

Impact Report for Bonds and Loans

Fidelidade Green Financing Framework

MORNINGSTAR SUSTAINALYTICS

IMPACT REPORTING



Impact Summary

Evaluation Date 3 July 2025

Issuer Location Lisbon, Portugal

Sustainalytics has calculated the estimated impact achieved by Fidelidade Companhia de Seguros, S.A.'s green bond, issued in May 2024. The green bond issuance raised EUR 500 million, which has been allocated to an Italy-based project within the Green Buildings category. For a representative year of the bond's life, Sustainalytics has calculated 602 tonnes of avoided GHG emissions in CO₂e.



€500M
Allocated funds



602
Annual emissions avoided (tCO₂e)



1
Project



131
Cars driven for one year



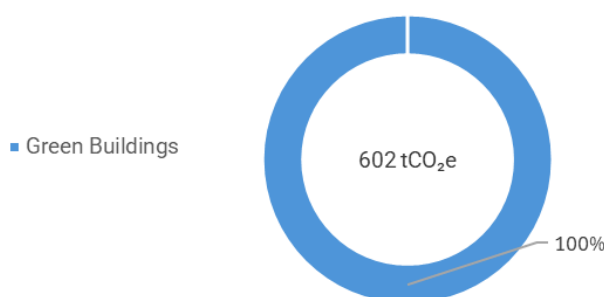
1
Country



40K
Trees, yearly sequestration



Avoided CO₂e emissions by Use of Proceeds and Location of Projects by Country



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Introduction

Fidelidade Companhia de Seguros, S.A. (“Fidelidade” or the “Company”) is an insurance company operating within the Fidelidade Group, headquartered in Lisbon, Portugal. The Company provides a broad portfolio of insurance products and services, including life, health, property and casualty insurance, serving individual and corporate clients in Portugal and internationally.¹ Established in 1808, Fidelidade employs 3,525 people as of December 2024. In May 2024, Fidelidade issued a EUR 500 million green bond and allocated the proceeds according to the Fidelidade Green Financing Framework.² Sustainalytics provided a Second-Party Opinion on the Fidelidade Green Financing Framework, evaluating it as credible, impactful and aligned with the Green Bond Principles 2021 and Green Loan Principles 2023.^{3,4,5}

Fidelidade engaged Sustainalytics to quantify the environmental benefits of the project financed with the proceeds from the 2024 green bond. This report covers the allocation of the EUR 500 million raised through the May 2024 issuance, which was used to finance a Green Building⁶ project. Using established methodologies, Sustainalytics has estimated avoided emissions from the financed project. This report presents the details of our findings, including a description of the methodology used to calculate the impact.

In addition, Fidelidade engaged Sustainalytics to provide an allocation report that summarizes the allocation of the proceeds and their alignment with the Fidelidade Green Financing Framework. The allocation report is published separately.

Scope of Work and Limitations

Fidelidade has engaged Sustainalytics to calculate the environmental impact of the project financed with proceeds from the 2024 green bond. For this work, Sustainalytics relied on the data provided by Fidelidade regarding the amount allocated and the financed project’s technical data.

Sustainalytics’ impact reporting is aligned with ICMA’s June 2024 Handbook – Harmonised Framework for Impact Reporting.⁷ The methodology and assumptions made for the impact calculation are outlined in the methodology chapter.

As part of this engagement, Sustainalytics exchanged information with various members of Fidelidade’s management team to understand the sustainability impact of its projects. Through these exchanges, Fidelidade’s representatives have confirmed that:

- (1) They understand it is the sole responsibility of Fidelidade to ensure that the information provided is complete, accurate and up to date.
- (2) They have provided Sustainalytics with all relevant information.
- (3) Any material information provided has been duly disclosed in a timely manner.

Sustainalytics also reviewed relevant public documents and non-public information.

¹ Fidelidade, “Our presence in the world”, at: <https://www.fidelidade.pt/EN/fidelidade/about-us/about-us/Paginas/our-presence-in-the-world.aspx>

² Fidelidade, “Green Financing Framework”, (2024), at: <https://www.fidelidade.pt/EN/fidelidade/investor-relations/debt-issuances/Documents/Fidelidade%20Green%20Financing%20Framework%20May%202024.pdf>

³ Sustainalytics, “Second-Party Opinion - Fidelidade Green Financing Framework”, (2024), at: [https://www.sustainalytics.com/corporate-solutions/sustainable-finance-and-lending/published-projects/project/fidelidade-companhia-de-seguros-sa/fidelidade-green-financing-framework-second-party-opinion-\(2024\)/fidelidade-green-financing-framework-second-party-opinion-\(2024\)](https://www.sustainalytics.com/corporate-solutions/sustainable-finance-and-lending/published-projects/project/fidelidade-companhia-de-seguros-sa/fidelidade-green-financing-framework-second-party-opinion-(2024)/fidelidade-green-financing-framework-second-party-opinion-(2024))

⁴ The Green Bond Principles are administered by the International Capital Market Association and are available at: <https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond-Principles-June-2022-060623.pdf>

⁵ The Green Loan Principles are administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association and are available at: <https://www.lsta.org/content/green-loan-principles/>

⁶ The label “Green Building” is associated with meeting the green criteria as defined in the Fidelidade Green Financing Framework.

⁷ ICMA, “Handbook - Harmonised Framework for Impact Reporting”, (2024), at: <https://www.icmagroup.org/assets/documents/Sustainable-finance/2024-updates/Handbook-Harmonised-Framework-for-Impact-Reporting-June-2024.pdf>

Impact Findings

For reporting, Sustainalytics follows the ICMA Harmonised Framework for Impact Reporting, which synthesizes market expectations and outlines recommendations for impact reporting to create a standardized reporting structure and to enhance the understanding of the impact for all stakeholders, including investors.⁸

Table 1 below provides a summary of impact of the financed project, which Sustainalytics calculated from the allocation of proceeds from Fidelidade's 2024 green bond. Appendix 1 provides more detailed impact data at the project level. These metrics correspond to a representative year of the bond's life and are based on the share of project financing.

Table 1: Impact of the Green Building Project

Country	Building Type	Allocated Amount	Gross Building Area	Energy Reduction	Financed Emissions Avoided	Financed Emissions Avoided/M EUR	Bond tenor ⁹
		M EUR	m ²	MWh	tCO ₂ e/year	tCO ₂ e/year/M EUR	Years
Italy	Mixed ¹⁰	500	40,591	2,489	602	1.20	No fixed maturity

⁸ ICMA, "Handbook - Harmonised Framework for Impact Reporting", (2024), at: <https://www.icmagroup.org/assets/documents/Sustainable-finance/2024-updates/Handbook-Harmonised-Framework-for-Impact-Reporting-June-2024.pdf>

⁹ The green bond is structured as a perpetual subordinated Restricted Tier 1 instrument, with a first redemption option 5.5 years after issuance.

¹⁰ The building types include offices and retail spaces.

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Methodology

Sustainalytics developed its own methodologies for quantifying GHG avoidance and other metrics, including leveraging publicly available best-in-class methodologies, protocols and frameworks that are currently industry best practice. First, our estimation practices and general principles rely on the GHG Protocol.¹¹ Our methodologies are based on guidance provided by the IFI Approach to GHG Accounting for Renewable Energy Projects,^{12,13} notably on calculation methodology and global emissions. In addition, we rely on the Partnership for Carbon Accounting Financials' (PCAF) Global Accounting Standard¹⁴ for guidance on estimation, where data is not readily available, and assumptions must be made. Finally, the UN's Clean Development Mechanism¹⁵ provides guidance and information, serving as the foundation for these and other methodologies, including those implemented in this report.

Green Buildings

It is assumed that green buildings consume less energy than a mix of existing buildings and new construction. The avoidance of greenhouse gas emissions is then calculated using:

- a) The emissions of the green building projects. To the extent available, the reporting is based on metered energy consumption. If such information is not available, estimates for the relevant projects are based on the building certificates, standards or country-level averages.
- b) The baseline emissions, or emissions occurring in the absence of the projects. This figure is based on the estimated energy intensity of comparable buildings, or in the case of refurbishments, the prior emissions.
- c) The financed project's avoided emissions are calculated by using the share of project financing of the project's total emissions avoided from the above calculations.

Data Sources and Assumptions

- For the project included in this report, building data including gross building area, location and relevant green building certificates, were provided by Fidelidade and used as inputs for the calculations. Where relevant and available, Sustainalytics performed calculations based on the most recently available green building certificates or energy performance certificates for the property.
- Based on location and building characteristics such as type and size, the energy intensity of a baseline building is estimated using a combination of country averages and publicly available statistical models.¹⁶
- The emissions factors for the project and baseline properties are based on the average energy mix for buildings in the relevant country and building type.
- The baseline emissions factors for the countries where projects are located were sourced from IFI.¹⁷ To account for emissions from upstream activities, Sustainalytics has calculated an additional, indirect emissions factor, based on data from DEFRA and the IEA.^{18,19}

¹¹ Greenhouse Gas Protocol, "About Us", at: <https://ghgprotocol.org/about-us>

¹² IFI, "IFI Approach to GHG Accounting for Renewable Energy Projects", (2015), at: <https://documents1.worldbank.org/curated/en/758831468197412195/pdf/101532-WP-P143154-PUBLIC-Box394816B-Joint-IFI-RE-GHG-Accounting-Approach-clean-final-11-30.pdf>

¹³ IFI, "International Financial Institutions Framework for a Harmonised Approach to Greenhouse Gas Accounting", (2015), at: https://www.worldbank.org/content/dam/Worldbank/document/IFI_Framework_for_Harmonized_Approach%20to_Greenhouse_Gas_Accounting.pdf

¹⁴ PCAF, "About PCAF", at: <https://carbonaccountingfinancials.com>

¹⁵ UNFCCC, "CDM Methodologies Booklet", at: <https://cdm.unfccc.int/methodologies/documentation/index.html>

¹⁶ IFC's EDGE model is used for statistical modelling of buildings, at: <http://www.edgebuildings.com>

¹⁷ UNFCCC, "The IFI Dataset of Default Grid Factors", available at: <https://unfccc.int/climate-action/sectoral-engagement/ifis-harmonization-of-standards-for-ghg-accounting/ifi-twg-list-of-methodologies>

¹⁸ Government of the UK, "Government conversion factors for company reporting of greenhouse gas emissions", (2023), at: <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

¹⁹ International Energy Agency (IEA), "Energy Statistics Data Browser", (2024) at: <https://www.iea.org/data-and-statistics>

Appendix 1: Impact of the Green Building Project

Project Name	Building Type	Country	Gross Building Area	Allocated Amount	Share of Total Project Financing	Energy Intensity	Energy Reduction	Financed Direct Emissions	Financed Indirect Emissions	Financed Emissions Avoided	Financed Emissions Avoided/ M EUR
			m²	M EUR	%	kWh/m²	MWh/year	tCO₂e/year	tCO₂e/year	tCO₂e/year	tCO₂e/year/ M EUR
The Medelan	Office	Italy	40,591	500	100%	75	2,489	621	114	601.7	1.20

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