

# Qair

## Qair Polska S.A. Green Financing Framework



**FAIR** *always fair business*



**CARE** *always in planet rythm*



**SHARE** *building trust*

July 2023

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# Qair Introduction

## Qair Group Globally

Qair is a leading independent renewable energy pure player with assets located in twenty countries. Currently, the value of the investment in the operational phase is 860 MW. Projects at the stage of financing and construction have a capacity of 800 MW and 16 GW remains under development.

For more than 30 years, the company has relied on the knowledge and experience of its experts and the vision of its founder Jean-Marc Bouchet. The unique competencies of the Qair team are largely based on the development and operation of over 600 MW of renewable capacity in France, representing more than one billion euros of investment. With booming projects in Africa, Southeast Asia, South America and Europe, Qair continues its global expansion into many local markets. A flexible approach to conducting investments makes it possible to strive to launch 1 GW of assets in 2022.

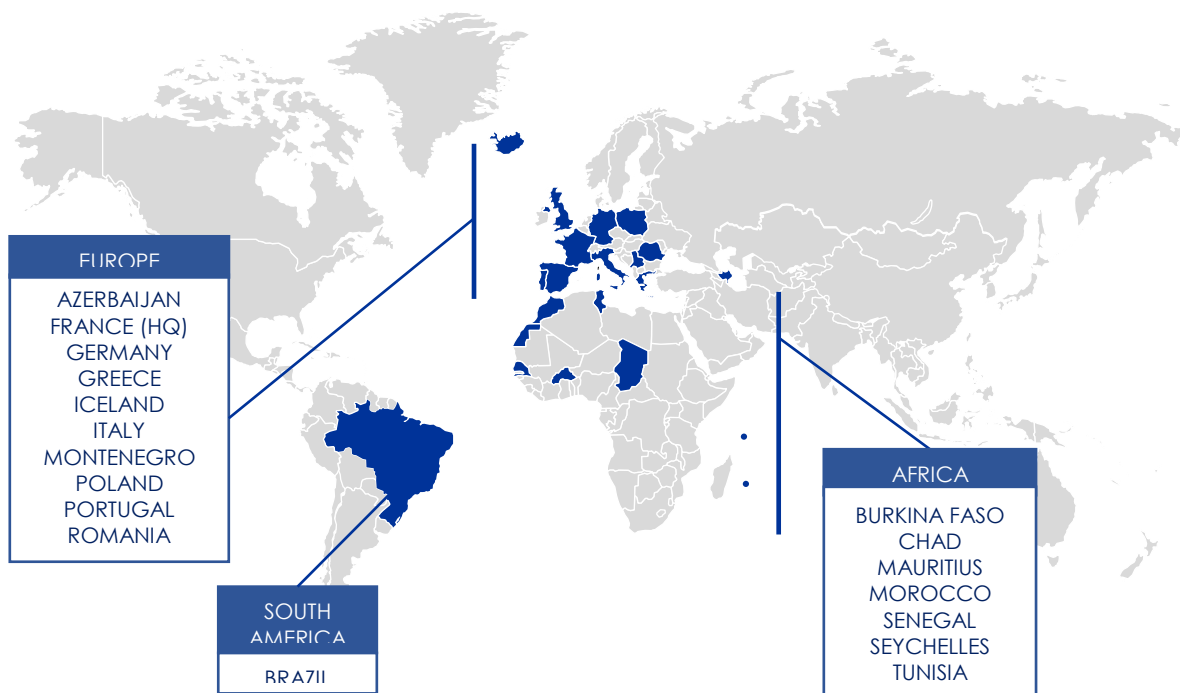
Group focuses on 6 technologies, that is:

- Onshore wind energy
- Off-shore wind energy
- Solar energy
- Hydroelectricity
- Waste-to-Energy
- Green hydrogen

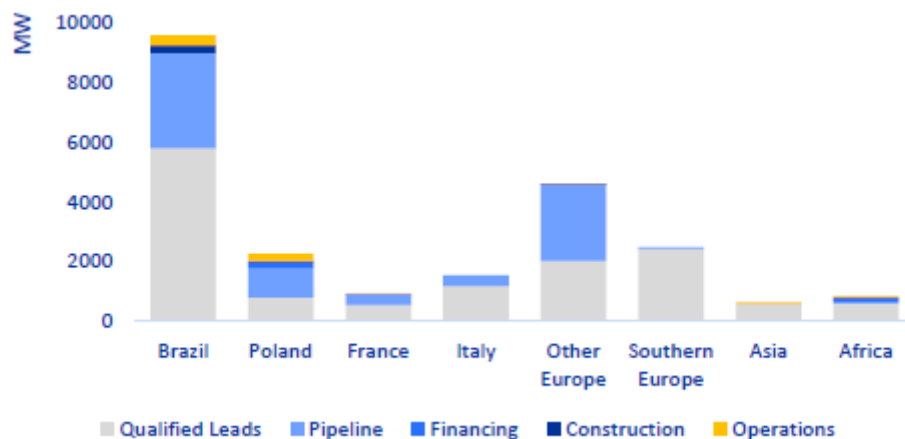
Group facts:

- 650MW capacity installed by 1H21 and >1GW by 2022
- 10GW in pipeline
- > 300 employees
- ~EUR 400m invested
- >1.1GW developed, financed and commissioned renewable projects
- +30 yrs of experience
- Operates in 20 countries globally (Azerbaijan, Brazil, Burkina Faso, Chad, France, Germany, Greece, Iceland, Italy, Mauritius, Morocco, Moldavia, Montenegro, Poland, Romania, Senegal, Seychelles, Spain, Tunisia, United Kingdom)

## Global footprint



Qair global portfolio breakdown by phase and geography (as of 2022):



Qair are involved in all stages of the life of the plants<sup>1</sup>:

- Step 1: Prospecting – identifying suitable areas or acquiring projects with high potential
- Step 2: Project development - negotiating power sales contracts and obtaining all necessary authorizations for the construction and operation of the power plants
- Step 3: Financing – financing projects with non-recourse debt and the equity the company provide with a wide range of financial instruments, which may combine equity, corporate or non-recourse debt, equity financing, and the financial contributions of stakeholders to the project
- Step 4: Construction - designing and supervising the construction of the company's power plants
- Step 5: Operation & maintenance – operating and maintaining power plants the company owns and sells energy from

<sup>1</sup> <https://www.qair.energy/en/activites/>

- Step 6: Dismantling & site reclamation - ensuring the dismantling of plants and the recycling of components, so as to guarantee the absence of environmental impact

## Qair Polska

Qair Polska focuses on solar and on-shore wind energy and develops projects at every stage – development, construction and operations. Qair Polska activities are focused on the whole country and Poland as such represents over a third of Group secured portfolio (second highest after Brasil).

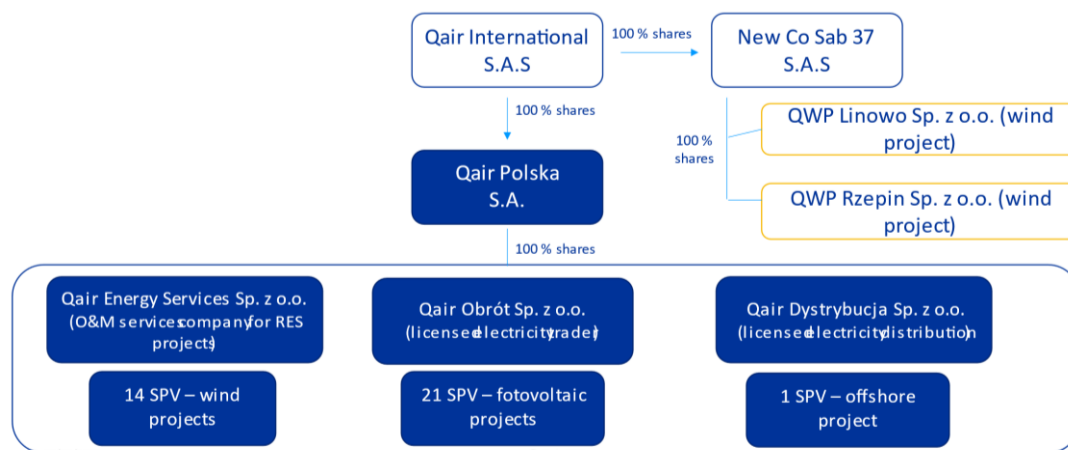
Group started its Polish activities in 2015 by acquiring subsidiaries of Juwi AG and Eolfi SAS and since then is growing dynamically both organically and by acquisitions.

The minimum future operating portfolio in Poland is 600MW by 2025 and as of 2022 company completed over 60 projects.

Qair Polska S.A. capital group is 100% controlled by Qair International S.A.S. Qair Polska develops its projects through special purpose vehicles. Currently, Qair Polska has 14 registered companies managing wind projects and 21 companies managing photovoltaic projects.

President of the Management Board of Qair Polska also supervises the work of all project companies as well as a trading company and a distribution company and the service company, which is responsible for operations and maintaining the company's assets. This structure of the group allows for independence from intermediaries, greater efficiency and obtaining the effect of synergy within the group companies. Qair Polska can also optimally use the opportunities offered by the energy market, in particular obtaining a higher margin on the sale of green energy thanks to the sale of energy directly to our customers.

### Qair Capital Group Structure



### Key facts:

- 62 completed projects (5 wind, 57 PV)
- 428GWh produced in 2021
- 120 employees in 2023
- >2.5GW developed, financed and commissioned projects
- >400MW installed capacity by 2023
- 3 GW in the pipeline

# 1. Sustainability at Qair Polska

Through its activities, Qair transforms human, financial and environmental/social capital into climate change mitigation, stakeholder satisfaction, employee expertise and financial benefits, which in turn strengthen Qair's business activities. A series of initiatives will help Qair strengthen its overall governance, enhance and valorise efforts pertaining to climate change mitigation, acceptability and human capital reinforcement.

In order to mitigate climate change, Qair Group aims strategically at certain actions to be undertaken:

- Calculate GHG abatements due to Qair's activities
- Calculate GHG emitted by Qair
- Set Qair's climate strategy
- Set quantified and methodological ambitions on Qair's climate strategy.

## 2. Framework Rationale

To help accelerate the energy transition worldwide by developing renewable projects from various sources and size Qair has decided to raise funds issuing a Green Financing, mainly Green Bonds.

Qair's Green Financing Framework has been prepared to support Qair in financing environmentally sound and sustainable projects that foster a net-zero emissions economy and protect the environment. The Green Financing will allow Qair to devote new financial resources to its renewable energy projects over several geographies and help accelerate the energy transition worldwide.

The aim of framework is to be in line with official Poland's energy policy until 2040.

## 3. Green Financing Framework Overview

Qair Polska has established this Green Financing Framework (the 'Framework') under which intends to issue Green debt instruments, including bonds and loans and other financing instruments such as derivatives and guarantees (the 'Green Financing Instruments' or "GFI") to finance and/or refinance Eligible Projects (as defined in the *Use of Proceeds* section of this Framework).

This Framework draws upon internationally acknowledged industry guidelines and principles, including the International Capital Market Association's (ICMA) Green Bond Principles, published in June 2021 with June 2022 Appendix 1 ('GBP');<sup>2</sup> the Loans Market Association's (LMA) Green Loan Principles, published in February 2021 ('GLP');<sup>3</sup> and, to the extent possible, the EU Taxonomy for Sustainable Activities.

In alignment with the disclosure recommendations of the GBP and GLP, the Framework is based on the following key pillars:

- Use of Proceeds
- Process for Project Evaluation and Selection

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<sup>2</sup> [https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond-Principles\\_June-2022-280622.pdf](https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond-Principles_June-2022-280622.pdf)

<sup>3</sup> <https://www.lma.eu.com/documents-guidelines/documents/category/green--sustainable-finance>

- Management of Proceeds
- Reporting
- External Review

This Framework may be updated from time to time in line with key developments in the sustainable capital market. Potential future updates will only serve to further improve the transparency and detail features presented in this Framework, aligning to the best market practices as they evolve, and will, as part of this commitment, undergo an updated External Review to consider any such Framework updates.

## 4. Use of Proceeds




Qair Polska intends to allocate an amount equivalent to the net proceeds of any GFI executed under this Framework to finance and/or refinance, in whole or in part, new or existing Eligible Projects in which Qair Polska or any of its subsidiaries participates from any of the Eligible Categories defined below.

Additionally, in order to confirm that the Eligible Projects do not have material negative environmental and/or social impacts, Qair Polska will ensure that all the Eligible Projects are compliant with the existing Qair Polska environmental and social policies<sup>4</sup>.

In case of refinancing of Eligible Projects, Qair Polska commits to a maximum lookback period of 36 months from the GFI transaction date.

The initial allocation process will, on a best-efforts basis, be finalised within the following 24 months after the relevant GFI was launched.

### Eligible Green Projects

Eligible Green Category	Eligibility Criteria	EU Taxonomy Activity	UN SDG Goal
Renewable Energy	Construction, manufacture, installation, extension, repair, acquisition, operation, transport and maintenance of infrastructure (and land) for operation, generation, transmission and storage of:		  
	<p><b>Solar energy production</b></p> <ul style="list-style-type: none"> <li>▪ All small-scale and rooftop Solar Photovoltaic ('PV') energy production;</li> <li>▪ Large-scale PV and concentrated solar power ('CSP') energy production provided a complete environmental and social impact assessment has been carried out (identified risk must be reasonably mitigated)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Electricity generation using solar photovoltaic technology</li> <li>▪ Electricity generation using concentrated solar power</li> </ul>	

<sup>4</sup> <https://www.qair.energy/en/es-report/>

		(CSP) Technology
	<b>Wind on-shore and off-shore energy production</b> provided a complete environmental and social impact assessment has been carried out (and where identified risk are expected to be reasonably mitigated)	<ul style="list-style-type: none"> <li>▪ Electricity generation from wind power</li> </ul>
	<p><b>Hydrogen</b></p> <ul style="list-style-type: none"> <li>▪ Manufacture of hydrogen provided life-cycle GHG emissions savings requirement of 73.4% for hydrogen (resulting in life-cycle GHG emissions lower than 3TCO<sub>2</sub>/Th<sub>2</sub>) and 70% for hydrogen-based synthetic fuels relative to a fossil fuel comparator of 94g CO<sub>2</sub>e/MJ</li> <li>▪ Construction of hydrogen storage facilities; conversion of existing underground gas storage facilities into storage facilities dedicated to hydrogen-storage; operation of hydrogen storage facilities where the hydrogen stored in the facility meets the criteria for manufacture of hydrogen outlined above</li> </ul>	<ul style="list-style-type: none"> <li>▪ Manufacture of hydrogen</li> <li>▪ Storage of hydrogen</li> </ul>
	<b>Energy Storage</b> - all electrochemical and mechanical renewable energy storage activities.	<ul style="list-style-type: none"> <li>▪ Storage of electricity</li> </ul>

## 5. Project Selection and Evaluation Process

In order to ensure a diligent and robust selection and evaluation process that leads to the identification of Eligible Projects, Qair Polska has established a Green Financing Committee ('GFC') that consists of senior representatives from the following areas:

- Finance Department – Chief Financial Officer
- Investment Department - Chief Investment Officer
- Governance Department - Corporate Governance Director
- ESG - Environmental Manager

The GFC approvals are taken by unanimous decision.



The GFC will meet on a regular basis (at least annually) and will be responsible in particular for:

- Supervision, review and acceptance of all proposed Eligible Projects, deciding on whether they are in compliance with the Eligibility Criteria
- Monitoring of Eligible Projects already financed and/or refinanced according to this Framework, to ensure continued compliance with its criteria throughout the life of the GFI they are allocated towards
- Overseeing any potential updates to the Framework and its implementation
- Overseeing the preparation and deciding on the approval of the allocation and impact reports

On top of the review of our relevant projects according to the Qair Group environmental and social policies, the process for evaluation and selection of potential Eligible Projects is as follows:

- The GFC will identify a list of potential Eligible Projects and review with the Eligibility Criteria described in this Framework. The list of potential Eligible Projects can include only projects verified with Qair Group environmental and social policies.
- Once Eligible Projects are positively reviewed and accepted as eligible per the Framework criteria, they will form part of the Eligible Projects Portfolio
- The GFC will decide on the allocation of the outstanding GFI's net proceeds to selected Eligible Projects for an amount at least equal to those GFI and will record this allocation in the Eligible Projects Register.
- The Eligible Projects Register will keep track of all outstanding GFI and Eligible Projects, detailing the relevant information regarding the latter (including origination date, volume, tenor, eligibility criteria).

Qair Polska will pay special attention to compliance of Eligible Projects with internal guidelines, official domestic and international environmental and social standards, and local laws and regulations on a best effort basis.

## **6. Management of Proceeds**

To ensure that an amount equivalent to the net proceeds are allocated in accordance with this Framework, Qair Polska's Treasury department will appropriately track the allocation of the proceeds, reflecting it into the Eligible Projects Portfolio.

The net proceeds of GFI issued under this Framework will be managed on a portfolio basis.

Pending the full allocation to the Eligible Projects, Qair Polska will hold and/or invest the balance of proceeds not yet allocated, in cash or other short term and liquid instruments, in line with its Treasury liquidity portfolio policies.

During the life of the GFI, and upon becoming aware, if any Eligible Project is divested, transferred or otherwise ceases to fulfil the Eligibility Criteria, Qair Polska will remove it from the Eligible Projects Register and replace it as soon as reasonably practicable (ideally within a 12 month period), in order to maintain the volume of Eligible Projects at least equal to the outstanding GFI.

## **7. Reporting**

On at least an annual basis, and until the full allocation of the proceeds, Qair Polska will provide and make public a report to update investors on the allocation and associated impact of the proceeds of GFI issued under the Framework. This will be available on Qair Polska website (<https://www.qair.energy/pl/>).

**7.1 Allocation Reporting**

Allocation reports may provide information such as:

- The total amount of outstanding GFI issued under the Framework
- The total amount of proceeds allocated to the respective Eligible Project Categories (including identification of Eligible Projects where / when competition or confidentiality allows)
- The balance of unallocated proceeds, if any
- The split between new financing and refinancing

**7.2 Impact Reporting**

Impact reports of the Eligible Projects may provide information such as:

Impact generated from the Eligible Project allocation, considering the following indicative metrics:

Eligible Category	Potential Impact Metrics
Renewable Energy	<p><b>Renewable Energy Production</b></p> <ul style="list-style-type: none"> <li>▪ Annual GHG emissions reduced/avoided in tonnes of CO2 equivalent</li> <li>▪ Capacity of renewable energy plant(s) constructed or rehabilitated in MW</li> <li>▪ Annual renewable energy generation in MWh/GWh (electricity) and GJ/TJ (other energy)</li> </ul> <p><b>Energy Storage</b></p> <ul style="list-style-type: none"> <li>▪ Number of Energy Storage financed</li> <li>▪ Energy storage capacity created in MW</li> </ul>

- Information on baseline data and methodologies used to evaluate this impact
- Qualitative information from a social and environmental perspective, subject to the availability of information.

**8. External Review**

**8.1 Second Party Opinion**

Qair Polska has appointed Cicero Shades of Green to provide an external review in the form of a second party opinion of this Framework.

If at any time the Framework is updated, Qair Polska will seek an updated Second Party Opinion, either from the same or a different provider.

The Second Party Opinion will be publicly available on the Qair Polska website (<https://www.qair.energy/pl/>).

## **8.2 Verification**

Qair Polska will request a limited assurance or external review report of the allocation and impact report, that will be provided by an independent third party and will be publicly available on the Qair Polska website (<https://www.qair.energy/pl/>).

# Disclaimer

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