

## SECOND PARTY OPINION (SPO)

---

Sustainability Quality of the Issuer and Green Finance Framework

Alliander NV

10 April 2025

### VERIFICATION PARAMETERS

---

Type(s) of instruments contemplated

- Green finance instruments<sup>1</sup>

Relevant standards

- Green Bond Principles, ICMA, June 2021 (with June 2022 Appendix 1)
- Green Loan Principles, LMA, February 2023
- EU taxonomy Climate Delegated Act, Annex I, June 2023

Scope of verification

- Alliander's Green Finance Framework (as of April 2, 2025)
- Alliander's selection criteria (as of April 2, 2025)

Lifecycle

- Pre-issuance verification
- First update of [SPO](#) as of May 13, 2024

Validity

- Valid as long as the cited Framework remains unchanged

<sup>1</sup> bonds, loans and commercial paper.

## CONTENTS

---

SCOPE OF WORK.....	3
ALLIANDER OVERVIEW .....	4
ASSESSMENT SUMMARY .....	5
SPO ASSESSMENT.....	7
PART I: ALIGNMENT WITH THE GREEN BOND PRINCIPLES (GBP) AND GREEN LOAN PRINCIPLES (GLP).....	7
PART II: SUSTAINABILITY QUALITY OF THE SELECTION CRITERIA .....	10
A. CONTRIBUTION OF THE GREEN FINANCE INSTRUMENTS TO THE U.N. SDGs .....	10
B. MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS ASSOCIATED WITH THE SELECTION CRITERIA .....	14
PART III: ELIGIBILITY OF THE SELECTION CRITERIA AGAINST THE EU TAXONOMY CLIMATE DELEGATED ACT .....	15
PART IV: CONSISTENCY OF GREEN FINANCE INSTRUMENTS WITH ALLIANDER'S SUSTAINABILITY STRATEGY.....	24
ANNEX 1: METHODOLOGY .....	28
ANNEX 2: QUALITY MANAGEMENT PROCESSES.....	29
About this SPO.....	30

## SCOPE OF WORK

Alliander NV (“the Issuer,” “the Company” or “Alliander”) commissioned ISS-Corporate to assist with its green finance instruments by assessing four core elements to determine the sustainability quality of the instruments:

1. Alliander’s Green Finance Framework (as of April 2, 2025), benchmarked against the International Capital Market Association's (ICMA) Green Bond Principles (GBP), and Loan Market Association’s (LMA) Green Loan Principles (GLP).
2. The selection 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).
3. The eligibility of the project categories against the EU taxonomy on a best-efforts basis<sup>2</sup> — whether the nominated project categories satisfy the EU taxonomy technical screening criteria for a substantial contribution to climate change mitigation and the do no significant harm criteria.
4. Consistency of green finance instruments with Alliander’s sustainability strategy, drawing on the key sustainability objectives and priorities defined by the Issuer.

---

<sup>2</sup> While the final delegated acts for mitigation and adaptation were published in June 2023, the technical screening criteria allow for discretion on the methodologies in determining alignment in certain cases. Therefore, at this stage, the alignment with the EU taxonomy has been evaluated on a “best-efforts basis.”

## ALLIANDER OVERVIEW

Alliander NV engages in electricity and gas networks. It engages in the distribution of energy such as electricity, biogas and heat to commercial and residential clients. The firm operates through the following segments: Network Operator Liander and Others. The Network Operator Liander segment provides gas and electricity connections and distributes gas and electricity in Gelderland and parts of Noord-Holland, Flevoland, Friesland and Zuid-Holland. The Others segment contains activities of Qirion and Alliander AG; new activities; the corporate staff departments; and the service units. It specializes in the management of electricity, gas and grid-related services. The company was founded in 1998 and is headquartered in Arnhem, the Netherlands.

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





Alliander is classified in the gas and electricity network operators industry, as per ISS ESG's sector classification. Key sustainability issues faced by companies<sup>3</sup> in this industry are environmentally safe operation of plants and infrastructure, worker safety and accident prevention, accessibility and reliability of energy supply, protection of human rights and community outreach, and promotion of a sustainable energy system.

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

---

<sup>3</sup> Please note that this is not a company-specific assessment but rather areas that are of particular relevance for companies within that industry.

## ASSESSMENT SUMMARY

SPO SECTION	SUMMARY	EVALUATION <sup>4</sup>
<p><b>Part I:</b></p> <p><b>Alignment with GBP and GLP</b></p>	<p>The Issuer has defined a formal concept for its green finance instruments regarding the use of proceeds, processes for project evaluation and selection, management of proceeds, and reporting. This concept aligns with the GBP and GLP.</p>	<p><b>Aligned</b></p>
<p><b>Part II:</b></p> <p><b>Sustainability quality of the selection criteria</b></p>	<p>The green finance instruments will (re)finance the following eligible asset categories:</p> <p>Green categories: Renewable Energy, Energy Efficiency, and Green Buildings.</p> <p>Product and/or service-related use of proceeds categories<sup>5</sup> individually contribute to one or more of the following SDGs:</p> <div data-bbox="691 1048 922 1164" style="text-align: center;">   </div> <p>Process-related use of proceeds categories<sup>6</sup> individually (i) improve the Issuer’s operational impacts and (ii) mitigate potential negative externalities of the Issuer’s sector on one or more of the following SDGs:</p> <div data-bbox="691 1447 922 1563" style="text-align: center;">   </div> <p>The environmental and social risks associated with the use of proceeds categories are managed.</p>	<p><b>Positive</b></p>

<sup>4</sup> The evaluation is based on Alliander’s Green Finance Framework (April 2, 2025), on the analyzed selection criteria as received on April 2, 2025.

<sup>5</sup> Renewable Energy, Green Buildings.

<sup>6</sup> Energy Efficiency, Green Buildings.

SPO SECTION	SUMMARY	EVALUATION <sup>4</sup>
<p><b>Part III:</b></p> <p><b>Eligibility against the EU taxonomy</b></p>	<p>Alliander’s project characteristics, due diligence processes, and policies have been assessed against the EU taxonomy’s (Climate Delegated Act of June 2023) technical screening criteria for a substantial contribution to climate change mitigation and the do no significant harm criteria on a best-efforts basis.<sup>7</sup></p> <p>The minimum safeguard requirements included in the EU taxonomy Climate Delegated Act have not been assessed in the context of the Issuer's reporting obligations. From 2024 onward, the Corporate Sustainability Reporting Directive (CSRD) requires external assurance for all EU taxonomy disclosures. During a mandatory auditor rotation, the Issuer appointed new auditors who determined that the minimum safeguards requirements for labor and human rights should cover the entire value chain, not just Tier 1 suppliers and direct contractors. Consequently, the Issuer concluded that providing an externally assured statement for the entire value chain is not yet feasible. Therefore, the Issuer does not currently meet full alignment with the EU taxonomy.</p>	<p><b>Eligible</b> for assessing alignment at a later date</p>
<p><b>Part IV:</b></p> <p><b>Consistency of green finance instruments with Alliander’s sustainability strategy</b></p>	<p>The Issuer clearly describes the key sustainability objectives and the rationale for issuing green finance instruments. All project categories considered align with the Issuer’s sustainability objectives.</p>	<p><b>Consistent with Issuer’s sustainability strategy</b></p>



<sup>7</sup> While the final delegated acts for mitigation and adaptation were published in June 2023, the technical screening criteria allow for discretion on the methodologies in determining alignment in certain cases. Therefore, at this stage, the alignment with the EU taxonomy has been evaluated on a "best-efforts basis."

## SPO ASSESSMENT

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

This section evaluates the alignment of Alliander’s Green Finance Framework (as of April 2, 2025) with the GBP and GLP.

GBP AND GLP	ALIGNMENT	OPINION
<p><b>1. Use of proceeds</b></p>	<p>✓</p>	<p>The use of proceeds description provided by Alliander’s Green Finance Framework is <b>aligned</b> with the GBP and GLP.</p> <p>The Issuer’s green categories align with the project categories proposed by the GBP and GLP. Criteria are defined clearly and transparently, and the evaluation process of the commercial paper’s sustainability quality is described. Disclosure of an allocation period and commitment to report by project category has been provided and environmental benefits are described and quantified. The Issuer does not specify the share of refinancing and financing or identify the investment or project portfolios to be refinanced for commercial papers, as commercial paper (CP) allocations are based solely on net asset value.</p> <p>The Issuer defines a look-back period of two years, in line with best market practice.</p>
<p><b>2. Process for project evaluation and selection</b></p>	<p>✓</p>	<p>The process for project evaluation and selection described in Alliander’s Green Finance Framework is <b>aligned</b> with the GBP and GLP. The selection process is well-defined and structured in a congruous manner. ESG risks associated with the project categories are identified and managed appropriately. Furthermore, the selected projects align with the Issuer’s sustainability strategy.</p> <p>The Issuer involves various stakeholders in this process and ensures alignment of its Green Finance Framework and green projects with</p>

GBP AND GLP	ALIGNMENT	OPINION
		official or market-wide taxonomies, such as the EU taxonomy, in line with best market practices.
<p><b>3. Management of proceeds</b></p>		<p>The management of proceeds provided by Alliander’s Green Finance Framework is <b>aligned</b> with the GBP and GLP. The net proceeds collected will equal the amount allocated to eligible projects. These proceeds are moved to a subportfolio and attested in a formal internal process. The process and frequency for monitoring commercial paper are disclosed. The net proceeds are managed on an aggregated basis for multiple green bonds (portfolio approach). Additionally, the Issuer discloses the temporary investment instruments for unallocated proceeds. The expected allocation period is 24 months.</p>
<p><b>4. Reporting</b></p>		<p>The allocation and impact reporting provided by Alliander’s Green Finance Framework is <b>aligned</b> with the GBP and GLP.</p> <p>The Issuer commits to disclosing the allocation of proceeds transparently and reporting with appropriate frequency. The reporting will be publicly available on the Issuer’s website and accessible to institutions participating in the loan. Alliander discloses the type of information reported and explains that the expected reporting level will be at the project category level. The Issuer reports CP on an aggregated portfolio basis, including the simple average and the highest amount of outstanding CP applied to eligible projects over the reporting period. CP issuance will be assessed on the highest outstanding amount during the reporting period to ensure green CP outstanding is matched by eligible green assets at all times. The Issuer commits to reporting annually until the proceeds are fully allocated. Additionally, the Issuer defines the reporting process and frequency for CP and</p>



GBP AND GLP	ALIGNMENT	OPINION
		<p>maintains measures to ensure no double counting of eligible green projects.</p> <p>The Issuer is transparent regarding the impact reporting level and information reported. It defines the impact reporting's duration, scope and frequency and commits to external party audits for the allocation report, aligning with best market practices. The Issuer's impact reporting encompasses commercial papers and is at the project portfolio level, consistent with best market practices.</p>

## PART II: SUSTAINABILITY QUALITY OF THE SELECTION CRITERIA

### A. CONTRIBUTION OF THE GREEN FINANCE INSTRUMENTS TO THE U.N. SDGs<sup>8</sup>

The Issuer can contribute to the achievement of the SDGs by providing specific services/products that help address global sustainability challenges, and by being a responsible actor, working to minimize negative externalities in its operations along the entire value chain. This section assesses the SDG impact of the use of proceeds (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 ISS ESG’s SDG Solutions Assessment, a proprietary methodology designed to assess the impact of an Issuer’s products or services on the U.N. 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 finance instruments’ use of proceeds categories has been assessed for its contribution to, or obstruction of, the SDGs:

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
Renewable Energy	Contribution	 

<sup>8</sup> The impact of the UoP categories on U.N. SDGs is assessed with proprietary methodology and may therefore differ from the Issuer’s description in the Framework.

USE OF PROCEEDS (PRODUCTS/SERVICES)	CONTRIBUTION OR OBSTRUCTION	SUSTAINABLE DEVELOPMENT GOALS
<p><i>Assets aimed at integrating and enhancing the transmission capacity for renewable energy in the Dutch electricity grid.<sup>9</sup></i></p> <p><i>The Framework notes that assets financed in this category will align with EU taxonomy Technical Screening Criteria 4.9 (transmission and distribution of electricity).</i></p> <p><b>Green Buildings</b></p> <p><i>New or refurbished buildings that meet any of the following criteria:</i></p> <ul style="list-style-type: none"> <li>▪ <i>Energy performance certificate (EPC) rating of A or above<sup>10</sup></i></li> <li>▪ <i>Primary energy demand (PED) that is at least 10% lower than the threshold set for the nearly zero-energy building (NZEB) requirements.<sup>11</sup></i></li> </ul> <p><i>The Framework notes that assets financed in this category will align with EU taxonomy technical screening criteria 7.1 (construction of new buildings) and 7.7 (acquisition and ownership of buildings).</i></p>	<p><b>Contribution</b></p>	

<sup>9</sup> The system refers to the interconnected European system, encompassing the interconnected control areas of member states, Norway, Switzerland, the U.K., and its subordinated systems. Alliander previously determined the electricity grid portion eligible for financing by applying a weighting factor corresponding to the share of renewable electricity produced in the Netherlands. In 2022, this share was 41%. However, under the EU taxonomy, 100% of the electricity grid’s asset value in the Netherlands is classified as green eligible assets. Consequently, Alliander will discontinue the use of a weighting factor.

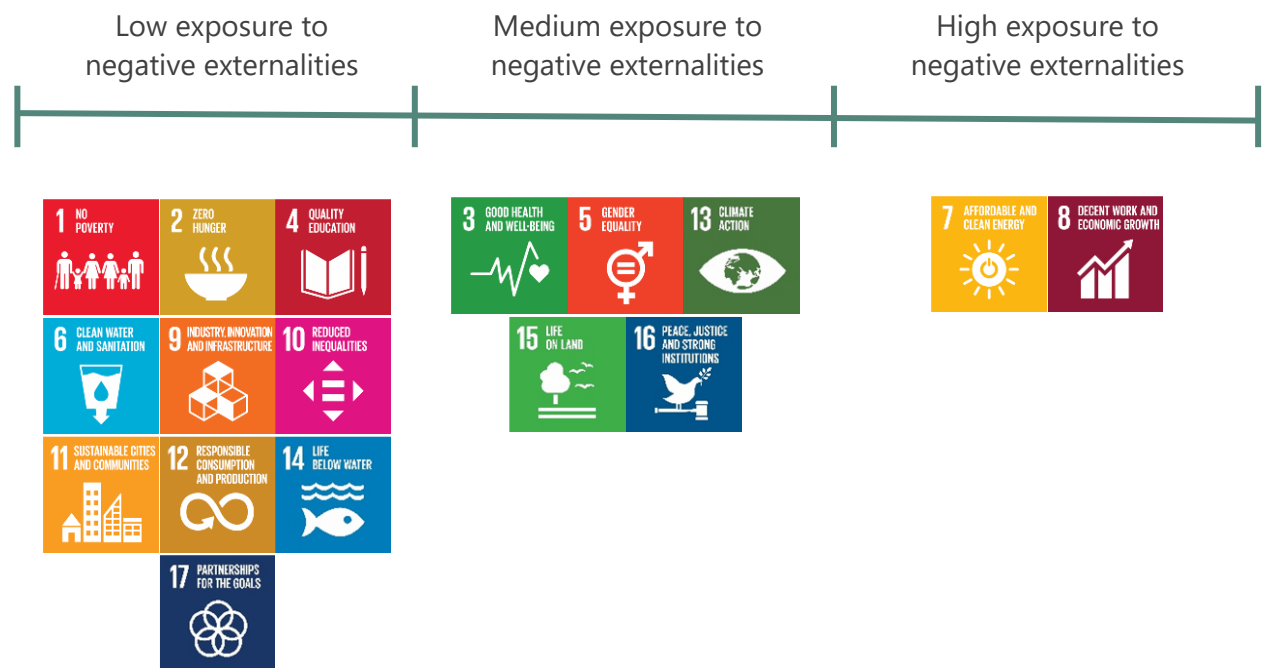
<sup>10</sup> Only for buildings built before Dec. 31, 2020.

<sup>11</sup> Only for buildings built after Dec. 31, 2020, whose performance is certified using an as-built EPC. Buildings larger than 5,000 m<sup>2</sup> will undergo testing for airtightness and thermal integrity and the life-cycle Global Warming Potential will be calculated and disclosed to investors and clients. Large non-residential buildings (with an effective rated output for heating systems, systems for combined space heating and ventilation, air-conditioning systems or systems for combined air-conditioning and ventilation of over 290 kW) are operated efficiently through energy performance monitoring and assessment.

**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’s SDG Impact Rating methodology, potential impacts on the SDGs related to negative operational externalities in the Gas and Electricity Network Operators industry sector (to which Alliander 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>12</sup>	SUSTAINABLE DEVELOPMENT GOALS
<p><b>Energy Efficiency</b></p> <p><i>Installation, maintenance and repair of smart meters recording customer gas and electricity consumption for demand management, including:</i></p> <ul style="list-style-type: none"> <li>▪ <i>Sensor and technology deployment in mid/high-voltage grids.</i></li> </ul>	<p>✓<sup>13</sup></p>	

<sup>12</sup> Only the direction of change is displayed. The scale of improvement is not assessed.

<sup>13</sup> The Issuer confirms that assets financed in this category will align with EU taxonomy Technical Screening Criteria 4.9 (transmission and distribution of electricity).

USE OF PROCEEDS (PROCESSES)	OPERATIONAL IMPACT IMPROVEMENT <sup>12</sup>	SUSTAINABLE DEVELOPMENT GOALS
<ul style="list-style-type: none"> <li>▪ <i>Wireless networks, fiber optic cable and networks for transmitting and receiving data.</i></li> </ul>		

**Green Buildings**

*Energy efficiency projects in buildings that result in a PED reduction of at least 30% or that comply with the applicable requirements for major renovations (Directive 2010/31/EU).*



## B. MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS ASSOCIATED WITH THE SELECTION CRITERIA

The table below evaluates the selection criteria against issuance-specific KPIs and covers project categories not assessed against the EU taxonomy’s minimum safeguards. The majority of financed projects are in the Netherlands (specifically, all building construction, acquisition and refurbishment), with a small minority in Germany.

### ASSESSMENT AGAINST KPIs

#### Renewable Energy, Energy Efficiency

##### On-site safety



The Issuer systematically ensures that assets financed under this Framework adhere to high operational safety standards. Alliander follows the Working Conditions Catalogue, the protocols of VIAG (safety instructions for energy companies working with natural gas), and BEI (safety operations for electrical installations). To keep safety knowledge current, Alliander organizes toolbox meetings. The Issuer also ensures that employees and contractors adhere to Life-Saving Rules. Incidents are analyzed, and lessons learned are shared with all involved parties.

Additionally, Alliander operates grid control centers that monitor energy flows and coordinate troubleshooting. When implementing high-voltage connections, Alliander calculates whether electromagnetic radiation remains within the standard.

#### Green Buildings

##### User safety



The Issuer systematically ensures that assets financed under this Framework have measures to ensure operational safety in buildings. Alliander’s buildings comply with the Dutch Building Decree and related safety standards for buildings, such as emergency exits.

## PART III: ELIGIBILITY OF THE SELECTION CRITERIA AGAINST THE EU TAXONOMY CLIMATE DELEGATED ACT

Alliander's project characteristics, due diligence processes, and policies for the nominated use of proceeds project categories have been assessed against the relevant substantial contribution to climate change mitigation and do no significant harm (DNSH) technical screening criteria, requirements of the EU taxonomy [Climate Delegated Act](#) (June 2023), based on information provided by Alliander. Where Alliander's project characteristics, due diligence processes and policies meet the EU taxonomy criteria requirements, a tick is shown in the table below.

The minimum safeguards requirements included in the EU taxonomy Climate Delegated Act have not been assessed, considering the Issuer's reporting obligations. From 2024 onward, the CSRD requires external assurance for all EU taxonomy disclosures. As part of a mandatory auditor rotation, the Issuer appointed new auditors. They determined that the MSS requirements for labor and human rights should cover the entire value chain, not just Tier 1 suppliers and direct contractors. Consequently, the Issuer concluded that providing an externally assured statement for the entire value chain is not yet feasible. Therefore, the Issuer does not yet meet full alignment with the EU taxonomy.

Alliander's project selection criteria overlap with the following economic activities in the EU taxonomy:




- 4.9 Transmission and distribution of electricity
- 7.1 Construction of new buildings
- 7.7 Acquisition and ownership of buildings

All projects financed under the Green Finance Framework are and will be located in the Netherlands.

Note: To avoid repetition, the evaluation of the alignment of Alliander's assets to the DNSH criteria for climate change adaptation is provided in Section D. Similarly, the evaluation of alignment to the DNSH criteria for pollution prevention and control and protection and restoration of biodiversity and ecosystems are given in Section E and Section F, respectively.

Furthermore, this analysis only displays how the EU taxonomy criteria are fulfilled/not fulfilled. For ease of reading, the original text of the EU taxonomy criteria is not shown. Readers can recover the original criteria at the following [link](#).


a) 4.9 – Transmission and distribution of electricity

PROJECT CHARACTERISTICS AND SELECTION PROCESSES <sup>14</sup>	ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA
1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION	
<p>Alliander confirms that the energy it distributes is regionally produced by power stations and wind farms and is part of the interconnected European system (i.e., the interconnected control areas of member states, Norway, Switzerland and the U.K., and its subordinated systems), making it eligible under the EU taxonomy. The Issuer confirms that the smart meters meet the relevant standard (Article 20 of EU Directive 2019/944) and that the infrastructure dedicated to creating a direct connection or expanding an existing direct connection between a substation or network and a power production plant has a greenhouse gas intensity lower than 100 gCO<sub>2</sub>e/kWh measured on a life cycle basis.</p>	
2. CLIMATE CHANGE ADAPTATION – <i>DO NO SIGNIFICANT HARM CRITERIA</i>	
See d)	
3. WATER AND MARINE RESOURCES – <i>DO NO SIGNIFICANT HARM CRITERIA</i>	
N/A: there is no EU taxonomy criteria for the category	
4. CIRCULAR ECONOMY – <i>DO NO SIGNIFICANT HARM CRITERIA</i>	
<p>Alliander’s redeployment program and maintenance and replacement policy ensure materials are reused, raw materials are not wasted, and 90% of the remaining waste is recycled.<sup>15</sup> Circular procurement is integrated into purchasing processes, and the Company reports on the “circular procurement” percentage internally every quarter. Alliander uses this term to refer to the procurement of materials made largely from recycled constituents and/or materials that are recyclable after use. Circular procurement includes the percentage of recycled materials included in the goods procured and the percentage of material recycled at the end of its useful life. The scope of procurement includes low- and medium-voltage cables, gas pipes, distribution and power transformers, legacy and smart electricity meters, and gas meters. Alliander has partnered with several manufacturers, including InvestNL, Liander, Enexis and Gasunie, to reduce the use of raw materials by 50% by</p>	


<sup>14</sup> This column is based on input provided by the Issuer.

<sup>15</sup> As outlined in Alliander’s [Purchase Conditions](#).



<p>2030. The Issuer has opened recycling stations at its logistics and operational sites in Almere, Ermelo and Apeldoorn.</p>	
<p><b>5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA</b></p>	
<p>Alliander confirmed that it does not intend to finance new equipment containing polychlorinated biphenyls (PCBs) and excludes financing overground high-voltage lines. Transformers built before 1986 may contain traces of PCBs. The Company confirmed that the proportion of proceeds directed toward equipment with PCBs will be less than 0.1% of the net proceeds.</p> <p>Alliander confirms that the workplace adheres to safety protocols and standards regarding working with gas and electricity infrastructure, such as VIAG (De VeiligheidsInstructie AardGas voor de Energiebedrijven) and BEI (Bedrijfsvoering van Elektrische Installaties).</p>	
<p><b>6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA</b></p>	
<p>See f)</p>	

b) 7.1 – Construction of new buildings

<p><b>PROJECT CHARACTERISTICS AND SELECTION PROCESSES<sup>16</sup></b></p>	<p><b>ALIGNMENT WITH THE EU TAXONOMY'S TECHNICAL SCREENING CRITERIA</b></p>
<p><b>1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION</b></p>	
<p>Alliander confirms that the new buildings fulfill the PED requirement of at least 10% lower than the threshold set for the NZEB. The buildings have an EPC A rating and will be located in the Netherlands.</p> <p>The Framework notes that building performance will be certified using EPC, and buildings larger than 5000 m<sup>2</sup> will undergo airtightness and thermal integrity testing. The life-cycle Global Warming Potential (GWP) will be calculated and disclosed to investors and clients on demand. Additionally, large non-residential buildings with an effective rated output for heating, ventilation and air-conditioning systems over 290 kW will undergo energy performance monitoring and assessments.</p>	

<sup>16</sup> This column is based on input provided by the Issuer.

<b>2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA</b>	
See d)	✓
<b>3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA</b>	
<p>Alliander has an internal process that requires a limited assurance report for all eligible projects financed under the Framework. The Issuer confirms financing for projects with (i) wash hand basin taps and kitchen taps with a maximum water flow of 6 liters/min, (ii) showers with a maximum water flow of 8 liters/min, (iii) WCs, bowls and flushing cisterns with a full flush volume of 6 liters maximum and an average flush volume of 3.5 liters, and (iv) urinals with a maximum full flush volume of 1 liter.</p> <p>Additionally, facilities financed under the Framework will comply with the NEN 1006 standard, which ensures drinking water installations meet public health, safety and efficiency requirements. Directive 2011/92/EU<sup>17</sup> and Directive 2000/60/EC<sup>18</sup>, transposed into national legislation, ensure an assessment of the impact on water is performed and associated risks are covered.</p> <p>Alliander has confirmed to ISS-Corporate that projects not aligned with the EU taxonomy’s DNSH requirements will be excluded from financing under the Framework.</p>	✓
<b>4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA</b>	
<p>In the Netherlands, Decision 2000/532/EC requires at least 70% (by weight) of the non-hazardous construction and demolition waste to be prepared for reuse and recycling; recovery is binding and directly applicable. The Issuer confirms compliance with applicable environmental laws and regulations, including the waste hierarchy and the EU Construction and Demolition Waste Management Protocol. The Issuer confirms limiting waste generation in processes related to construction and demolition, in line with the EU Construction and Demolition Waste Management Protocol. Furthermore, Alliander will use the best available techniques and selective demolition to enable the removal and safe handling of hazardous substances and facilitate reuse and high-quality recycling by selectively removing materials through sorting systems for construction and demolition waste. The building designs and construction techniques will support circularity, especially in reference to</p>	✓

<sup>17</sup> National regulation covering this Directive are de Wet milieubeheer, de Crisis- en herstelwet, and het Besluit milieueffectrapportage.

<sup>18</sup> National regulation covering the Water Framework Directive “Wet van 7/4/2005, houdende wijziging van de Wet op de waterhuishouding en de Wet milieubeheer ten behoeve van de implementatie van richtlijn nr. 2000/60/EG van het EP en de Raad van de EU van 23/10/2000 tot vaststelling van een kader voor communautaire maatregelen betreffende het waterbeleid (PbEG L 327) (Implementatiewet EG-kaderrichtlijn water).”

<p>ISO 20887(301) or other standards for the assessment of the disassembly or adaptability of buildings.</p> <p>Furthermore, Alliander notes that it will conduct case-by-case assessments of buildings that will receive new financing under the Framework and has confirmed to ISS-Corporate that projects that do not align with the EU taxonomy’s DNSH requirements will be excluded from financing under the Framework.</p>	
<p><b>5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA</b></p>	
<p>See e)</p>	<p>✓</p>
<p><b>6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA</b></p>	
<p>See f)</p>	<p>✓</p>

c) 7.7 – Acquisition and ownership of buildings

<p><b>PROJECT CHARACTERISTICS AND SELECTION PROCESSES<sup>19</sup></b></p>	<p><b>ALIGNMENT WITH THE EU TAXONOMY’S TECHNICAL SCREENING CRITERIA</b></p>
<p><b>1. SUBSTANTIAL CONTRIBUTION TO CLIMATE CHANGE MITIGATION</b></p>	
<p>The Framework notes that buildings built before Dec. 31, 2020, will be required to have an EPC rating of A. Alliander has confirmed to ISS-Corporate that the Company has identified three buildings with an EPC rating of A that may potentially receive financing under the Framework.</p> <p>Financing for buildings built after Dec. 31, 2020, will be required to have a PED that is at least 10% lower than the threshold established for NZEB. The Framework notes that building performance will be certified using EPC. Buildings larger than 5,000 m<sup>2</sup> will undergo airtightness and thermal integrity testing, and the life-cycle GWP will be calculated and disclosed to investors and clients upon request. Additionally, large non-residential buildings with an effective rated output for heating, ventilation and air conditioning systems (including combined systems) of over 290 kW will undergo energy performance monitoring and assessments.</p>	<p>✓</p>

<sup>19</sup> This column is based on input provided by the Issuer.

The Framework will also finance the refurbishment of buildings that achieve at least a 30% reduction of PED compared to the baseline performance before refurbishment or that comply with EU Directive 2010/31/EU for major renovations.	
<b>2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA</b>	
See d)	✓
<b>3. WATER AND MARINE RESOURCES – DO NO SIGNIFICANT HARM CRITERIA</b>	
N/A: there is no EU taxonomy criteria for the category	
<b>4. CIRCULAR ECONOMY – DO NO SIGNIFICANT HARM CRITERIA</b>	
N/A: there is no EU taxonomy criteria for the category	
<b>5. POLLUTION – DO NO SIGNIFICANT HARM CRITERIA</b>	
N/A: there is no EU taxonomy criteria for the category	
<b>6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA</b>	
N/A: there is no EU taxonomy criteria for the category	

d) Generic criteria for DNSH to climate change adaptation


PROJECT CHARACTERISTICS AND SELECTION PROCESSES <sup>20</sup>	ALIGNMENT WITH THE EU TAXONOMY
<b>2. CLIMATE CHANGE ADAPTATION – DO NO SIGNIFICANT HARM CRITERIA</b>	
<p>Under Alliander’s Risk Management Framework, climate change-related risks are identified, analyzed and mitigated. Alliander uses the Task Force on Climate-Related Financial Disclosures (TCFD) guidelines to identify, manage and report climate risks. As part of TCFD reporting, physical climate risk and vulnerability assessments have been conducted, considering climate-related scenarios. The Company also conducted a review of a climate risk analysis carried out in 2020 and collaborated on an Integrated Energy System Outlook 2030-2050 (IIS3050) report with other grid operators.</p> <p>The IIS3050 focuses on identifying climate and transition risks and follows four scenarios developed by the IPCC, such as limiting the temperature increase to</p>	✓

<sup>20</sup> Ibid.

well below 2°C and 1.5°C. The expected lifespan of assets is taken into account during the assessment process. Increased risks of heatwave/heat stress, drought, prolonged precipitation and flooding, and high water (rising sea levels) are identified as the most relevant physical climate risk indicators by Alliander. The results of the assessment show that potential impacts are (i) high air temperatures combined with heavy load on components leading to failure, (ii) cables in the ground struggling to lose heat due to drought, and (iii) heavy rainfall causing disruptions to existing infrastructure in the supply area. To prevent these potential risks, Alliander has implemented measures and developed company policies focusing on reducing the load and cooling of network components and replacing 10 kV joints prone to interference.

Furthermore, Alliander applies sectoral research and innovations for managing climate risk adaptation. A climate adaptation working group in the Netherlands is investigating the potential physical effects of climate change on network components and energy infrastructure. Currently, the Netbeheer Nederland working group is developing proposals for adaptation measures. Alliander has confirmed that the process for identifying and managing climate-related risks is carried out regularly.

e) Generic criteria for DNSH to pollution prevention and control


PROJECT CHARACTERISTICS AND SELECTION PROCESSES <sup>21</sup>	ALIGNMENT WITH THE EU TAXONOMY
2. POLLUTION PREVENTION AND CONTROL – <i>DO NO SIGNIFICANT HARM CRITERIA</i>	
<p>Alliander confirms that the projects comply with the following national laws and regulations:</p> <ul style="list-style-type: none"> <li>▪ EU Regulation 2019/1021 on Persistent Organic Pollutants (June 2019)</li> <li>▪ EU Directive on Environmental Impact Assessment in accordance with Directive 2011/92/EU transposed into national regulation<sup>22</sup></li> <li>▪ EU Regulation 2017/852 on mercury, and repealing Regulation (EC) No 1102/2008</li> <li>▪ EU Regulation 1005/2009 (September 2009) on substances that deplete the ozone layer</li> </ul>	

<sup>21</sup> Ibid.

<sup>22</sup> National regulations covering this Directive are de Wet milieubeheer, de Crisis- en herstelwet, and het Besluit milieueffectrapportage.

<ul style="list-style-type: none"> <li>▪ EU Directive 2017/2102 (November 2017) amending Directive 2011/65/EU on the restriction of the use of certain hazardous substances in electrical and electronic equipment<sup>23</sup></li> <li>▪ EU Regulation 1907/2006 (December 2006) concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation 793/93 and Commission Regulation 1488/94 as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC</li> <li>▪ CEN/TS 16516:2013 Construction products: Providing an assessment of the release of dangerous substances and emissions into indoor air<sup>24</sup></li> <li>▪ Council Directive 98/24/EC of 7 April 1998 on the protection of the health and safety of workers from the risks related to chemical agents at work (14th individual Directive within the meaning of Article 16(1) of Directive 89/391/EEC)<sup>25</sup></li> </ul>	
---	--

f) Generic criteria for DNSH to protection and restoration of biodiversity and ecosystems

PROJECT CHARACTERISTICS AND SELECTION PROCESSES <sup>26</sup>	ALIGNMENT WITH EU TAXONOMY
6. BIODIVERSITY AND ECOSYSTEMS – DO NO SIGNIFICANT HARM CRITERIA	
<p>Alliander adheres to applicable environmental laws and regulations to meet biodiversity standards. Dutch nature areas are protected by several national and international laws and regulations. In accordance with the Dutch <a href="#">Nature Conservation Act</a>, Alliander seeks to minimize or mitigate damage to biodiversity in its operational processes and building and construction activities. Other laws protecting nature areas in the Netherlands and Germany include the European Birds Directive 2009/147/EC and Habitats Directive 92/43/EEC. Alliander also implements a mowing policy with the aid of the Dutch Butterfly Foundation (Vlinderstichting).</p>	

<sup>23</sup> Transposed into [national legislation](#) "Regeling gevaarlijke stoffen in elektrische en elektronische apparatuur."

<sup>24</sup> Transposed into [national legislation](#) "Bouwproducten – Beoordeling van de afgifte van gevaarlijke stoffen – Bepaling van emissies naar binnenlucht."

<sup>25</sup> Transposed into [national legislation](#) "Wet milieugevaarlijke stoffen."

<sup>26</sup> This column is based on input provided by the Issuer.

<p>Additionally, Alliander confirms there are no sites near biodiversity-sensitive areas, including the Natura 2000 network of protected areas, UNESCO World Heritage sites, and Key Biodiversity Areas).</p>	
---	--

## PART IV: CONSISTENCY OF GREEN FINANCE INSTRUMENTS WITH ALLIANDER’S SUSTAINABILITY STRATEGY

*Key sustainability objectives and priorities defined by the Issuer*

TOPIC	ISSUER APPROACH
<b>Strategic ESG topics</b>	Alliander’s sustainability strategy is driven by three primary areas: energy transition, climate change mitigation and circular procurement in the supply chain. With these pillars, the Issuer focuses on electricity grid reinforcement and expansion, grid flexibility, and improved communication with users and partners in the energy system.
<b>ESG goals/targets</b>	<p>The Company has developed the following environmental targets and actions to progress on its sustainability strategy:</p> <ul style="list-style-type: none"> <li>▪ Facilitating the energy transition in the Netherlands through the distribution of renewable energy.</li> <li>▪ Alliander intends to reduce its CO<sub>2</sub> Scope 1 and 2 emissions by 21% for 2025 compared to 2020 and by 42.4% for 2030. The Company has committed to setting SBTi-verified targets.</li> <li>▪ Alliander aims to increase the share of circular purchases in its supply chain by 45% by 2027.</li> </ul>
<b>Action plan</b>	<p>Alliander contributes to its energy transition objective by increasing the capacity of renewable energy production through investments in wind, solar, and hydroelectric sources. Furthermore, Alliander facilitates investments in connecting the grid to charging stations, wind turbines, and solar farms. The Company is also decarbonizing the heating supply through investments in renewable district heating systems, hybrid heat pumps, and the production of hydrogen and low-carbon gases.</p> <p>Regarding climate neutrality in operations, Alliander has devised a three-step approach: (i) energy efficiency; (ii) use of renewable energy; and (iii) carbon offsetting. Energy efficiency measures include investments in technologies such as smart meters and cables, and the retrofitting of owned buildings to qualify as at least levels A or B under EPC guidelines. The Company is also transitioning its vehicle fleet to electric vehicles.</p> <p>Circular procurement of materials includes strategies to reuse and refurbish existing materials and waste management programs.</p>



TOPIC	ISSUER APPROACH
<p><b>Climate transition strategy</b></p>	<p>Alliander achieved climate neutrality in its operations as of 2023, including scopes 1 and 2 and part of Scope 3.<sup>27</sup> The Company achieved climate-neutral operations by transitioning its vehicle fleet to electric, reducing energy usage in buildings, and reducing electricity network losses. Alliander has committed to setting SBTi-verified targets in 2025.</p>
<p><b>ESG risk and sustainability strategy management</b></p>	<p>The Issuer has three policies in place to manage ESG risks: Sustainable Procurement Policy, Supplier Code of Conduct, and Corporate Social Responsibility Policy. Alliander’s Green Finance Working Group, composed of members from the CSR, Finance, Treasury, and Procurement departments, is responsible for managing potential environmental and social risks.</p>
<p><b>Sustainability reporting</b></p>	<p>Alliander reports on its ESG performance and initiatives annually as part of its annual reporting. The report uses GRI, IFRS, TCFD, EU taxonomy, and EU NFRD as building blocks. From 2024 onward, Alliander sustainability reporting follows the EU CSRD. Additionally, Alliander is creating a climate transition plan.</p>
<p><b>Industry associations, collective commitments</b></p>	<p>The Issuer is a signatory of the Circular Procurement Green Deal and the Delta Programme.</p>
<p><b>Previous sustainable or sustainability-linked issuances or transactions and publication of sustainable financing framework</b></p>	<p>Alliander issued seven public green bonds between 2016 and 2024. The total amount of EUR 3,350 million provides financing for projects such as renewable energy, energy efficiency and green buildings. ISS-Corporate provided a second-party opinion of Alliander’s Green Finance Framework.</p>

*Rationale for issuance*

Alliander states that the issuance of green finance instruments will serve as an effective tool to channel investments to projects that demonstrate environmental benefits and thereby contribute to the achievement of the SDGs. By issuing green finance instruments, Alliander

<sup>27</sup> As outlined in Alliander’s [2023 Annual Report](#).

intends to align its funding strategy with its wider corporate mission, including its sustainability objectives and long-term goals.

To achieve the energy transition, the company invests in sustainable and energy-efficient solutions and operates the electricity grid. This allows for the integration of renewable energy into the Dutch energy system and therefore contributes to the transformation of the country. In addition, Alliander aims to contribute to the development of the green bond market and the growth of the Socially Responsible Investing market. Lastly, green finance instruments will help Alliander target investors with sustainability priorities and dedicated green investment pockets while broadening the dialogue with its existing investor base. This document is an update of the second-party opinion originally provided by ISS-Corporate in 2024.

**Opinion:** *The Issuer clearly describes the key sustainability objectives and the rationale for issuing green finance instruments. All project categories financed align with the Issuer's sustainability objectives.*

## DISCLAIMER

1. Validity of the Second Party Opinion (“SPO”): Valid as long as the cited Framework remains unchanged.
2. ISS-Corporate, a wholly owned subsidiary of Institutional Shareholder Services Inc. (“ISS”), sells, prepares, and issues Second Party Opinion, on the basis of ISS-Corporate’s proprietary methodology. In doing so, ISS-Corporate adheres to standardized procedures designed to ensure consistent quality.
3. Second Party Opinion are based on data provided to ISS-Corporate by the contracting party and may change in the future, depending in part on the development of market benchmarks and ISS-Corporate’s methodology. ISS-Corporate does not warrant that the information presented in this Second Party Opinion is complete, accurate or up to date. ISS-Corporate will not have any liability in connection with the use of these Second Party Opinion, or any information provided therein. If the Second Party Opinion is provided in English and other languages, in case of conflicts, the English version shall prevail.
4. Statements of opinion and value judgments given by ISS-Corporate are not investment recommendations and do not in any way constitute a recommendation for the purchase or sale of any financial instrument or asset. In particular, the Second Party Opinion is not an assessment of the economic profitability and creditworthiness of a financial instrument but refers exclusively to social and environmental criteria.
5. This Second Party Opinion, certain images, text, and graphics contained therein, and the layout and company logo of ISS-Corporate, are the property of ISS-Corporate (or its licensors) and are protected under copyright and trademark law. Any use of such ISS-Corporate property requires the express prior written consent of ISS-Corporate. The use shall be deemed to refer in particular to the copying or duplication of the Second Party Opinion wholly or in part, the distribution of the Second Party Opinion, either free of charge or against payment, or the exploitation of this Second Party Opinion in any other conceivable manner.

© 2025 | ISS Corporate Solutions, Inc. All Rights Reserved

## ANNEX 1: METHODOLOGY

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

### EU taxonomy

The assessment evaluates whether the details of the nominated projects and assets or project selection eligibility criteria included in the Green Finance Framework meet the criteria listed in relevant activities in the EU taxonomy Climate Delegated Act (June 2023).

The evaluation shows if Alliander's project categories are indicatively in line with the entirety (or some of) the requirements listed in the EU taxonomy technical annex.

The evaluation was carried out using information and documents provided confidentially by Alliander (e.g., due diligence reports). Furthermore, national legislation and standards, depending on the project category location, were drawn on to complement the information provided by the Issuer.

## ANNEX 2: QUALITY MANAGEMENT PROCESSES

### SCOPE

Alliander commissioned ISS-Corporate to compile a green finance instruments SPO. The second-party opinion process includes verifying whether the Green Finance Framework aligns with the GBP and GLP and assessing the sustainability credentials of its green finance instruments, as well as the Issuer's sustainability strategy.

### CRITERIA

Relevant standards for this second-party opinion:

- Green Bond Principles, ICMA, June 2021 (with June 2022 Appendix 1)
- Green Loan Principles, LMA, February 2023
- EU taxonomy Climate Delegated Act, June 2023

### ISSUER'S RESPONSIBILITY

Alliander's responsibility was to provide information and documentation on:

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

### ISS-CORPORATE'S VERIFICATION PROCESS

Since 2014, ISS Group, which ISS-Corporate is 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 finance instruments to be issued by Alliander has been conducted based on proprietary methodology and in line with the Green Bond Principles and Green Loan Principles.

The engagement with Alliander took place in March and April 2025.

### 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 investors are as well-informed as possible about the quality of the bond/loan from a sustainability perspective.

Please visit ISS-Corporate's [website](#) to learn more about our services for bond issuers.

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

### Project team

#### Project lead

Snehal Tiwari  
Associate  
Sustainable Finance Research

#### Project support

Sakshi Gharat  
Analyst  
Sustainable Finance Research

#### Project supervision

Marie-Bénédicte Beaudoin  
Executive Director  
Head of Sustainable Finance  
Research