

Second-Party Opinion

Neo Industrial Green Bond Framework



Evaluation Summary

Sustainalytics is of the opinion that the Neo Industrial Green Bond Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2018. This assessment is based on the following:



USE OF PROCEEDS The eligible category for the use of proceeds are aligned with those recognized by the Green Bond Principles. Sustainalytics considers that the environmental enhancement of Reka’s product portfolio and improvement of Reka’s environmental performance of production activities will lead to positive environmental impacts and advance the UN Sustainable Development Goals 7 and 12.



PROJECT EVALUATION / SELECTION Neo’s internal process to evaluate and select projects is managed by the Neo Green Bond Committee. Projects are evaluated by the committee and the final decision on selection is the responsibility of the Chief Financial Officer. This process is aligned with market practice.



MANAGEMENT OF PROCEEDS Neo’s processes for management of proceeds is handled by the Finance department. An amount equal to the net proceeds of the green bond issuance will be held in a sub-account and allocated to eligible expenditures. Proceeds will be tracked via an internal accounting system. Unallocated proceeds will be held in accordance to Neo’s investment guidelines in cash, deposits and/or other money market instruments. Neo intends to fully allocate proceeds within 24-months of issuance.



REPORTING Neo intends to report allocation proceeds in the financial information section of its website on an annual basis until full allocation. In addition, Neo is committed to reporting on relevant impact metrics. Sustainalytics views Neo’s allocation and impact reporting as aligned with market practice.

Evaluation date	October 21 2019
Issuer Location	Hyvinkää, Finland

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For inquiries, contact the Sustainable Finance Solutions project team:

Lili Hocke (Amsterdam)
Project Manager
lili.hocke@sustainalytics.com
(+31) 20 205 00 40

Evan Bruner (Amsterdam)
Project Support
evan.bruner@sustainalytics.com
(+31) 20 205 0027

Charles Cassaz (Amsterdam)
Project Support
charles.cassaz@sustainalytics.com
(+31) 20 205 02 09

Jean-Claude Berthelot (Amsterdam)
Client Relations
susfinance.emea@sustainalytics.com
(+44) 20 3880 0193

Introduction

Neo Industrial Plc (hereafter “Neo” or the “Company”) is a Finnish company headquartered in Hyvinkää. Formed in 1961, Neo is the holding company of Reka Cables Ltd (“Reka”), the largest Finnish-owned cable manufacturer for industry, construction, power distribution and equipment manufacturers. Reka’s primary market is the Nordics, the Baltics and Russia. The proceeds of the green bond to be issued by Neo will be directed exclusively towards the financing of Reka’s Eligible Expenditures.

Neo has developed the Neo Industrial Green Bond Framework (the “Framework”) under which it intends to issue a green bond and use the proceeds to finance and/or refinance, in whole or in part, existing and/or future projects that will contribute to the development of a sustainable cable product portfolio and more efficient production and manufacturing processes. The Framework defines eligibility criteria in two areas:

- Enhancement of the environmental credentials of Reka’s portfolios of products;
- Improvement of Reka’s environmental performance in respect to its production facilities and processes.

Neo engaged Sustainalytics to review the Neo Industrial Green Bond Framework, dated September 2019 and provide a second-party opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2018 (GBP).¹ This Framework has been published in a separate document.²

As part of this engagement, Sustainalytics held conversations with various members of Neo and Reka’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of Neo’s Green Bond Framework. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Neo Industrial Green Bond Framework and should be read in conjunction with that Framework.

¹ The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

² The Neo Industrial Green Bond Framework is available in the Financial section of the Company’s website.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Neo Industrial Green Bond Framework

Summary

Sustainalytics is of the opinion that the Neo Industrial Green Bond Framework is credible and impactful and aligns with the four core components of the GBP 2018. Sustainalytics highlights the following elements of Neo's Green Bond Framework:

- Use of Proceeds:
 - Neo Industrial intends to finance and/or refinance expenditures related to (i) the enhancement of the environmental credentials of Reka's portfolio of products and (ii) the improvement of Reka's environmental performance of its production facilities and processes. Financing for the first use of proceeds category will cover capital expenditures (CAPEX) as well as research and development (R&D), which are operational expenditures (OPEX). Financing for the second use of proceeds category are strictly CAPEX. Sustainalytics views these uses of proceeds as credible, impactful and aligned with the GBP 2018.
 - Regarding the first category, investments into Reka's product portfolio and will be aimed at rendering products fully recyclable, improving durability and adapting products to the needs of the renewable energy sector. Reka's product portfolio covers a variety of cables including installation cables, control and instrumentation cables, power cables, fire-resistant cables and medium- and high-voltage cables. Sustainalytics notes that, while the life-cycle impact of cables can vary significantly depending on the types of materials that are used, the production of cables that are fully recyclable, intended for renewable energy generation, and contain less hazardous chemicals will result in environmental benefit. Reka's products are registered in the Nordic Ecolabel database and the company has indicated to Sustainalytics that Environmental Product Declarations (EPDs) and Life-Cycle Analysis (LCAs) are currently in progress to further determine the impact of its products and identify opportunities for innovation and reduction of carbon footprint. Given the complexities of manufacturing green cables, Sustainalytics views investments into the product portfolio as being credible and impactful and commends the EPD and LCA assessments that are under way.
 - Financing improvements of Reka's overall environmental performance related to manufacturing and production will include expenditures to improve energy efficiency, such as heating, ventilation, air conditioning upgrades and lighting retrofits; expenditures related to eco-efficient production technologies and processes for the manufacturing of cables;³ and expenditures related to the enhancement of recycling, material recovery and reuse. Sustainalytics positively views investments into the improvement of production processes and reduction of environmental impact. Sustainalytics notes that Reka has indicated that the average energy efficiency gain of improvements will result in 10-15% energy savings with a minimum threshold of 5%. Sustainalytics encourages Reka to report on efficiency gains resulting from financed projects. Reka has provided Sustainalytics with an internal document outlining the development activities to be financed with the green bond funding, which further substantiates the positive potential environmental impact to be gained from investments into manufacturing. As such, Sustainalytics views this to be a credible and impactful use of proceeds.
 - Neo Industrial has established a 24-month look-back period for refinancing of projects.
- Project Evaluation and Selection:
 - Neo Industrial has established the Neo Green Bond Committee, which is comprised of the Chief Financial Officer (CFO) and members of the Corporate Social Responsibility and Finance and Project Management departments. The Green Bond Committee evaluates projects based on compliance with the eligibility criteria outline in the Framework and the CFO makes the final

³ Neo has confirmed to Sustainalytics that all production technologies and processes are electrified and thus do not have any risk of contributing to lock-in of fossil-fuel powered production technologies/processes.

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decision on project selection. This process takes place on a quarterly- and/or semi-annual basis, until full allocation of the green bond. Sustainalytics views this process as aligned with market practice.

- Management of Proceeds:
 - Neo’s Finance department will track the allocation of proceeds with an internal accounting system. An amount equal to the net proceeds of the green bond will be held in a sub-account and allocated to eligible assets accordingly. Pending full allocation of bond proceeds, Neo may temporarily hold unallocated proceeds in cash, deposit and/or other money market instruments in line with Neo’s investment guidelines. Neo intends to fully allocate proceeds within 24-months of issuance. Sustainalytics views this process as aligned with market practice.
- Reporting:
 - Until full allocation, Neo intends to annually report on both allocation of proceeds and impact reporting. Allocation reporting will include allocation of proceeds from the green bond to Eligible Expenditures at a category level. Neo will report on total expenditures, breakdown of expenditures by type of expenditure (CAPEX vs R&D/OPEX) and the total amount of unallocated proceeds. Where possible, Neo intends to report on relevant environmental impact indicators for each category, including total cable connection to renewable energy plants, average energy savings, CO₂ avoided, and waste diverted/recycled. For a full list of impact indicators see Annex 1. Sustainalytics views this process as aligned with market practice and positively notes Neo’s intention to appoint an external third-party auditor to verify allocation of proceeds.

Alignment with Green Bond Principles 2018

Sustainalytics has determined that Neo’s Green Bond Framework aligns to the four core components of the GBP 2018. For detailed information please refer to Appendix 1: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Strategy of the Issuer

Contribution of framework to Reka Cable’s sustainability strategy

Reka Cables is a member of the Energy Efficiency Agreement for Industries 2017 – 2025,⁴ which are voluntary agreements between industry and the Finnish Government. The agreements aim to guide companies towards continuous improvement in energy efficiency and requires participants to set quantitative targets for energy efficiency improvements and actions to achieve such targets. Participants are required to report annually on their energy efficiency improvements measures and other actions aiming to improve energy efficiency.⁴ Reka falls under the “energy-intensive industry” sub-category, which has a shared energy savings target (GWh) of 4% by 2020 and 7.5% by 2025.⁵ Reka has indicated to Sustainalytics that it has established an internal goal to achieve a 15% improvement in energy efficiency by 2025 compared to a 2017 baseline. Sustainalytics notes that the Company estimates and tracks near-term targets in term of energy efficiency improvements from 2013 – 2020.⁶ Neo Industrial’s investments into energy efficiency improvements will facilitate Reka’s contribution towards the Energy Efficient Agreement goals and are overall impactful. Additionally, the Company has established an internal strategy and goal from 2020 – 2021 to ensure that all buildings used by Reka Cables get their heating from biomass or recycled energy and will not supply any cables for fossil fuel projects by 2023, which Sustainalytics views positively.

Furthermore, Reka is a signatory of the Europacable Industry Charter and member of Europacable, an interest group involved in HSE topics such as energy usage, carbon footprint and safety at the workplace.⁷ Reka is committed to “develop products with the least possible burden on nature and the environment.”⁸

⁴ Energiätehokkuus-sopimukset, “Energy Efficiency Agreements”, (2019), at: <http://www.energiatehokkuussopimukset2017-2025.fi/en/energy-efficiency-agreements/#energiatehokkuussopimukset-2017-2025>

⁵ Energiätehokkuus-sopimukset, “Energy Efficiency Agreement for Industries”, (2016), at: <http://www.energiatehokkuussopimukset2017-2025.fi/wp-content/uploads/EK-2017-EN.pdf>

⁶ Document provided to Sustainalytics, not publicly accessible.

⁷ Europacable, “Strategic HSE Topics”, consulted September 2019 at: <https://www.europacable.eu/hse/strategic-hse-topics>

⁸ Reka Cables, “Responsibility”, consulted September 2019 at: <https://www.rekacables.com/about-us/responsibility>

Reka has set up targets to reduce scrap in material and improve usage. In this regard, Reka's investments into cables that do not contain hazardous chemicals, enhancing recyclability and increased durability and overall operational improvements are recognized as important activities that will contribute to Reka's sustainability strategy. Sustainalytics considers investments into Reka's product portfolio and production processes as credible, impactful and contributing to its sustainability strategy.

Well positioned to address common environmental and social risks associated with the projects

Sustainalytics generally views investments into energy efficient technology, circular products and improved manufacturing processes as contributing to an overall positive impact but acknowledges that, as with any large-scale infrastructure activities, common environmental/social risks must be mitigated, including environmental impacts, such as land-use change and pollution/waste control and worker health and safety.

Regarding sourcing of materials and the prevention of indirect environmental impacts related to the procurements of heavy metals, aluminum and copper are the main raw material used by Reka in the cables' manufacturing process. Sustainalytics notes that Reka is not directly involved in the mining of these heavy metals. However, the production of aluminum requires the extraction of bauxite and mining is carried out in open-pit mines, which can have considerable environmental and social impacts, including soil and water pollution, air contamination, land appropriation and respiratory diseases.⁹ Sustainalytics positively notes that Reka's sourcing strategy incorporates an Enterprise Resource Planning ("ERP") system, in charge of managing procurement processes. The new sources products must respect the following criteria:¹⁰

- Quality: sources products must comply with standard's requirements, good processability and best possible recyclability;
- Good availability;
- Company must be ISO 14001 certified or have an own environmental policy.

Reka is committed to audit new suppliers according to the ISO 9001 and ISO 14001 certifications to ensure safe environmental practices. It also performs an audit on human rights criteria such as working conditions, labor relations, children and forced labor and fundamental human rights.

Reka's Environmental Management System (EMS) is certified to ISO 14001. Additionally, the projects and activities financed under this Framework will take place in Designated Countries as determined by the Equator Principles. Designated Countries are deemed to have robust environmental and social governance regulation in place to provide adequate social and environmental protection.

Regarding health and safety, Reka's occupational health and safety management system (OHSAS) is certified to OHSAS 18001 standard, an internationally recognized certification. Additionally, Sustainalytics positively highlights the annual risks assessment conducted by Reka at each plant and in each department,¹¹ confirming its concern to prevent occupational accident. Moreover, Reka is committed to facilitating the professional orientation of its employees and provide training.¹²

Based on the above, Sustainalytics is of the opinion that Reka has implemented adequate policies and procedures and obtained robust certifications to ensure that potential environmental and social risks can be properly mitigated. As such, Sustainalytics views Reka as well-positioned to issue green bonds.

Section 3: Impact of Use of Proceeds

The two use of proceeds categories in the Framework are recognized as impactful by GBP. Sustainalytics has focused below where the impact is specifically relevant in the context of cable manufacturing and production.

The Importance of the Manufacturing and the Materials of Green Cables

In the cable manufacturing industry, there are two areas in which "greenness" can be considered: (i) the choice of materials/ingredients used in the production of cables and (ii) the production process of the cables. Reka Cables is committed to improvements along both these dimensions and aims to minimize their negative effects on the environment while enhancing the overall sustainability of their operations.¹³ It is

⁹ Nayak, P., "Aluminum: Impacts and Disease", (2002), at: <https://www.sciencedirect.com/science/article/pii/S0013935102943525>

¹⁰ Sourcing Strategy 2019, provided to Sustainalytics.

¹¹ Reka Cables, "Safety and Security", consulted September 2019 at: <https://www.rekacables.com/about-us/responsibility/safety-and-security>

¹² Reka Cables, "Quality", consulted September 2019 at: <https://www.rekacables.com/about-us/responsibility/quality>

important to note that these dimensions are interdependent: for example, a cable that contains fewer hazardous materials than another, could have a larger footprint depending on its manufacturing process' footprint.

The Importance of Enhancing Environmental Credential of Cables

The environmental impact of cables varies according to the type of material used.¹³ For example, PVC cables – which contain halogen and other hazardous chemicals – have an overall lower cradle-to-grave impact than halogen-free cables.¹⁴ However, PVC is recognized as a plastic material that contains/releases the most dangerous chemicals.¹⁵ In addition, the combustion of a PVC cable emits toxic gases such as hydrochloric acid or hydrogen chloride, heavily harmful for human beings. As such, the search for alternative materials, such as halogen-free cables, has become a mainstream effort. Driven by the acknowledgement of harmful substances in conventional materials such as PVC and their associated negative health impacts, the EU developed REACH¹⁶ regulation and RoHS¹⁷ directive to draw awareness towards the potential negative impacts of hazardous chemicals and encourage manufacturers to reduce the use of hazardous materials.¹⁸ Although the production of cables with less-hazardous materials may result in a greater environmental impact from an LCA perspective, the drive to reduce such chemicals coupled with increases in efficiency is consistent with market trends. In alignment with these trends and in an effort to reduce overall impact, Reka's commitments to reduce hazardous chemicals, increase durability and improve recyclability are all important contributions towards creating more sustainable cables. Sustainalytics is of the opinion that Reka's investments into increasing the sustainability of its product portfolio has the potential to substantially reduce the environmental footprint of cables.

The Importance of Improving Manufacturing Processes

In addition to the materials that cables are made from, the production of cables is a resource-consuming activity, especially in terms of water and energy consumption.¹³ Reka intends to finance operational energy efficiency measures to reduce the production impacts. For example, Reka has already undertaken to renovate the Riihimäki production site to make it more sustainable. Several measures were put in place including the replacement of fluorescent tube lighting by LED-lighting system, the installation of a process water cooling system with heat pump for warming the premises in wintertime through solar panels, and the installation of a new rod breakdown line which is 20% more efficient than old technology. Other examples of activities that Reka is undertaking to reduce production impact include the introduction of process water cooling system with a heat pump for heating the facilities; the introduction of new energy efficient machines with AC-drives and a variety of other activities that will reduce waste, improve energy efficiency and increase the circularity of production processes. Sustainalytics believes that Reka's investments into the improvement of production processes will produce a positive environmental impact.

Based on the above context, Sustainalytics is of the opinion that Neo Industrial's Framework will contribute to improvements in the sustainability of Reka's product portfolio as well as improve the production processes of its manufacturing facilities thus contributing to positive environmental impacts.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. This green bond advances the following SDG goals and targets:

Use of Proceeds Category	SDG	SDG target
Enhancement of the environmental credentials of Reka's portfolios of products;	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
		7.3 By 2030, double the global rate of improvement in energy efficiency

¹³Cabling Installation & Maintenance, "The green wire: Sustainability and cable manufacturing", (2015), at: <https://www.cablinginstall.com/design-install/cabling-installation/article/16469277/the-green-wire-sustainability-and-cable-manufacturing>

¹⁴ EPA, "Wire and Cable Insulation and Jacketing: Life-Cycle Assessments for Selected Applications", (2008), at: https://www.epa.gov/sites/production/files/2014-01/documents/wire_lca_summary.pdf

¹⁵ Center for Health, Environment and Justice, "PVC Factsheet", (2010, at: http://www.chej.org/pvcfactsheets/The_Poison_Plastic.html

¹⁶ Registration, Evaluation, Authorization, Chemicals

¹⁷ Restrictions on Hazardous Substances

¹⁸ Vista Industrial Products, "RoHS vs REACH Compliance explained", (2013), at: <http://www.vista-industrial.com/blog/rohs-vs-reach-compliance-explained/>

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Improvement of Reka’s environmental performance in respect to its production facilities and processes	12. Responsible Production and Consumption	12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.
		12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

Conclusion

The Neo Industrial Green Bond Framework will contribute to the Company’s sustainability strategy and broader targets outlined in the Finnish Energy Efficiency Agreement. By financing investments into Reka Cables product portfolio and the overall improvement of manufacturing and production processes, Neo will help to accelerate the transition to a low-carbon economy. Neo has outlined a process for project evaluation and selection, management of proceeds and reporting commitments that are aligned with market practice.

Based on the above, Sustainalytics is of the opinion that Neo Industrial is well-positioned to issue green bonds and that the Neo Industrial Green Bond Framework is credible, impactful and aligned with the Green Bond Principles 2018.

Appendices

Appendix 1: Green Bond / Green Bond Programme - External Review Form Section 1. Basic Information

Issuer name:	Neo Industrial
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: <i>[specify as appropriate]</i>	Neo Industrial Green Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	9/10/19
Publication date of review publication: <i>[where appropriate, specify if it is an update and add reference to earlier relevant review]</i>	

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other <i>(please specify)</i> : | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW *(if applicable)*

Please refer to Evaluation Summary above.

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

Overall comment on section (*if applicable*):

The eligible category for the use of proceeds are aligned with those recognized by the Green Bond Principles. Sustainalytics considers that the environmental enhancement of Reka's product portfolio and improvement of Reka's environmental performance of production activities will lead to positive environmental impacts and advance the UN Sustainable Development Goals 7 and 12.

Use of proceeds categories as per GBP:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Renewable energy | <input checked="" type="checkbox"/> Energy efficiency |
| <input checked="" type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input checked="" type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input type="checkbox"/> Other (<i>please specify</i>): |

If applicable please specify the environmental taxonomy, if other than GBPs:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

Neo's internal process in evaluating and selecting projects is managed by the Neo Green Bond Committee. Projects are evaluated by the committee and the final decision on selection is the responsibility of the Chief Financial Officer. This process is aligned with market practice.

Evaluation and selection

- | | |
|--|--|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |

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- Summary criteria for project evaluation and selection publicly available
 Other (*please specify*):

Information on Responsibilities and Accountability

- Evaluation / Selection criteria subject to external advice or verification
 In-house assessment
- Other (*please specify*):

3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

Neo's processes for management of proceeds is handled by the Finance department. An amount equal to the net proceeds of the Green Bond issuance will be held in a sub-account and allocated to eligible expenditures. Proceeds will be tracked via an internal accounting system. Unallocated proceeds will be held in accordance to Neo's investment guidelines in cash, deposits and/or other money market instruments. Neo intends to fully allocate proceeds within 24-months of issuance.

Tracking of proceeds:

- Green Bond proceeds segregated or tracked by the issuer in an appropriate manner
- Disclosure of intended types of temporary investment instruments for unallocated proceeds
- Other (*please specify*):

Additional disclosure:

- Allocations to future investments only
 Allocations to both existing and future investments
- Allocation to individual disbursements
 Allocation to a portfolio of disbursements
- Disclosure of portfolio balance of unallocated proceeds
 Other (*please specify*):

4. REPORTING

Overall comment on section (*if applicable*):

Neo intends to report allocation proceeds in the financial information section of Neo's website on an annual basis until full allocation. In addition, Neo is committed to reporting on relevant impact metrics. Sustainalytics views Neo's allocation and impact reporting as aligned with market practice.

Use of proceeds reporting:

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- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other <i>(please specify)</i> : |

Information reported:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Allocated amounts | <input type="checkbox"/> Green Bond financed share of total investment |
| <input type="checkbox"/> Other <i>(please specify)</i> : | |

Frequency:

- | | |
|--|--------------------------------------|
| <input type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): | |

Impact reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (please specify): |

Frequency:

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): | |

Information reported (expected or ex-post):

- | | |
|---|--|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input checked="" type="checkbox"/> Energy Savings |
| <input type="checkbox"/> Decrease in water use | <input checked="" type="checkbox"/> Other ESG indicators (please specify): |

- (i) **Reka's portfolio of products with environmental benefits**
 - Cables sold (in km) per portfolio of products
 - Cable connections to renewable energy production plants (in number of plants and/or km and/or MW)
 - Construction of underground cables and/or replacement of overhead transmission cables (in km).
- (ii) **improvement of Reka's environmental performance in respect of its production facilities and processes**
 - Average energy savings of production plants/buildings (in kWh)
 - CO₂ emissions savings (in tons per year) – historical data to showcase progress
 - Waste diverted from landfills (in tons or % diversion) and/or waste

recycled (in tons).

Means of Disclosure

- | | |
|---|---|
| <input type="checkbox"/> Information published in financial report | <input type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents | <input checked="" type="checkbox"/> Other (please specify): Published on Financial section of Company website |
| <input type="checkbox"/> Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review): | |

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

<https://www.rekacables.com/about-us/responsibility/environmental-responsibility>
<https://www.rekacables.com/about-us/responsibility>

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- | | |
|--|--|
| <input type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification / Audit | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Review provider(s):

Date of publication:

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

- i. 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 Bond 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 Bond 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.
- ii. 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 Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- iii. Certification: An issuer can have its Green Bond or associated Green Bond 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.
- iv. Green Bond Scoring/Rating: An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised

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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.

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