Reporting:</p> <p>From the Framework</p> <p><i>"For each green finance instrument, details on the use of proceeds will include</i></p> <ul style="list-style-type: none"> <i>a list of eligible projects and expenditures financed by green finance instruments,</i> <i>the amount of proceeds allocated to the various eligible projects,</i> <i>a description of major eligible projects,</i> <i>a breakdown of eligible assets by eligible category,</i> <i>a breakdown of eligible assets by geographic location,</i> <i>the remaining balance of unallocated proceeds yet to be earmarked, and</i> <i>the share of new financing and refinancing."</i> <p>DNV confirms that the Framework outlines processes to track proceeds and allocations to the nominated projects, that are well aligned with the Principles.</p>
3b	Tracking procedure	So long as the Green Bonds or Loans 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.	<p>The related tracking process is covered in the Framework as follows:</p> <p>From the Framework</p> <p><i>"The Chief Sustainability Officer and Chief Financial Officer will temporarily invest the balance of unallocated proceeds in cash or cash-equivalent instruments within its normal treasury processes. Any unallocated proceeds will not be invested in excluded categories as defined in this framework."</i></p>

			DNV confirms that the Framework outlines processes to track proceeds and allocations to the nominated projects, that are aligned with the Principles.
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.	<p>The Framework explains the treatment of unallocated funds.</p> <p>Alternergy's Chief Sustainability Officer and Chief Financial Officer will be responsible for the temporary investment of the balance of unallocated proceeds. The Framework also states that the Annual Report will be released covering Allocation Reporting. It highlights that for each green finance instrument, a breakdown of the remaining balance of unallocated proceeds yet to be earmarked will be reported. In addition to this, the GFPR will also contain relevant information on any unallocated proceeds from green finance instruments yet to be earmarked against any specific green project(s).</p> <p>Lastly, the Framework also indicates that pending allocation and earmarking, the net proceeds from the green finance instruments will be invested according to Alternergy's Treasury Policy.</p> <p>DNV confirms that the Framework outlines instruments to which unallocated proceeds will be invested, that are well aligned with the Principles.</p>

4. Reporting

Ref.	Criteria	Requirements	DNV Findings
4a	Periodical reporting	<ul style="list-style-type: none"> Issuers should make, and keep, readily available up to date information on the use of proceeds to be renewed annually until full allocation, and on a timely basis in case of material developments. The annual report should include a list of the projects to which Green Financing Instruments proceeds have been allocated, as well as a brief description of the projects, the amounts allocated, and their expected impact. Where confidentiality agreements, competitive considerations, or a large number of underlying projects limit the amount of detail that can be made available, the GBP recommend that information is presented in generic terms or on an aggregated portfolio basis (e.g. percentage allocated to certain project categories). 	<p>Alternergy has confirmed that it will disclose the allocation of the net proceeds of the green finance instruments and publish annual reports on its website (www.Alternergy.com). This will also include details on corresponding environmental impacts – and all relevant documentation, including the Framework, update reports, and external review report, will also be made available on the company website.</p> <p>The Framework explicitly describes the information and details to be included in (i) Allocation Reporting and (ii) Impact Reporting. A summary report will also highlight all green finance instruments issued or drawn in the reporting period and outstanding at the reporting date, and summary terms for each transaction. Key information to be provided will include transaction date, principal amount of proceeds, settlement date, maturity date, and interest margin or coupon, and ISIN number (if applicable).</p> <p>DNV confirms that the proposed reporting is consistent with the criteria set out in the Principles.</p>

Schedule 4. Green Financing Instruments External Review Form

Section 1. Basic Information

Issuer name: Alternergy Holdings Corporation

Green Financing Instruments Name: Alternergy Green Finance Framework, February 2024

Independent External Review provider's name for pre-issuance review: DNV (Thailand) Co., Ltd.

Completion date of this form: 6th February 2024

Section 2. Overview

SCOPE OF REVIEW

The review:

- assessed the 4 core components of the Principles (**complete review**) and confirmed the alignment with the GBP.
- assessed only some of them (**partial review**) and confirmed the alignment with the GBP/SBP/SBG (*delete where appropriate*); please indicate which ones:
 - Use of Proceeds
 - Management of Proceeds
 - Process for Project Evaluation and Selection
 - Reporting
- assessed the alignment with other regulations or standards (CBI, EU GBS, ASEAN Green Bond Standard, ISO 14030, etc.); please indicate which ones: **ASEAN Taxonomy**

ROLE(S) OF INDEPENDENT REVIEW PROVIDER

- Second Party Opinion
- Verification
- Other (*please specify*):
- Certification
- Scoring/Rating

Does the review include a sustainability quality score²?

- Of the issuer
- Of the framework
- No scoring
- Of the project
- Other (*please specify*):

ASSESSMENT OF THE PROJECT(S)

Does the review include:

- The environmental and/or social features of the type of project(s) intended for the Use of Proceeds?
- The environmental and/or social benefits and impact targeted by the eligible Green and/or Social Project(s) financed by the Green, Social or Sustainability Bond?
- The potentially material environmental and/or social risks associated with the project(s) (where relevant)?

² The external review may indicate the provider's opinion of the overall sustainability quality of a bond or bond framework and assess whether it has a meaningful impact on advancing contribution to long-term sustainable development.

ISSUER'S OVERARCHING OBJECTIVES

Does the review include:

- An assessment of the issuer's overarching sustainability objectives and strategy, and the policies and/or processes towards their delivery?
- An identification and assessment of environmental, social and governance related risks of adverse impact through the Issuer's [actions] and explanations on how they are managed and mitigated by the issuer?
- A reference to the issuer's relevant regulations, standards, or frameworks for sustainability-related disclosure and reporting?

CLIMATE TRANSITION STRATEGY³

Does the review assess:

- The issuer's climate transition strategy & governance?
- The alignment of both the long-term and short/medium-term targets with the relevant regional, sector, or international climate scenario?
- The credibility of the issuer's climate transition strategy to reach its targets?
- The level/type of independent governance and oversight of the issuer's climate transition strategy (e.g. by independent members of the board, dedicated board sub-committees with relevant expertise, or via the submission of an issuer's climate transition strategy to shareholders' approval).
- If appropriate, the materiality of the planned transition trajectory in the context of the issuers overall business (including the relevant historical datapoints)?
- The alignment of the issuer's proposed strategy and targets with appropriate science-based targets and transition pathways⁴ that are deemed necessary to limit climate change to targeted levels?
- The comprehensiveness of the issuer's disclosure to help investors assess its performance holistically⁵?

Overall comment on this section:

N/A – Customer is not seeking to finance transition projects with an aim to achieve net-zero emissions.

Section 3. Detailed Review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Does the review assess:

- the environmental/social benefits of the project(s)?
- whether those benefits are quantifiable and meaningful?
- for social projects, whether the target population is properly identified?

Does the review assess if the issuer provides clear information on:

- the estimated proceeds allocation per project category (in case of multiple projects)?
- the estimated share of financing vs. re-financing (and the related lookback period)?

³ Where issuers wish to finance projects towards implementing a net zero emissions strategy aligned with the goals of the Paris Agreement, guidance on issuer level disclosures and climate transition strategies may be sought from the [Climate Transition Finance Handbook](#).

⁴ GHG emissions reduction targets that are in line with the scale of reductions required to keep the average global temperature increase to ideally 1.5°C, or at the very least to well below 2°C above pre-industrial temperatures. Science Based Targets Initiative (SBTi) is a branded verification body for science-based targets and SBTi verification is one way for issuers to validate the alignment of their emission reduction trajectories with science-based reference trajectories. In addition, ICMA has published a [Methodologies Registry](#) which includes a list of tools to specifically help issuers, investors, or financial intermediaries validate their emission reduction trajectories.

⁵ Including information such as the respective contribution (e.g. %) of the different measures to the overall reduction, the total expenses associated with the plan, or the issuer's climate policy engagement.

Overall comment on this section:

Full allocation towards Renewable Energy projects. Customer has not disclosed the share of financing vs. re-financing at this stage. DNV can confirm that this process is well aligned with the Principles.

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Does the review assess:

- whether the eligibility of the project(s) is aligned with official or market-based taxonomies or recognised international standards? Please specify which ones.⁶
- whether the eligible projects are aligned with the overall sustainability strategy of the issuer and/or if the eligible projects are aligned with material ESG-related objectives in the issuer's industry?
- the process and governance to set the eligibility criteria including, if applicable, exclusion criteria?
- the processes by which the issuer identifies and manages perceived social and environmental risks associated with the relevant project(s)?
- any process in place to identify mitigants to known material risks of negative social and/or environmental impacts from the relevant project(s)?

Overall comment on this section:

Assessed for alignment with the ASEAN Taxonomy and ensuring the listed sustainability strategies / objectives of the Customer are in line with their overarching goals for the Framework. DNV can confirm that this process is well aligned with the Principles.

3. MANAGEMENT OF PROCEEDS

Does the review assess:

- the issuer's policy for segregating or tracking the proceeds in an appropriate manner?
- the intended types of temporary investment instruments for unallocated proceeds?
- Whether an external auditor will verify the internal tracking of the proceeds and the allocation of the funds?

Overall comment on this section:

The Customer's Green Finance Framework states that the proceeds will be earmarked to finance or refinance eligible green projects, assets, and expenditures that meet the eligibility criteria set out in this Framework. DNV can confirm that this process is well aligned with the Principles.

4. REPORTING

Does the review assess:

- the expected type of allocation and impact reporting (bond-by-bond or on a portfolio basis)?
- the frequency and the means of disclosure?
- the disclosure of the methodology of the expected or achieved impact of the financed project(s)?

Overall comment on this section:

The Customer's Green Finance Framework provides ample explanation on the reporting standards and information to be shared publicly on the Customer's website. Details on the allocation of the proceeds as well as the environmental impacts will be made available on the Customer's website. DNV can confirm that this process is well aligned with the Principles.

⁶ The EU Taxonomy, CBI Taxonomy, UK Taxonomy, China catalogue, etc.

Section 4. Additional Information

Useful links (e.g. to the external review provider's methodology or credentials, to the full review, to issuer's documentation, etc.)

Customer's website for publication of relevant documentation: www.Alternergy.com

Analysis of the contribution of the project(s) to the UN Sustainable Development Goals:

DNV is of the opinion that the eligible category outlined in the Framework contributes to the achievement of the listed UN SDG(s).

- **SDG 7: Affordable and Clean Energy**

DNV is of the opinion that the Customer's Green Finance Objectives are aligned with the relevant goals of the UN SDG listed above, in that:

- The Customer "strives to develop power projects throughout the country from renewable energy resources."
- The Customer "has a strong energy portfolio and presence in the region to secure new opportunities for growth and further develop the Philippines and the Pacific Islands."

Additional assessment in relation to the issuer/bond framework/eligible project(s):

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ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE GLP

1. **Second Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Loan Framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Green Loan Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
2. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Loan proceeds, statement of environmental impact or alignment of reporting with the GLP, may also be termed verification.
3. **Certification:** An issuer can have its Green Bond or associated Green Loan Framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
4. **Green Loan Scoring/Rating:** An issuer can have its Green Loan, associated Green Loan Framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.



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 16,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

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