

Sustainalytics Second Party Opinion

Span Sustainability-Linked Bond Framework

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Framework owner and location:
Span d.d.
Zagreb, Croatia

Sector:
Software & Services

Contribution to SDGs



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Overall Assessment

Sustainability Linked KPI & SPT Assessment				Principles Alignment
KPI 1	Adequate	SPT 1	Moderately Ambitious	✓ Aligned Sustainability-Linked Bond Principles 2024
KPI 2	Adequate	SPT 2	Ambitious	

Assessment Summary

Span d.d. has developed the Span Sustainability-Linked Bond Framework dated May 2025, under which it intends to issue sustainability-linked bonds. The financial characteristics of the sustainability-linked bonds will be tied to the achievement of sustainability performance targets (SPTs) for two key performance indicators (KPIs): i) Number of SMEs registered in Span’s cybersecurity course; and ii) Absolute scope 1 and 2 GHG emissions.

We have assessed the KPIs as follows: KPI 1 as **Adequate**, given that it: i) is an indirect measure of Span’s performance on a material governance issue; ii) has a low scope of applicability; iii) follows a clear methodology that is not externally defined; and iv) cannot be compared to external contextual benchmarks. KPI 2 is also **Adequate** given that it: i) is a direct measure of the Group’s performance on a material environmental issue; ii) has a sufficient scope of applicability; iii) follows a clear methodology that is externally defined; and iv) facilitates comparison against a recognized external GHG emissions reduction trajectory.

In addition, both SPTs align with the Group’s sustainability strategy. We have assessed SPT 1 as **Moderately Ambitious** given that it: i) cannot be compared to past performance; and ii) is above peer performance given the efforts and resources required to deliver the programme on cybersecurity. SPT 2 is **Ambitious** given that it: i) cannot be compared to past performance; ii) is below the targets set by peers; and iii) is aligned with well-below-2°C (WB2D) science-based decarbonization pathway.

We have assessed the Framework as **Aligned** with the Sustainability-Linked Bond Principles 2024.

Issuer Overview & Sustainability Strategy

Span d.d. is a Croatian IT services company that provides a range of technology solutions to clients worldwide. The Group specializes in cloud services, cybersecurity, software and business solutions, and technical support. Span operates across the entire IT value chain, including system design, implementation and maintenance. Founded in 1993 and headquartered in Zagreb, Croatia, Span employed 852 professionals as of 2024.^{1,2}

Span's 2030 Sustainability Strategy focuses on reducing emissions, improving energy efficiency and strengthening responsible business practices. As part of its environmental strategy, the Group has set a target to reduce scope 1 and 2 GHG emissions by 25% by 2035, using 2024 as the baseline year.³ As of 2024, the Group reported total scope 1 and 2 GHG emissions of approximately 404 tCO₂e, representing 27% of total emissions. Scope 3 GHG emissions amounted to approximately 1,106 tCO₂e, accounting for the remaining 73%. The Group also plans to calculate scope 3 emissions and establish reduction targets by 2027 for Span d.d. and by 2030 for the whole group. To enhance energy efficiency, Span is migrating its on-premises systems to cloud infrastructure by 2026,⁴ prioritizing more efficient data centres, replacing its fleet with plug-in hybrid vehicles and securing virtual power purchase agreements (VPPAs).

As part of its governance strategy, the Group focuses on strengthening cybersecurity and improving data protection.⁵ Span plans to expand its cybersecurity services and automate its Security Operations Centre to align with the EU NIS2 Directive by 2025. The Group also complies with the EU General Data Protection Regulation (GDPR), provides regular data protection training and aligns with ISO 27001. As part of its social strategy, Span aims to eliminate the gender pay gap by 2030 and ensure women make up 33% of the governing bodies by 2025. The Group plans to raise trust in dignity protection mechanisms to 60% by 2027. It is also building systems for employee training, mentorship and succession planning.⁶

Span's sustainability governance is overseen by the board of directors, which sets the strategic direction and approves key ESG policies. The CEO ensures sustainability goals align with the corporate strategy with support from the executive team. Span's cross-functional Sustainability Committee – comprising senior leaders from operations, finance, HR and compliance – reviews and monitors ESG initiatives, while the ESG Manager provides tools and methodologies to embed sustainability into investment and operational processes.⁷ The Compliance Officer and Chief Risk Officer ensure regulatory adherence and risk oversight, respectively. Meanwhile, Span's Internal Auditor reviews the Group's sustainability performance and identifies areas for improvement. In addition, the Group reports annually on its ESG progress through publicly available sustainability report, detailing sustainable initiatives, contribution to SDGs and forward-looking objectives.⁸

¹ Span, "Span Business Overview", at: <https://www.span.eu/en/media/span-overview/>

² Span, "Annual Report 2024", at: <https://www.span.eu/en/media/annual-report-for-2024/>

³ Span has shared its Sustainability Strategy 2023 Report with Sustainalytics confidentially.

⁴ Ibid.

⁵ Ibid.

⁶ Ibid.

⁷ Span, "Annual Report 2024", at: <https://www.span.eu/en/media/annual-report-for-2024/>

⁸ Ibid.

Sustainability Linked Bonds Assessment

Span intends to link the financial considerations of the sustainability-linked bonds to the achievement of the SPTs for two KPIs: i) Number of SMEs registered in Span's cybersecurity course; and ii) Absolute scope 1 and 2 GHG emissions. KPIs 1 and 2 will be used jointly in all potential sustainability-linked bond issuances.

We have assessed the KPIs and SPTs as follows:

KPI	Baseline	KPI Strength	SPT Ambitiousness
KPI 1: Number of SMEs registered in Span's cybersecurity course	2024	Adequate	SPT 1: Increase the number of SMEs registered in Span's cybersecurity course to 500 by September 2029 from a 2024 baseline Moderately Ambitious
KPI 2: Absolute scope 1 and 2 GHG emissions	2024	Adequate	SPT 2: Reduce absolute scope 1 and 2 GHG by 22.5% by September 2029 from a 2024 baseline Ambitious

Selection of Key Performance Indicators

Overall KPI Assessment

KPI	KPI Strength			
KPI 1: Number of SMEs registered in Span's cybersecurity course	Not Aligned	Adequate	Strong	Very Strong
KPI 2: Absolute scope 1 and 2 GHG emissions	Not Aligned	Adequate	Strong	Very Strong

KPI Definitions

Span defines the KPIs as follows:

Table 1: KPI Definitions

KPI	Description
KPI 1: Number of SMEs registered in Span's cybersecurity course	<p>The KPI covers the total number of SMEs participating in Span's cybersecurity course in in countries where the Group has direct operations, namely Croatia, Slovenia, Ukraine and Estonia. Span follows the EU definition for small and medium-size enterprises (SMEs).⁹</p> <p>The course aims to raise awareness of cybersecurity concerns among SMEs in alignment with the European Network and Information Security Agency's recommendations.¹⁰ The course is available free of charge and online on the Group's website in English and Croatian. Span also offers downloadable educational materials, which the SMEs may distribute and use internally. The course lasts two hours and covers a variety of topics, including password management, multifactor authentication, importance of software updates, phishing recognition, data storage management, network security management and physical security. The course will also have a dedicated session to cover the EU's GDPR.¹¹ The course also</p>

⁹ European Commission, "SME definition", at: https://single-market-economy.ec.europa.eu/smes/sme-fundamentals/sme-definition_en

¹⁰ ENISA, "ENISA", at: <https://www.enisa.europa.eu/>

¹¹ European Parliament, "Regulation (EU) 2016/679", (2016), at: <https://eur-lex.europa.eu/eli/reg/2016/679/oj/eng>

addresses business continuity planning and the fundamentals of an incident response plan.

KPI 2: Absolute scope 1 and 2 GHG emissions (tCO₂e) The KPI covers the total absolute scope 1 and 2 GHG emissions from Span's operations in all countries where it has active subsidiaries with physical offices and employees, namely Croatia, Slovenia, Ukraine, Estonia and Azerbaijan. The KPI excludes entities without employees or physical premises due to negligible emissions.

Emissions are calculated in line with the GHG Protocol using a market-based approach¹² and include CO₂, N₂O, and CH₄. Emissions factors are derived from national and international databases, and Global Warming Potential figures are based on the IPCC 6th Assessment Report. The KPI is expressed as tonnes of carbon dioxide equivalent (tCO₂e).

KPI 1:
Number of SMEs registered in Span's cybersecurity course

We have assessed KPI 1 as **Adequate** because it: i) is an indirect measure of Span's performance on a material governance issue; ii) has a low scope of applicability; iii) follows a clear methodology that is not externally defined; and iv) cannot be compared to external contextual benchmarks.



Materiality and Relevance

KPI 1 addresses the issue of product governance. We determined it to be material and relevant and to have a low scope of applicability given the following:

Sustainalytics' ESG Risk Rating identifies Product Governance¹³ as a Material ESG Issue (MEI) for the Software and Services industry.¹⁴ Similarly, the Sustainability Accounting Standards Board (SASB) identifies Systemic Risk Management as a material topic for the Group.¹⁵

Security and risk management measures, topics included in the cybersecurity course related to KPI 1, mitigate product governance risks stemming from safety, suitability and quality issues in service delivery.¹⁶ Investments in a cybersecurity course serve as a tool for security and risk management as the course educates the Group's existing and potential customers about cybersecurity risks, safe practices and emerging threats. The course directly reduces the risk of successful cyberattacks by empowering the clients to recognize and avoid threats, such as phishing, malware and social engineering. By participating in the course, Span's customers are less likely to become entry points for attacks, thereby contributing to the Group's own risk management.

KPI 1 represents low applicability as it partially addresses the MEI of product governance. The KPI contributes to customer awareness through its impacts on security and compliance management which are components of product governance. Although it may have some positive spillover effects on other products and internal systems, it only partly covers the other key components of product governance, including improvements to internal management systems, technologies or expertise.

¹² Greenhouse Gas Protocol, "Standards & Guidance", at: <https://ghgprotocol.org/standards-guidance>

¹³ Product Governance focuses on how companies manage responsibilities to their clients. Emphasis is put on quality management systems, marketing practices, fair billing and post-sales responsibility.

¹⁴ Sustainalytics Industry Report: Software and Services (2024)

¹⁵ Span, "Span dd ZA Projektiranje Informacijskih Sustava", at: [https://sasb.ifs.org/standards/materiality-finder/find/?company\[0\]=HRSPANRA0007](https://sasb.ifs.org/standards/materiality-finder/find/?company[0]=HRSPANRA0007)

¹⁶ Boehm, J., Fuchs-Souchon, J. et al. (2023), "Product security: Navigating regulations and customer expectations", McKinsey & Co., at: <https://www.mckinsey.com/capabilities/risk-and-resilience/our-insights/cybersecurity/product-security-navigating-regulations-and-customer-expectations>

Methodology and Comparability with Benchmark

Span's definition and methodology to calculate KPI 1 is clear based on the ease of calculation. The Group calculates the KPI as the sum of all registered SMEs in all participating countries.

KPI 1's methodology is not externally defined, and the KPI cannot be compared against external contextual benchmarks. Given that KPI 1 measures only the number of registrations for the course, it does not capture the intended impact, quality of the course and change in SME behaviour. Instead, the KPI reflects only an input activity – the number of SMEs registered for the course – rather than outcomes or effectiveness of the course. Therefore, it is an indirect measure of the Group's performance on the ESG issue of product governance.

KPI 2:
Absolute scope 1 and 2 GHG
emissions



We have assessed KPI 2 as **Adequate** because it: i) is a direct measure of Span's performance on a material environmental issue; ii) has a sufficient scope of applicability; iii) follows a clear and consistent methodology that is externally defined; and iv) facilitates comparison against a recognized external GHG emissions reduction trajectory.

Materiality and Relevance

KPI 2 addresses the issue of GHG emissions from Span's own operations. We determined it to be material and relevant and to have a sufficient scope of applicability given the following:

Sustainalytics' ESG Risk Rating identifies Carbon – Own Operations as an MEI for Software and Services companies.¹⁷ In this industry, operational emissions primarily result from powering IT infrastructure, data centres and critical systems. The SASB also identifies Energy Management as a material topic,¹⁸ reflecting the growing environmental pressures associated with energy use in digital operations. Although Span does not operate large-scale data centres, its core functions rely on a continuous energy supply, making energy and emissions management a key component of its environmental performance.

Emissions within the scope of KPI 2 accounted for 26.73% of Span's total GHG emissions in 2024. These are primarily related to scope 1 and 2 emissions from the Group's own operations, including energy use across offices and IT infrastructure. We consider the KPI to have a sufficient scope of applicability and to be appropriately defined for measuring and managing Span's direct operational impacts related to GHG emissions.

Methodology and Comparability with Benchmark

Span's definition and methodology to calculate KPI 2 is clear. KPI 2 follows the GHG Protocol's Corporate Accounting and Reporting Standard. It also supports comparison against external emissions reduction trajectories, such as the Science Based Target initiative's absolute reduction method. Lastly, KPI 2 is directly linked to the Group's environmental performance on the material issue of GHG emissions.

¹⁷ Sustainalytics Industry Report: Software and Services (2024)

¹⁸ Span, "Span dd ZA Projektiranje Informacijskih Sustava", at: [https://sasb.ifrs.org/standards/materiality-finder/find/?company\[0\]=HRSPANRA0007](https://sasb.ifrs.org/standards/materiality-finder/find/?company[0]=HRSPANRA0007)

Calibration of Sustainability Performance Targets

Overall SPT Assessment

SPT	SPT Ambitiousness			
SPT 1: Increase the number of SMEs registered in Span's cybersecurity course to 500 by September 2029 from a 2024 baseline	Not Aligned	Moderately Ambitious	Ambitious	Highly Ambitious
SPT 2: Reduce absolute scope 1 and 2 GHG by 22.5% by September 2029 from a 2024 baseline	Not Aligned	Moderately Ambitious	Ambitious	Highly Ambitious

Past Performance and SPTs

Span's past performance and SPTs are as follows:

Table 2: Past Performance and SPTs

KPI	2022	2023	2024 (baseline)	2025	2026	SPT 2029
KPI 1: Number of SMEs registered in Span's cybersecurity course	0	0	0	N/A	N/A	SPT 1: Increase the number of SMEs registered in Span's cybersecurity course to 500 by September 2029 from a 2024 baseline
KPI 2: Absolute scope 1 and 2 GHG emissions (tCO _{2e})	387.47	401.36	403.6	N/A	N/A	SPT 2: Reduce absolute scope 1 and 2 GHG by 22.5% by September 2029 from a 2024 baseline

Alignment with Issuer Sustainability Strategy

We have assessed the SPTs to be aligned with Span's sustainability strategy. Span has established measures to improve its cybersecurity systems and reduce GHG emissions under its sustainability strategy.¹⁹ To achieve its environmental targets, the Group is focusing on improving energy efficiency by switching to more efficient data centres. Regarding governance, the Group intends to improve its cybersecurity expertise and internal systems. Please refer to the Issuer Overview and Strategy section for more details.

SPT 1: Increase the number of SMEs registered in Span's cybersecurity course to 500 by September 2029 from a 2024 baseline

We have assessed SPT 1 as **Moderately Ambitious** given that it: i) cannot be compared to past performance; and ii) is above peer performance given the efforts and resources required to deliver the course.

Baseline

The baseline year is 2024 as it reflects the latest reporting year. The Group will launch the course in 2026.

Strategy to Achieve SPT 1

Span intends to achieve SPT 1 through the following strategies:

- ▶ Span intends to invest in subject matter experts to develop the content, educational materials and the curriculum. The Group will also use internal programmers and developers who will build the online platform and related infrastructural components.
- ▶ The Group will invest in related technological resources, including software licences and an online platform to host the course, track participant progress and develop analytics.

¹⁹ Span has shared its Sustainability Strategy 2023 Report with Sustainability confidentially.

Span has developed an advertisement campaign for the course. The strategy has the following targets: i) include advertisement in at least three different online channels with a minimum of 10 activities per year; ii) host at least one on-site event in each of the four countries where it operates; and iii) publish at least one paid press release in each of the four countries. The Group will use a variety of advertisement tools, including paid advertising, such as Google Ads and paid press; search engine optimization; and on-site promotion, including outdoor advertising. Span will also invest in related human resources, namely experts to design and execute the advertisement strategy and develop materials for on-site events.

Ambitiousness

SPT 1 cannot be compared to past performance given the Group aims to launch the course in 2026.

In its peer analysis, we assessed the performance of six peers selected based on geographical location, and portfolio of services. Although three peers have developed educational cybersecurity initiatives for groups that may have limited access and knowledge on technology, none of those initiatives specifically target SMEs. Additionally, none of the peers have set targets for their educational outreach initiatives. Therefore, we note that Span's targets are not directly comparable with its peers.

SMEs are a new focus for Span, which until now has concentrated its cybersecurity services on large enterprises. The Group estimates that SPT 1 targets approximately 2% of the SMEs in the target markets. By targeting a limited share of the market, the Group intends to focus on developing a course that is well suited to address the well-defined needs of a small subset of SMEs. Development of a dedicated course for SMEs requires a significant investment of time, expertise and strategic adaptation given the Group's limited exposure to this market segment. For instance, Span needs to adapt the content and format of the course for the target group, making the process strategic and resource intensive. In addition, the Group identified the need to invest in awareness raising campaigns as the SMEs may have limited knowledge of the topic and limited time to dedicate for learning. The Group further estimates that establishing credibility and trust among SMEs may require additional efforts. Given that achieving SPT 1 requires Span to dedicate significant efforts to develop a course for a new target market and overcome barriers to ensure sufficient coverage of SMEs, we consider it to be above the targets of Span's peers.

SPT 2:
Reduce absolute scope 1 and 2
GHG by 22.5% by September
2029 from a 2024 baseline

We have assessed SPT 2 as **Ambitious** given that it: i) cannot be compared with historical performance; ii) is below the targets set by peers; and iii) is aligned with the SBTi cross-sectoral absolute reduction method in line with the WB2D science-based decarbonization pathway.

Baseline

The baseline year is 2024 as it reflects the latest reporting year.

Strategy to Achieve SPT 2

Span intends to achieve SPT 2 through the following strategies:

- ▶ Span aims to transition from on-premises systems to more energy-efficient cloud data centres by 2026, prioritizing Microsoft Azure's Sweden Central region, which runs on 100% renewable energy and features a low power usage effectiveness of 1.172.

The Group is implementing broader energy efficiency and emissions reduction measures, supported by its ISO 50001-certified energy management system. These measures include ongoing monitoring of scope 1

and 2 emissions, optimizing energy use in its facilities, replacing the fleet with plug-in hybrid vehicles and entering into VPPAs to support the transition to renewable energy.

Ambitiousness

SPT 2 cannot be compared to past performance given the 2022 data has not been restated to include the Estonian unit acquired in the second quarter of 2023. This limits the comparability of historical performance with the target period.

Span's target was compared with five of its peers in the software and services sector and found to be mostly below those of its peers. Therefore, we consider SPT 2 to be below peer performance.

Regarding comparison with science-based decarbonization trajectories, we used the SBTi's cross-sectoral absolute reduction approach. SPT 2 implies an annual linear reduction rate in absolute scope 1 and 2 GHG emissions of 4.5% between 2024 and 2029. According to the SBTi's absolute reduction approach, a scope 1 and 2 emissions reduction target with a baseline of 2024 must achieve an annual linear reduction rate of at least 7.6% to align with the 1.5°C decarbonization pathway or 4.5% to align with a WB2D pathway.²⁰ Therefore, we consider SPT 2 to be aligned with the WB2D trajectory.

Financial Characteristics

The financial characteristics of the sustainability-linked bonds issued under the Framework will be tied to the achievement of the defined SPTs. These characteristics may include an interest rate increase or a penalty at maturity if the SPTs are not met by the specified observation date. Details of these financial adjustments will be outlined in the specific bond documentation for each issuance. Both KPIs and their associated SPTs will be included in all issuances under the Framework. The financial characteristics of the sustainability-linked bonds are aligned with the SLBP, but we do not opine on the adequacy of the magnitude and structure of the financial penalty.

Reporting

Span will report annually on the progress of the KPIs, either in its annual report or in a separate performance report, both of which the Group will publish on its website. Span will also disclose relevant information enabling investors to monitor the level of ambition of the SPTs, as well as up-to-date information on the performance of the selected KPIs, including baselines.

Verification

An external verifier will provide limited assurance for each SPT per KPI annually, which is aligned with the SLBP.

²⁰ Science Based Targets initiative, "SBTi Corporate Manual", (2023), at: <https://files.sciencebasedtargets.org/production/files/SBTi-Corporate-Manual.pdf>

Environmental and Social Risk Management

We have identified the following environmental and social risks associated with achieving the SPTs under the Framework: human capital;²¹ data privacy and cybersecurity;²² business ethics;²³ and product governance.²⁴ The Group has the following policies and processes in place to identify and mitigate such risks.

E&S Risk identified

Applicable policies, procedures and measures

Human capital

- ▶ Span's Diversity and Inclusion Policy outlines the Group's approach to promoting diversity and inclusion in the Group's processes, including recruitment, employee retention, career progression and leadership practices.²⁵ Any breaches of the policy can be reported either to the Group's designated internal representative or through the whistleblower system.²⁶ The Group also holds an Employer Partner Certificate, which uses 30 benchmark indicators to assess the Group's human resources practices.²⁷

Data privacy and cybersecurity

- ▶ Span's information management systems, outlined in its Information System Security Policy, are ISO 27001-certified,²⁸ indicating adherence to recognized standards for information security, cybersecurity and privacy protection.²⁹ The Group also holds an ISO 42001 certification,³⁰ an international standard for the ethical, safe and effective use of AI technologies. In addition, the Group's Data Privacy Policy complies with the EU GDPR and other applicable privacy protection laws and regulations, and describes its processes to collect, use, store and share personal data. Span has also appointed an independent Data Protection Officer, who monitors the Group's compliance with the applicable regulation, advises and provides training for the teams, and coordinates with related authorities, such as the Croatian Personal Data Protection Agency.³¹

Business ethics

- ▶ Span's Code of Conduct outlines the Group's processes to prevent, mitigate and manage risks related to business ethics, including bribery, corruption, gifts, conflict of interest and insider information. The Group has an anonymous whistleblowing system available for internal and external stakeholders.³² Span also has a Reporting Committee, which comprises the Compliance Officer and the Directors of Legal Affairs, Human Resources and Quality Department, and is responsible for analyzing applicable business ethics cases.

²¹ Human Capital encompasses a company's management of its human resources, from acquiring and retaining top talent to providing advancement opportunities in a diverse and equal work environment and adopting an inclusive corporate culture.

²² Data Privacy and Cybersecurity covers a company's data governance practices, including the collection, use, management and protection of data, to ensure compliance with regulations, safeguard against breaches and address ethical concerns on data use.

²³ Business Ethics encompasses business practices that may be legal or illegal and result in a financial benefit to an individual specifically or a company while having a negative impact on society or other company stakeholders.

²⁴ Product Governance focuses on how companies manage responsibilities to their clients. Emphasis is put on quality management systems, marketing practices, fair billing and post-sales responsibility.

²⁵ Span has shared its Diversity and Inclusion Policy with Sustainalytics confidentially.

²⁶ Span, "Procedure for reporting violations or suspected violations", at: <https://www.span.eu/en/about-us/code-of-business-conduct/procedure-for-reporting-violations-or-suspected-violations/>

²⁷ Employer Partner, "Your Certificate for HR Excellence", at: <https://employerpartner.eu/>

²⁸ ISO, "ISO/IEC 27001:2022", at: <https://www.iso.org/standard/27001>

²⁹ Span has shared its information system security policy confidentially with Sustainalytics.

³⁰ ISO, "ISO/IEC 42001:2023", at: <https://www.iso.org/standard/81230.html>

³¹ Span, "Span group privacy policy", at: <https://www.span.eu/en/insights-hidden/span-group-privacy-policy/>

³² Span, "Procedure for reporting violations or suspected violations", at: <https://www.span.eu/en/about-us/code-of-business-conduct/procedure-for-reporting-violations-or-suspected-violations/>

Product governance

- ▶ Span holds ISO 9001 certification³³ which indicates that the Group's quality management systems align with recognized standards for meeting customer and regulatory requirements.³⁴ In addition, Span has an ISO 14001-³⁵ and ISO 50001-certified³⁶ environmental management system, which is also applicable to its affiliated companies.³⁷ The policy requires Span to operate in accordance with the applicable environmental regulation and sets standards related to pollution, waste management, energy use and related communication and reporting.
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³³ ISO, "ISO 9001:2015", at: <https://www.iso.org/standard/62085.html>

³⁴ Span, "Annual Report 2024", at: <https://www.span.eu/en/media/annual-report-for-2024/>

³⁵ ISO, "ISO 14001:2015", at: <http://iso.org/standard/60857.html>

³⁶ ISO, "ISO 50001 – Energy management", at: <https://www.iso.org/iso-50001-energy-management.html>

³⁷ Span has shared its Environmental protection and energy efficiency policy with Sustainalytics confidentially.

Annex 1: Sustainability- Linked Assessment Framework Overview

The following is a brief overview of the methodology that we use to assess sustainability-linked instruments and the frameworks that support them. Using this methodology, we assess the strength of the Key Performance Indicators (KPIs) and the ambitiousness of the Sustainability Performance Targets (SPTs) identified in a sustainability-linked instrument framework.

Key Performance Indicators (KPIs)

Central to our assessment of KPIs are a consideration of their Relevance and Materiality. Here we assess: i) whether the indicator relates to an area of environmental or social impact that is material to the issuer's activities; and ii) to what extent the KPI is applicable.

In addition, we assess certain other KPI characteristics, including: i) whether it uses a clear and consistent methodology; ii) whether it follows an externally recognized definition; iii) whether the KPI is a direct measure of the issuer's performance on a material environmental or social issue;³⁸ and iv) whether performance on the KPI can be compared against an external contextual benchmark.³⁹

The strength of each KPI is assessed as Very Strong, Strong, Adequate or Not Aligned.

Sustainability Performance Targets (SPTs)

To determine the ambitiousness of an SPT, we consider: i) whether the SPT goes beyond a business-as-usual trajectory; ii) how the SPT compares to targets set by peers; and iii) how the SPT compares with science-based references.⁴⁰ Additionally, we assess the strategies outlined to achieve the SPT and how the SPT is aligned with the issuer's overall sustainability strategy.

The strength of an SPT is assessed as Highly Ambitious, Ambitious, Moderately Ambitious, or Not Aligned.

³⁸ A direct measure refers to a metric selected for the KPI that shows a specific indicator of performance or an outcome on the material ESG issue.

³⁹ External contextual benchmarks are standards or points of reference established by recognized third-party organizations to facilitate comparability.

⁴⁰ Where possible, we assess targets in relation to science-based benchmarks that correspond to ecosystem boundaries.

Scope of Work and Limitations

This Second-Party Opinion provides a point-in-time independent opinion of the Framework as of the Evaluation Date. Our opinion may consider additional documentation and information that the Framework owner may have provided during the engagement, in addition to public and non-public information. The owner refers to the entity featuring as an issuer, borrower, special-purpose vehicle or any other entity as described in the Framework.

As part of this engagement, we communicated with representatives of the Framework owner, who acknowledged that: i) it is the sole responsibility of the Framework owner to ensure that the information provided is complete, accurate and up to date; ii) they have provided us with all of the relevant information; and iii) that all of the information has been provided in a timely manner.

This Second-Party Opinion provides our opinion of the Framework and should be read in conjunction with that Framework. Any update of this Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and the Framework owner.

Our Second-Party Opinion provides our opinion on the alignment of the Framework with current market standards and practice but provides no guarantee of alignment nor warrants alignment with future versions of any such standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated SPTs but does not measure progress on the KPIs. This Second-Party Opinion is valid for issuances aligned with the Framework until one of the following occurs: i) a material change to the external benchmarks against which targets were set; ii) a material corporate action (such as a material M&A or change in business activity) which has a bearing on the achievement of the SPTs or the materiality of the KPIs. Measuring and reporting on KPIs and SPTs is the responsibility of the Framework owner.

No information provided in this Second-Party Opinion shall be considered as being a statement, representation, warrant or argument in favour or against the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that the Framework owner may have made available to Sustainalytics for the purpose of this Second-Party Opinion.

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