



Second-Party Opinion

MET Hungary Solar Park Kft. Green Bond Framework

Evaluation Summary

Sustainalytics is of the opinion that the MET Hungary Solar Park Kft. Green Bond Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2021. This assessment is based on the following:



USE OF PROCEEDS The eligible category for the use of proceeds – Renewable Energy – is aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments in the eligible category are expected to increase the share of renewable energy, particularly in solar photovoltaic energy, and support the clean energy transition in Hungary. Furthermore, the investments are also expected to advance the UN Sustainable Development Goals, specifically SDG 7.



PROJECT EVALUATION / SELECTION MET Hungary Solar Park Kft.’s Green Committee, comprised of its Green and Sustainability Officer, the Chief Financial Officer, Program Manager from Renewable Business Development, ESG expert, Communication and PR Director, is responsible for supporting the board of directors in evaluating and selecting projects in line with the eligibility criteria. MET Hungary Solar Park Kft.’s processes for environmental and social risk management are applicable to all allocation decisions. Sustainalytics considers the risk management process to be adequate and the project selection process to be in line with market practice.



MANAGEMENT OF PROCEEDS MET Hungary Solar Park Kft.’s dedicated Green Committee is responsible for the management and allocation of proceeds, which will be tracked using a green register. MET Hungary Solar Park Kft. intends to fully allocate proceeds by the end of 2022. Pending allocation, proceeds will be temporarily held in an intercompany deposit with MET Hungary Solar Park Kft.’s parent company MET Renewables Holding AG, a pure play renewable energy company. Sustainalytics considers this process to be in line with market practice.



REPORTING MET Hungary Solar Park Kft. intends to report on allocation and impact of proceeds on its website on an annual basis until full allocation. Allocation reporting will include information on a breakdown of proceeds and eligible green projects, and the amount of unallocated proceeds. Impact reporting will include key impact indicators where available, such as annual emissions avoided, annual renewable energy generation and capacity of renewable energy plants installed. Sustainalytics views MET Hungary Solar Park Kft.’s allocation and impact reporting as aligned with market practice.

Evaluation Date	April 26, 2022
Issuer Location	Budapest, Hungary

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Introduction

Established in 2016, MET Hungary Solar Park Kft. (“MET HSP” or the “Company”) owns and operates solar power plants in Hungary. MET HSP is fully owned by MET Renewables Holding AG, a pure play renewable energy company owned by MET Holding AG, which is a European energy company headquartered in Switzerland. As of September 2020, MET HSP’s solar power portfolio had an installed capacity of 64 MW. By the end of 2022, the Company is expected to grow its total installed capacity to 233 MW.

MET Hungary Solar Park Kft. has developed the MET Hungary Solar Park Kft. Green Bond Framework (the “Framework”) under which it intends to requalify its existing bond¹ and use the proceeds to finance and refinance, in whole or in part, existing projects that are expected to generate positive environmental benefits and contribute to the clean energy transition in Hungary. The Framework defines eligibility criteria in one green category:

1. Renewable Energy

MET HSP engaged Sustainalytics to review the MET Hungary Solar Park Kft. Green Bond Framework, dated April 2022, and to provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP).² The Framework will be published in a separate document.³

Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent⁴ opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Green Bond Principles 2021, as administered by ICMA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.11, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of MET HSP’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 the Framework. MET HSP representatives have confirmed that: (1) they understand it is the sole responsibility of MET HSP to ensure that the information provided is complete, accurate and up to date; (2) they have provided Sustainalytics with all relevant information and (3) any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

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

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and MET HSP.

¹ Sustainalytics notes that the Company may requalify existing bond into green bond, subject to investors consent and compliance with eligibility criteria defined under the Framework. MET HSP additionally commits to ensure that the requalified bond is managed in a portfolio approach, and proceeds of the bond are earmarked to the eligible green portfolio in compliance with eligibility criteria as well as management and reporting commitments defined in the Framework.

² 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/>.

³ The MET Hungary Solar Park Kft. Green Bond Framework will be available on MET Hungary Solar Park Kft.’s website at: <https://methungarysolar.met.com/>

⁴ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner. The Second-Party Opinion is valid for issuances aligned with the respective Framework for which the Second-Party Opinion was written for a period of twenty-four (24) months from the evaluation date stated herein.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realized allocation of the bond proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that MET HSP has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the MET Hungary Solar Park Kft. Green Bond Framework

Sustainalytics is of the opinion that the MET Hungary Solar Park Kft. Green Bond Framework is credible and impactful, and aligns with the four core components of the GBP. Sustainalytics highlights the following elements of MET Hungary Solar Park Kft.'s Green Bond Framework:

- Use of Proceeds:
 - The eligible category – Renewable Energy – is aligned with those recognized by the GBP. Sustainalytics notes that MET HSP's financing of eligible projects are expected to increase the share of renewable energy, particularly in solar photovoltaic energy, and support the clean energy transition in Hungary.
 - MET HSP has informed Sustainalytics that refinancing is limited to capital expenditures.⁵ Therefore, no look-back period has been established in the Framework, which Sustainalytics considers to be aligned with market practice.
 - Under the Renewable Energy category, proceeds are used to finance and refinance the construction and acquisition of solar photovoltaic power generation plants across five locations in Hungary, namely, Söjtör, Buzsák, Gerjen, Százhalombatta and Kaba. The plants are expected to have a total installed capacity of 233 MW (AC) and be fully operational by the end of 2022. Sustainalytics considers investments in solar photovoltaic power generation to be aligned with market practice. Sustainalytics further views that the projects funded under the Framework are expected to increase the share of renewable energy, particularly in solar photovoltaic energy, and accelerate the transition to clean energy in Hungary.
- Project Evaluation and Selection:
 - MET HSP established a dedicated Green Committee (the "Committee") which is responsible for providing support to the Board of Directors of MET HSP in evaluating and selecting projects to be funded based on the eligibility criteria set out in the Framework and internal policies and procedures on project development. The Committee will also monitor any proposed changes to the projects and supervise the final approval on the allocation of proceeds.
 - The Committee consists of the Chief Green and Sustainability Officer, the Chief Financial Officer, Program Manager (Renewables Business Development), an ESG expert, and the Communication and Public Relations Director.
 - MEP HSP, through its subsidiaries (project companies), obtains all necessary permits and onboards the environmental authorities and local municipalities as part of the project site

⁵ Capital expenditures include refinancing of the project financing loans originally earmarked for capital expenditures of MET DSP and MET KSP, acquisition of equity related to MET Kaba Solar Park, MET Buzsák Solar Park, MET Gerjen Solar Park, MET Százhalombatta Solar Park and capital expenditures related to the new solar park projects MET Buzsák Solar Park, MET Gerjen Solar Park and Százhalombatta Solar Park.

selection process prior to the execution of the eligible projects to address and ensure that environmental and social risks associated with the projects are sufficiently managed. The process is applicable to all allocation decisions. Sustainalytics considers the environmental and social risk management to be adequate and the project selection process is aligned with market expectations. For additional details, see Section 2.

- Based on the establishment of the dedicated Green Committee and the presence of risk management processes, Sustainalytics considers the evaluation and selection process to be in line with market practice.
- Management of Proceeds:
 - The Committee will be responsible for the management and allocation of proceeds and will track the use of proceeds through an internal green register which will be maintained by the Finance Department.
 - MET HSP intends to fully allocate the proceeds by the end of 2022. Pending full allocation, proceeds will be temporarily placed in an intercompany deposit to MET HSP's parent company.⁶
 - Based on the use of a tracking system and disclosure of temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.
- Reporting:
 - MET HSP intends to publish allocation and impact reporting annually until the maturity of the respective issuance on its website.
 - Allocation reporting will include information such as a breakdown of proceeds in relation to eligible projects, the amount of unallocated proceeds and a description of the activities financed.
 - Impact report will include key performance indicators, where available, such as annual GHG emissions avoided (tCO₂e), annual renewable energy generation (MWh) and capacity of renewable energy plants installed (MW).
 - Based on the commitment to both allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2021

Sustainalytics has determined that the MET Hungary Solar Park Kft. Green Bond Framework aligns with the four core components of the GBP. For detailed information, please refer to Appendix 1: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Strategy of MET Hungary Solar Park Kft.

Contribution of the Framework to MET Hungary Solar Park Kft's sustainability efforts

Sustainalytics is of the opinion that as a developer and operator of solar power generation projects, MET HSP's business model is supportive of positive environmental outcomes. MET HSP is dedicated to developing, constructing and operating solar power plants and aims to increase its generation capacity to 233 MW by 2022. MET HSP currently operates two industrial-scale solar power plants, namely MET Dunai Solar Park and MET Kabai Solar Park, with a combined total capacity of 64 MW. It is also developing and constructing three more solar power plants, MET Söjtör Solar Park, MET Gerjen Solar Park and MET Buzsák Solar Park with a total capacity of 169 MW.⁷

Sustainalytics notes that the sole aim of the Framework is to refinance the two already built operating solar farms and to finance the construction and implementation of the three new solar farms outlined above. Furthermore, MET HSP is committed to supporting the renewable energy targets of the EU and Hungary to increase the penetration of weather-dependent renewables through the solar farms financed by the bond proceeds, which will also aid in achieving national as well as EU emissions reduction and climate change goals.

Given MET HSP's pure focus on renewable energy generation through solar energy, Sustainalytics is of the opinion that the MET Hungary Solar Park Kft. Green Bond Framework is aligned with the Company's overall goals and initiatives and will further the Company's action on its key environmental priorities. Nevertheless,

⁶ Sustainalytics notes that intercompany loans will be to MET Renewables Holding AG, the holding company of MET Hungary Solar Park Kft., which is a pure play renewable energy company.

⁷ MET Hungary Solar Park Kft, "About Us", (2022) at: <https://methungarysolar.met.com/hu/rolunk>

Sustainalytics encourages MET HSP to establish quantified, time-bound targets and to publicly disclose its targets and report on its progress towards them.

Approach to managing environmental and social risks associated with the projects

Sustainalytics recognizes that the net proceeds from the bond issued under the Framework will be directed towards eligible projects that are expected to have positive environmental impact. However, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks associated with the eligible projects could include waste and effluents generated in construction, land use and loss of biodiversity resulting from large-scale infrastructure development and occupational health and safety.

Sustainalytics is of the opinion that MET HSP is able to manage or mitigate the above mentioned potential risks through implementation of the following:

- To reduce the solar farms' potential impacts on the environment and surrounding communities, MET HSP has processes in place to prioritize sites such as abandoned industrial real estates, and undertakes continuous engagement with local stakeholders and communities.
- In order to mitigate environmental and social risks, MET HSP has set up the HSP Green Committee comprising members from senior management. The HSP Green Committee is responsible for identifying and managing risks associated with the projects and take measures to reduce any negative environmental and social impacts. MET HSP's senior management handles reported risks, taking appropriate measures and integrating solutions and practices in the Company's strategy.
- Hungary is recognized as a Designated Country under the Equator Principles, indicating the presence of robust environmental and social governance systems, legislation and institutional capacity for protecting the environment and communities.⁸ MET HSP is required to follow local guidelines set out by the Hungarian government for waste management to avoid harm to the environment and human health.⁹
- MET HSP is required to comply with the EU's Environmental Impact Assessment Directive No 2011/92/EU on the Effects of Public and Private Projects on the Environment which provides a strong framework to ensure that land-intensive projects are adequately assessed before approval so that measures can be taken to prevent, reduce and offset significant adverse effects on the environment, particularly on soil, species and habitats.¹⁰
- Regarding worker health and safety, MET HSP complies with MET Holding AG's Code of Conduct which outlines MET Holding AG's policies and measures to prevent occupational health and safety risks, including essential training, information, tools and means to ensure workers' health and safety.¹¹

Sustainalytics notes that the Company has some measures in place to mitigate the risks highlighted above, but encourages the Company to develop and implement company-level policies and mechanisms to identify and manage potential adverse impacts associated with the projects, and make such policies publicly available. Based on the regulatory context in which MET HSP operates, Sustainalytics is of the opinion that MET HSP is well positioned to manage and mitigate environmental and social risks commonly associated with the eligible category.

Section 3: Impact of Use of Proceeds

The use of proceeds category is aligned with those recognized by the GBP and is relevant in the local context.

Importance of renewable energy in achieving Hungary's climate change targets

The energy sector is the most significant contributor of GHG emissions in the EU, accounting for approximately 75% of the total EU GHG emissions in 2021.¹² The EU has set an objective to achieve climate neutrality by 2050 with an interim target to reduce GHG emissions by 55% by 2030 compared to a 1990 baseline.¹³ In order to meet its climate objectives, in 2018, the EU set a target to increase the share of

⁸ The Equator Principles, "Designated Countries", (2022) at: <https://equator-principles.com/designated-countries/>

⁹ European Commission, "Directive 2008/98/EC on waste", (2008), at: [L_2008312EN.01000301.xml \(europa.eu\)](https://eur-lex.europa.eu/eli/dir/2008/98/20080101/oj)

¹⁰ EUR-Lex, "Directive 2014/52/EU", (2014), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32014L0052>

¹¹ MET Group, "Code of Conduct" (2022) at: <https://group.met.com/en/about-us/code-of-conduct>

¹² European Commission, "Questions and Answers - Making our energy system fit for our climate targets", (2021) at: https://ec.europa.eu/commission/presscorner/detail/en/qanda_21_3544

¹³ European Commission, "2030 Climate Target Plan", (2022) at: https://ec.europa.eu/clima/eu-action/european-green-deal/2030-climate-target-plan_en

renewable energy in its total energy use to 32% by 2030.¹⁴ Subsequently, in 2021, the European Commission raised the target to 38-40%.¹⁵ In 2021, 34% of the EU's electricity was derived from renewable sources¹⁶ and 14% of it was generated from solar power.¹⁷

Hungary accounts for 1.7% of the EU's total GHG emissions and was the first EU Member State to ratify the Paris Agreement in 2016.¹⁸ In December 2019, Hungary approved its national energy and climate plan (NECP) complying with the EU Regulation on the governance of the energy union and climate action (EU)2018/1999.¹⁹ Under the NECP, Hungary has committed to reduce its GHG emissions by at least 40% in 2030 compared to 1990 levels and increase the share of renewable energy by at least 21% by 2030 compared to 2020 levels.²⁰ In addition, energy reduction targets include annual energy savings of 0.8% and a 70% reduction in GHG emissions between 2021 and 2030, relative to 2005.²¹ In 2020, the share of electricity generated from renewable sources in Hungary stood at approximately 12%,²² with solar accounting for only 5% in 2019.²³ The Hungarian Energy and Utilities Regulatory Authority announced a third Renewable Energy Support Scheme tender in 2021 aimed at supporting electricity production from renewable energy sources thus contributing to the goal set in the Climate and Nature Protection Action Plan to increase the capacity of solar power plants sixfold in 10 years.²⁴

Given the above context, Sustainalytics is of the opinion that the financed eligible projects in renewable energy are expected to positively help in achieving Hungary's national GHG emissions reduction targets and contribute to the country's clean energy transition.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by the year 2030. The bond issued under the MET Hungary Solar Park Kft. Green Bond Framework are expected to advance the following SDG and target:

Use of Proceeds Category	SDG	SDG target
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix

¹⁴ EUR-Lex, "Renewable Energy Directive 2018/2001/EU", (2018) at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018L2001>

¹⁵ European Commission, "Proposal for an amending Renewable Energy Directive (EU) 2018/2001", (2018) at: https://ec.europa.eu/info/sites/default/files/amendment-renewable-energy-directive-2030-climate-target-with-annexes_en.pdf

¹⁶ European Commission, "Questions and Answers - Making our energy system fit for our climate targets", (2022) at: https://ec.europa.eu/commission/presscorner/detail/en/qanda_21_3544

¹⁷ Balkan Green Energy News, "Record-breaking summer for solar panels – tenth of EU-27 electricity secured" (2021) at: <https://balkangreenenergynews.com/record-breaking-summer-for-solar-panels-tenth-of-eu-27-electricity-secured/#:~:text=Despite%20recent%20gains%2C%20the%20EU's,in%20the%20last%20two%20years.>

¹⁸ European Parliament, "Climate action in Hungary: Latest State of Play", (2021) at:

[https://www.europarl.europa.eu/thinktank/en/document/EPRS_BRI\(2021\)698060#:~:text=Hungary%20accounts%20for%201.7%20%25%20of,the%20EU%20average%20since%202005](https://www.europarl.europa.eu/thinktank/en/document/EPRS_BRI(2021)698060#:~:text=Hungary%20accounts%20for%201.7%20%25%20of,the%20EU%20average%20since%202005)

¹⁹ Climate Laws, "Hungary's National Energy and Climate Plan" (2019) at: <https://www.climate-laws.org/geographies/hungary/policies/hungary-s-national-energy-and-climate-plan>

²⁰ Climate Laws, "Hungary's National Energy and Climate Plan" (2019) at: <https://www.climate-laws.org/geographies/hungary/policies/hungary-s-national-energy-and-climate-plan>

²¹ Government of Hungary, Ministry of Innovation and Technology, "National Energy and Climate Plan", at: https://ec.europa.eu/energy/sites/ener/files/documents/hu_final_necp_main_en.pdf

²² Budapest Business Journal, "Nearly 12% of electricity came from renewables in 2020", (2020) at: <https://bbj.hu/economy/energy/green-energy/nearly-12-%C2%A0of-electricity-came-from-renewables-in-2020#:~:text=The%20amount%20of%20gross%20electricity,said%20based%20on%20preliminary%20data>

²³ OECD, "Hungary Progress in the net zero transition" (2021) at: <https://www.oecd.org/regional/RO2021%20Hungary.pdf>

²⁴ IEA, "Renewable Energy Support Scheme (METAR) - 2021" (2021) at: <https://www.iea.org/policies/13946-renewable-energy-support-scheme-metar-2021>

Conclusion

MET HSP has developed the MET Hungary Solar Park Kft. Green Bond Framework for the requalification of its existing bond to finance and refinance the development of five solar photovoltaic. Sustainalytics considers that the projects funded by the green bond proceeds are expected to bring positive environmental impact and contribute to the clean energy transition in Hungary.

The MET Hungary Solar Park Kft. Green Bond Framework outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that the MET Hungary Solar Park Kft. Green Bond Framework is aligned with the overall sustainability efforts of the Company and that the green use of proceeds category will contribute to the advancement of the UN Sustainable Development Goal 7. Additionally, Sustainalytics is of the opinion that MET Hungary Solar Park Kft. that the regulatory requirements under which MET HSP operates, position the Company to adequately identify, manage and mitigate environmental and social risks commonly associated with the eligible projects.

Based on the above, Sustainalytics is confident that MET Hungary Solar Park Kft. is well-positioned for the requalification of its existing bond to a green bond and that the MET Hungary Solar Park Green Bond Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2021.

Appendix

Appendix 1: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	MET Hungary Solar Park Kft.
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:	MET Hungary Solar Park Kft. Green Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	April 26, 2022

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 GBP:

- | | |
|--|--|
| <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 – Renewable Energy – is aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments in the eligible category are expected to increase the share of renewable energy, particularly in solar photovoltaic energy, and support the clean energy transition in Hungary. Furthermore, the investments are also expected to advance the UN Sustainable Development Goals, specifically SDG 7.

Use of proceeds categories as per GBP:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Renewable energy | <input type="checkbox"/> Energy efficiency |
| <input 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 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 GBP | <input type="checkbox"/> Other <i>(please specify)</i> : |

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

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section *(if applicable)*:

MET Hungary Solar Park Kft.'s Green Committee, comprised of its Green and Sustainability Officer, the Chief Financial Officer, Program Manager from Renewable Business Development, ESG expert, Communication and PR Director, is responsible for supporting the board of directors in evaluating and selecting projects in line with the eligibility criteria. MET Hungary Solar Park Kft.'s processes for environmental and social risk management are applicable to all allocation decisions. Sustainalytics considers the risk management process to be adequate and the project selection process to be in line 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 checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |

- 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*):

MET Hungary Solar Park Kft.'s dedicated Green Committee is responsible for the management and allocation of proceeds, which will be tracked using a green register. MET Hungary Solar Park Kft. intends to fully allocate proceeds by the end of 2022. Pending allocation, proceeds will be temporarily held in an intercompany deposit with MET Hungary Solar Park Kft.'s parent company MET Renewables Holding AG, a pure play renewable energy company. Sustainalytics considers this process to be in line with market practice.

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*): Allocation is limited to existing investments

4. REPORTING

Overall comment on section (*if applicable*):

MET Hungary Solar Park Kft. intends to report on allocation and impact of proceeds on its website on an annual basis until full allocation. Allocation reporting will include information on a breakdown of proceeds and eligible green projects, and the amount of unallocated proceeds. Impact reporting will include key impact indicators where available, such as annual emissions avoided, annual renewable energy generation and capacity of renewable energy plants installed. Sustainalytics views MET Hungary Solar Park Kft.'s allocation and impact reporting as aligned with market practice

Use of proceeds reporting:

- Project-by-project
 On a project portfolio basis
- Linkage to individual bond(s)
 Other (*please specify*):

Information reported:

- Allocated amounts
 Green Bond financed share of total investment
- Other (*please specify*):
 a breakdown of proceeds in relation to Eligible Projects, the amount of unallocated proceeds, a closer description of the activities financed

Frequency:

- Annual
 Semi-annual
- Other (*please specify*):

Impact reporting:

- Project-by-project
 On a project portfolio basis
- Linkage to individual bond(s)
 Other (*please specify*):

Information reported (expected or ex-post):

- GHG Emissions / Savings
 Energy Savings
- Decrease in water use
 Other ESG indicators (*please specify*):
 Installed renewable energy capacity (MW), Renewable energy produced (MWh)

Frequency

- Annual
 Semi-annual
- Other (*please specify*):

Means of Disclosure

- Information published in financial report
 Information published in sustainability report
- Information published in ad hoc documents
 Other (*please specify*): Published on MET Hungary Solar Park Kft.'s website

- 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://methungarysolar.met.com>

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- Consultancy (incl. 2nd opinion) Certification
- Verification / Audit Rating
- Other (*please specify*):

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 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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