

Protocol: GREEN BOND ASSESSMENT SCHEME OF BIOGAS SARDEGNA GREEN S.R.L.

1. USE OF PROCEEDS

Ref.	Criteria	Requirements	Work Undertaken	Findings
1a	Type of bond	<p>The bond must fall into one of the following categories, as defined by the Green Bond Principles by ICMA – International Capital Market Association – June 2021:</p> <ul style="list-style-type: none"> • Standard Green Use of Proceeds Bond • Green Revenue Bond • Green Project Bond • Green Securitized Bond 	<p>Review of:</p> <ul style="list-style-type: none"> - BONDS T&C; - Technical Due Diligence; - Legal Due Diligence; - EPC Contract; - Feedstock supply Contracts scheme. <p>Discussions with Biogas Sardegna Green ("BSG" or the "Issuer") management</p>	<p>SOGESA has verified that the Plant to be built will adopt state-of-the-art, high-efficiency technological solutions that will allow the achievement of significant environmental benefits.</p> <p>In particular, the environmental benefits expected from this project are twofold; on the one hand, it will prevent 30,000 tonnes/year of "Animal By-Products", or "ABP" are sent to disposal plants, thus contributing to the resolution of an emergency situation affecting the Region of Sardinia, since 2017, for the treatment of these materials and, on the other hand, with the energy recovery of the biogas produced, it will avoid the emission of approximately 1,900 tonnes of CO2 per year.</p> <p>The project meets the requirements for inclusion in the Standard Green Use of Proceeds Bond principles as the Plant falls both into the pollution prevention and control and renewable energy categories, as required by the ICMA Guidelines.</p>
1b	Green Project Categories	<p>The cornerstone of a Green Bond is the utilization of the proceeds of the bond, which should be appropriately described in the legal documentation.</p>	<p>Review of:</p> <ul style="list-style-type: none"> - BONDS T&C; - Technical Due Diligence; - Legal Due Diligence; - EPC Contract; - Feedstock supply Contracts scheme. <p>Discussions with Biogas Sardegna Green management</p>	<p>BIOGAS SARDEGNA GREEN S.r.L. is an Italian company incorporated with the purpose of the development, design and construction of a 635 kWe power plant fed by animal (slaughterhouse) waste ("Animal By-Products", or "ABP"), in the municipality of San Nicolò d'Arcidano (OR), Sardinia, Italy.</p> <p>The Issuer intends to use the proceeds of the BONDS to fund the construction of the Plant.</p> <p>The revenues of the plant will be guaranteed mainly by the ABP feed-in tariff which customers will have to pay to BSG and, to a lesser extent, by the sale of the electricity produced by the CHP for the part exceeding the needs of the plant.</p>

Ref.	Criteria	Requirements	Work Undertaken	Findings
1c	Environmental benefits	All designated Green Project categories should provide clear environmentally sustainable benefits, which, where feasible, will be quantified or assessed by the issuer.	Review of: <ul style="list-style-type: none"> - BONDS T&C; - Technical Due Diligence; - Legal Due Diligence; - EPC Contract; - Feedstock supply Contracts scheme. Discussions with Biogas Sardegna Green management	The environmental benefits expected from this project are twofold; on the one hand, it will prevent 30,000 tonnes/year of "ABP" are sent to disposal plants, thus contributing to the resolution of an emergency situation affecting the Region of Sardinia, since 2017, for the treatment of these materials and, on the other hand, with the energy recovery of the biogas produced, it will avoid the emission of approximately 1,900 tonnes of CO2 per year (based on the average level of emissions of European thermoelectric power plants).

2. PROCESS FOR PROJECT SELECTION AND EVALUATION

Ref.	Criteria	Requirements	Work Undertaken	Findings
2a	Investment-decision process	<p>The issuer of a Green Bond should outline the decision-making process it follows to determine the eligibility of projects using Green Bond proceeds.</p> <p>This includes, without limitation:</p> <ul style="list-style-type: none"> • process to determine how the projects fit within the eligible Green Projects categories identified in the Green Bond Principles; • the criteria making the projects eligible for using the Green Bond proceeds; • and the environmental sustainability objectives. 	<p>Review of:</p> <ul style="list-style-type: none"> - BONDS T&C; - Technical Due Diligence; - Legal Due Diligence; - EPC Contract; - Feedstock supply Contracts scheme. <p>Discussions with Biogas Sardegna Green management</p>	<p>BSG is a new company incorporated for the sole purpose of the realization of the Plant and no other project evaluation process will be carried out by BSG in the foreseeable future.</p>

3. MANAGEMENT OF PROCEEDS

Ref.	Criteria	Requirements	Work Undertaken	Findings
3a	Tracking procedure	The net proceeds of Green Bonds should be credited to a sub-account, moved to a sub- portfolio or otherwise tracked by the issuer in an appropriate manner and attested to by a formal internal process that will be linked to the issuer's lending and investment operations for Green Projects.	Review of: <ul style="list-style-type: none"> - BONDS T&C; - Technical Due Diligence; - Legal Due Diligence; - EPC Contract; - Feedstock supply Contracts; - Financial Model. Discussions with Biogas Sardegna Green management	SOGESA Consulting has reviewed evidence showing how BSG plans to trace the proceeds from the BONDS, from the time of issuance to the time of disbursement. The amount of the proceeds from the BONDS' issuance will be used to finance the construction of the Plant during an estimated period of 180 days, will be managed within treasury or equivalent and disbursed in accordance with the construction works progress. The details of the disbursements and the outstanding value will be tracked using BSG internal financial reporting system.

4. REPORTING

Ref.	Criteria	Requirements	Work Undertaken	Findings
4a	Periodical reporting	In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, issuers should provide at least annually a list of projects to which Green Bond proceeds have been allocated including - when possible with regards to confidentiality and/or competitive considerations - a brief description of the projects and the amounts disbursed, as well as the expected environmentally sustainable impact.	Review of: <ul style="list-style-type: none"> - BONDS T&C; - Technical Due Diligence; - Legal Due Diligence. Discussions with Biogas Sardegna Green management	<p>BSG will make available in its annual financial statements adequate qualitative performance indicators and quantitative performance measures concerning the environmental impact of the Plant.</p> <p>In particular, we consider as appropriate to point-out the annual volumes of ABP treated, the production of biogas and energy, both thermal and electrical, and a selection of relevant KPIs with particular attention to atmospheric emissions, especially of components with odour impacts.</p> <p>Furthermore, no more than ten days after becoming aware of any social, labour, health and safety, security or environmental incident, accident or circumstance, of any material adverse effect on the implementation or operation of the Plant's operations in compliance with the Environmental Law requirements BSG shall notify the Noteholders of and shall in each case specify the nature of the incident, accident, or circumstance and the impact or effect arising or likely to arise therefrom, and the measures being taken, or plans to be taken to address them and prevent any future similar event.</p>