

# **TCFD Report 2025**

Climate-Related Risks and Opportunities Analysis

# INTRODUCTION

**Climate transparency is a cornerstone of our strategy**; this report demonstrates how we build resilience and create sustainable value in an environment of constant change.

The **Task Force on Climate-related Financial Disclosures (TCFD)** was established in 2015 by the Financial Stability Board (FSB) to develop a framework for identifying, managing and disclosing the risks and opportunities associated with climate change. Its objective is to enhance transparency and support global financial stability by encouraging companies and financial institutions to assess and report climate-related impacts on their businesses.

The TCFD recommendations have become a leading reference framework for organizations seeking to provide stakeholders with clear, consistent and timely information on climate-related risks and opportunities, as well as the measures implemented to manage them effectively.

Through this report, BNZ outlines its approach to implementing the TCFD recommendations and presents its performance and progress across the four core pillars of the framework: Governance, Strategy, Risk Management, and Metrics and Targets.

This report also reflects **BNZ's commitment to accelerating the transition to a low-carbon economy through the development of renewable energy solutions**, while continuing to strengthen the integration of climate-related considerations into its decision-making processes. BNZ remains committed to enhancing its climate-related disclosures and reporting transparently on its progress in the years ahead.

The image shows a vast solar farm with rows of solar panels stretching across a green, hilly landscape. The sky is overcast with grey clouds. The BNZ logo is in the top right corner.

**1**

**GOVERNANCE**

**2**

**STRATEGY**

**3**

**RISKS &  
OPPORTUNITIES**

**4**

**METRICS  
& TARGETS**

# 1. GOVERNANCE

How the Board of Directors and management oversee climate-related risks and opportunities.

## GOVERNANCE

**BNZ's Board of Directors and management demonstrate a strong commitment to sustainability, climate resilience and risk management as core elements of the company's long-term strategy. As an independent power producer focused on the development, construction and operation of renewable energy projects across Spain, Italy and Portugal, BNZ integrates ESG considerations into its decision-making processes with the objective of creating long-term value while supporting Europe's energy transition.**

The Board and senior management oversee the identification, assessment and management of the principal risks and opportunities that may affect the company, including those related to climate change. This governance framework enables BNZ to anticipate the potential impacts of climate-related risks on its operations, assets and strategic objectives, while strengthening the resilience of its business model.

Sustainability and risk management have been further reinforced through the implementation of the company's ESG Master Plan, the establishment of an ESG Committee, and the integration of sustainability objectives into management processes and employee performance evaluations. BNZ's climate risk management approach is aligned with its broader ESG strategy and is supported by robust governance, transparency and stakeholder engagement mechanisms.

In 2025, the company completed its first climate risk assessment and double materiality assessment, strengthening the integration of climate-related risks and opportunities into corporate decision-making and strategic planning processes.

The climate risk assessment process follows a structured methodology comprising the following phases:

1. Identification of physical and transition climate risks affecting BNZ's portfolio of renewable energy assets.
2. Assessment of the probability of occurrence and potential impacts of identified risks under different climate scenarios.
3. Evaluation of financial, operational and reputational consequences associated with each risk.
4. Identification and assessment of mitigation and adaptation measures already implemented across projects.
5. Determination of inherent and residual climate risk exposure.
6. Continuous monitoring and review of climate risks to support strategic decision-making and business resilience.
7. Reporting of key findings to senior management and governance bodies to ensure appropriate oversight and accountability.

# GOVERNANCE

To ensure structured oversight, BNZ has defined clear **governance bodies and responsibilities** for ESG risk management:

## Board of Directors

Promotes and supervises the overall risk management system, ensuring that ESG-related risks and opportunities are properly identified, assessed, mitigated and controlled.

## ESG Committee

Established in 2024 and composed of Board members, the ESG Committee monitors the implementation of BNZ’s ESG Strategy and reviews, at least annually, the adequacy of the system for assessing and responding to relevant climate risks.

## Leadership Team

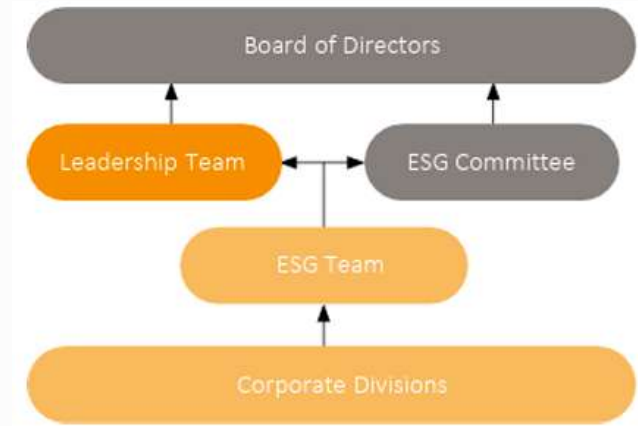
Actively involved in evaluating key risks and defining mitigation measures, ensuring that risk management is embedded in strategic and operational decision-making.

## ESG Team

Coordinates the identification and assessment of ESG related risks and opportunities, analysing their potential impact and reporting directly to both the ESG Committee and the Leadership Team.

## Corporate and Business Units

Provide relevant information for risk identification and assessment and are responsible for implementing mitigation measures within their respective areas..



To support risk identification and assessment, BNZ uses external climate-risk intelligence tools and internal expert judgment from senior management and functional leaders.

Once identified, climate risks are classified and prioritized according to their probability and potential impact. The assessment considers quantitative criteria, such as potential financial effects on project performance, and qualitative criteria, including operational disruption, strategic implications and reputational consequences. Existing preventive and corrective mitigation measures are then evaluated to determine the residual risk exposure and identify areas requiring further action. This process supports BNZ’s objective of maintaining a resilient portfolio of renewable energy assets while managing climate-related risks in a proactive and systematic manner.

## 2. STRATEGY

How climate-related considerations are integrated into BNZ's strategic planning to support a resilient and sustainable growth pathway.

## STRATEGY

**Sustainability is a core component of BNZ's business strategy and long-term value creation model. As an independent power producer (IPP) focused on developing, building and operating renewable energy projects across Southern Europe, BNZ aims to accelerate the decarbonisation of the European economy while generating positive environmental and social impacts in the communities where it operates.**

During 2025, BNZ strengthened its ESG governance framework and advanced the implementation of its ESG strategy through a series of measurable actions. Among the key milestones achieved were the completion of the company's first Double Materiality Assessment, the performance of ESG audits covering 100% of photovoltaic module suppliers for upcoming projects, the strengthening of biodiversity monitoring programmes, and the launch of the "Road to Zero Waste" initiative aimed at improving waste management and traceability across operations.

BNZ's sustainability strategy is built around four fundamental commitments:

1. Contributing to climate change mitigation through the generation of clean and renewable energy.
2. Protecting biodiversity and ecosystems throughout the project lifecycle.
3. Promoting positive socioeconomic impacts and supporting local communities.
4. Maintaining the highest standards of governance, ethics and responsible business conduct.

BNZ's climate strategy focuses on enhancing the positive contribution of renewable energy generation while ensuring that climate-related risks are appropriately identified, assessed and managed.

The company's approach is based on three main pillars:

1. Supporting the decarbonisation of the energy system through the development and operation of renewable energy assets.
2. Strengthening resilience against climate-related risks through climate risk assessment and integration into decision-making processes.
3. Promoting responsible resource management, circular economy principles, waste reduction and biodiversity protection across the portfolio.

As part of this strategy, BNZ conducted its first climate risk assessment in 2025, updated in 2026, enabling the company to identify and evaluate both physical and transition risks affecting its assets under different climate scenarios and time horizons. This exercise represents an important step towards integrating climate considerations into corporate risk management processes and strategic planning.

# SUSTAINABILITY STRATEGY

**2025 represented a significant milestone in BNZ’s sustainability journey, with the company reinforcing its ESG governance framework, advancing climate risk management capabilities and implementing key initiatives to support the transition towards a more resilient, low-carbon and sustainable business model.**

## Key Achievements in 2025

The main climate- and sustainability-related achievements during 2025 include:

1. Completion of BNZ’s first climate risk assessment covering projects in operation, construction and advanced development stages.
2. Completion of the company’s first Double Materiality Assessment, strengthening the integration of sustainability risks and opportunities into decision-making.
3. ESG audits performed on 100% of photovoltaic module suppliers for future projects, increasing transparency and oversight across the supply chain.
4. Implementation of biodiversity monitoring systems across operational solar plants in Spain.
5. Launch of the “Road to Zero Waste” initiative to improve circularity and waste traceability.
6. Generation of more than 320,000 MWh of renewable electricity and avoidance of more than 44,000 tonnes of CO<sub>2</sub> emissions during the year.

## Governance and Incentives

BNZ has continued strengthening ESG governance through the establishment of an ESG Committee and the integration of sustainability considerations into management processes.

During 2025, the company reinforced sustainability oversight by incorporating individual sustainability objectives into employee performance evaluations, promoting accountability and alignment with ESG priorities across the organization.

## Outlook

Looking ahead, BNZ aims to continue integrating climate-related considerations into its governance, risk management and investment processes. The climate risk assessment conducted in 2025 provides a baseline for improving resilience across the portfolio, prioritising adaptation measures and enhancing the company’s capacity to manage both physical and transition risks associated with climate change

# 3. RISKS & OPPORTUNITIES

The processes used by the organization to identify, assess, and manage climate-related risks.

# CLIMATE-RELATED RISKS ANALYSIS

**In 2025, BNZ conducted its first climate risk assessment as an internal exercise aimed at establishing a baseline understanding of the **climate-related risks affecting its portfolio** and the company's current level of preparedness to manage them.**

The assessment combined external climate-risk data from the Verisk Maplecroft platform with the expertise of BNZ's management team, which evaluated both the potential impacts of identified risks and the effectiveness of existing mitigation measures.

The analysis covered all projects in operation, under construction and in advanced stages of development. Using asset-level geolocation data, Verisk Maplecroft was employed to identify relevant physical and transition climate risks under different climate scenarios and time horizons. Although both moderate (SSP2-4.5/RCP4.5) and high-emissions (SSP5-8.5/RCP8.5) scenarios were assessed across time horizons ranging from 2030 to 2080, BNZ selected the most severe scenario and the 2030 timeframe as the basis for its assessment, adopting a prudent approach focused on managing risks under the most challenging conditions.

The analysis identified a range of physical risks, including temperature changes, water stress, drought, flooding, extreme precipitation, heat stress and wildfires, as well as transition risks such as carbon regulation, climate litigation, emissions-reduction requirements, low-carbon economy transition and increasing ESG disclosure obligations.

For each risk, BNZ assessed:

1. Probability of occurrence, based on Verisk Maplecroft data.
2. Financial impact, measured according to the potential effect on project EBITDA.
3. Operational impact, based on the severity and duration of potential disruptions.
4. Reputational impact, considering possible consequences for stakeholders, investors and public perception.

The impact assessment was conducted internally by department heads and members of the executive team. A conservative approach was adopted by using the highest score among the financial, operational and reputational impact assessments as the final impact rating for each risk.

# CLIMATE-RELATED RISKS ANALYSIS

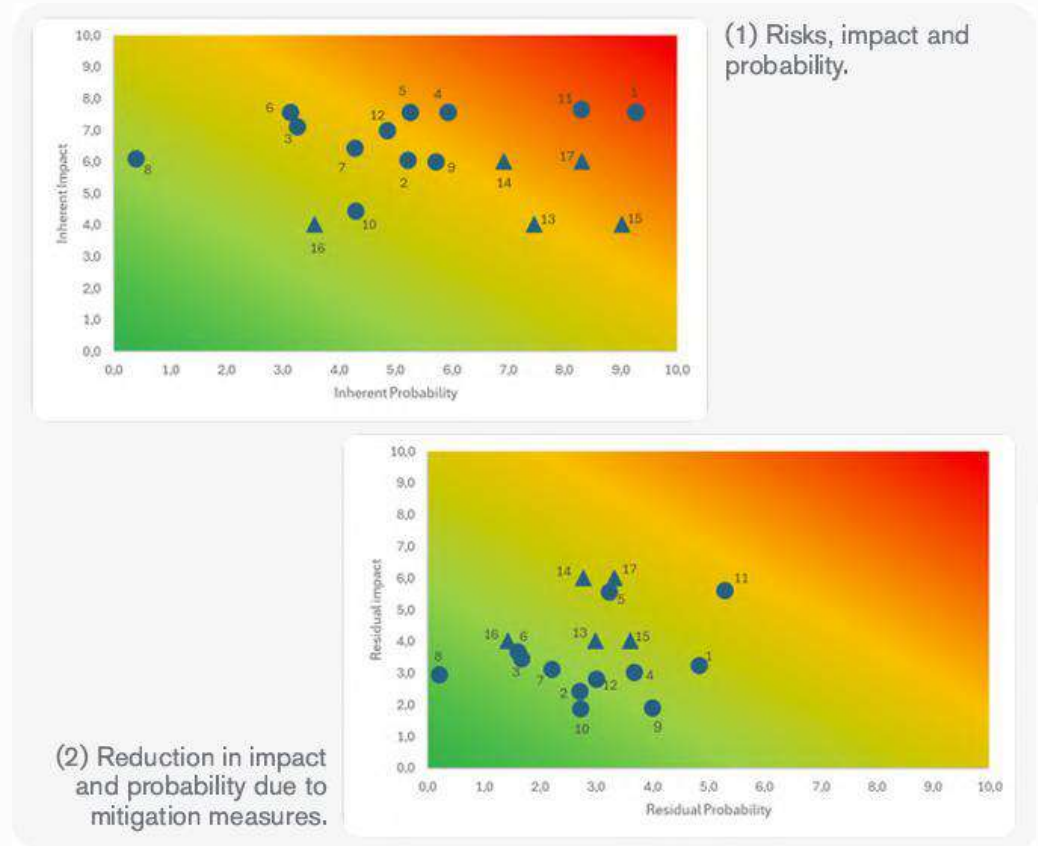
By combining probability and impact, BNZ calculated the **inherent risk associated with each climate-related risk and project**. The results highlighted water stress, chronic temperature change, drought hazard, emissions-reduction pressures and SFDR-related requirements among the most significant inherent risks.

The company subsequently identified and evaluated the mitigation measures already in place. These were divided into:

- **Preventive measures**, such as climate-resilient asset design, environmental monitoring systems, preventive maintenance programmes, climate scenario integration into financial models, insurance coverage, supplier ESG assessments and GHG monitoring systems.
- **Corrective measures**, including contingency plans, emergency procedures, operational adjustments, accelerated equipment replacement, financial reserves and contractual or financial renegotiation mechanisms.

The effectiveness of these controls was incorporated into the analysis **to determine the residual risk**, defined as the level of exposure remaining after considering existing mitigation measures.

Overall, the assessment demonstrated a significant reduction in risk exposure across most climate-related risks, while highlighting areas requiring continued monitoring and enhanced adaptation measures, particularly in relation to water stress, drought and certain transition-related regulatory risks.



This exercise provides BNZ with a structured foundation for the ongoing integration of climate-related considerations into its risk management, governance and strategic planning processes.

# CLIMATE-RELATED RISKS ANALYSIS



BNZ has identified a set of mitigation measures across operational, financial and reputational related areas, which are implemented depending on the nature of each risk:

Operational	1	Technical design adapted to this risk	Preventive
	2	Implementation of continuous environmental monitoring systems	Preventive
	3	Enhanced preventive maintenance protocols	Preventive
	4	Accelerated replacement of affected components can be carried out	Corrective
	5	Operational adjustments can be made in response to extreme weather conditions	Corrective
	6	Contingency plans with emergency procedures are in place	Corrective
Financial	7	Different climate scenarios have already been considered in the financial model	Preventive
	8	Funds are reserved for this type of event	Preventive
	9	We could renegotiate the financial terms	Corrective
	10	Specific insurance coverages	Corrective
	11	Financial mechanism that allows hedging against energy price volatility	Preventive
Reputational	12	Implement robust systems for measuring, tracking and verifying GHG emissions	Preventive
	13	Evaluate suppliers based on their environmental performance	Preventive
	14	Establish regulatory monitoring systems and ensure transparent ESG disclosure	Preventive

	Risk	Type	Inherent Probability	Inherent Impact	Mitigation Measures Type	Residual Probability	Residual Impact
1	Chronic Change in Temperature	Physical	High	High	1, 2, 3, 4, 5, 6, 8, 10, 11	Low	Low
2	Chronic Change in Wind Speed	Physical	Medium	Medium	1, 2, 3, 4, 5, 6, 8, 10, 11	Low	Low
3	Climate Hazard & Vulnerability	Physical	Medium	High	1, 2, 3, 4, 5, 8, 10, 11	Low	Low
4	Cooling Degree Days	Physical	Medium	High	2, 5, 8, 10, 11	Low	Low
5	Drought Hazard	Physical	Medium	High	2, 3, 8, 10, 11	Low	Medium
6	Extreme High Temperature	Physical	Medium	High	1, 2, 3, 4, 5, 8, 10, 11	Low	Low
7	Extreme Precipitation	Physical	Medium	Medium	1, 2, 3, 4, 5, 8, 10, 11	Low	Low
8	Flood Hazard	Physical	Low	Medium	1, 2, 3, 4, 5, 8, 10, 11	Low	Low
9	Heat Stress	Physical	Medium	Medium	2, 5, 6, 8, 11	Low	Low
10	Heating Degree Days	Physical	Medium	Medium	2, 4, 5, 6, 8, 10, 11	Low	Low
11	Water Stress	Physical	High	High	2, 8, 10, 11	Medium	High
12	Wildfire Hazard	Physical	Medium	High	2, 4, 5, 6, 8, 10, 11	Low	Low
13	Carbon Policy	Transition	High	Medium	12, 13, 14	Low	Low
14	Climate Litigation	Transition	Medium	Medium	12, 13, 14	Low	Medium
15	GHG Emissions Reduction Progress	Transition	High	Medium	12, 13, 14	Low	Low
16	Low Carbon Economy	Transition	Medium	Medium	12, 13, 14	Low	Low
17	Total GHG Emissions - SFDR	Transition	High	Medium	12, 13, 14	Low	Medium

## CLIMATE-RELATED OPPORTUNITIES

As a renewable energy producer, BNZ considers the transition to a low-carbon economy to be a significant business opportunity. Growing societal awareness of climate change, increasing decarbonisation commitments, and the implementation of policies supporting renewable energy deployment are expected to continue driving demand for clean energy solutions across Europe.

BNZ's business model is directly aligned with these long-term market trends. Through the development, construction and operation of solar and energy storage projects, the company contributes to the decarbonisation of the energy system while creating opportunities for sustainable growth and long-term value creation. In 2025, BNZ's portfolio exceeded 2.7 GW of renewable energy assets across Europe, reinforcing its position to benefit from the ongoing energy transition.

Consequently, BNZ believes that the continued expansion of renewable energy markets, together with increasingly ambitious climate policies and sustainability requirements, will create favourable conditions for the company's growth in the short, medium and long term, while supporting its broader environmental and climate objectives.



## 4. METRICS & TARGETS

The metrics and targets used to assess and manage material climate-related risks and opportunities.

# METRICS & TARGETS

Although the company’s business model is based on renewable energy generation, it assesses and discloses its greenhouse gas emissions to ensure **transparency, regulatory alignment and continuous improvement** across its value chain.

## Carbon Footprint

BNZ measures and monitors its operational carbon footprint as part of its commitment to climate action, transparency and continuous environmental improvement. The company calculates greenhouse gas (GHG) emissions associated with its activities to better understand its environmental impact, identify emission reduction opportunities and support informed decision-making across the business.

The measurement of the carbon footprint forms part of BNZ’s broader climate strategy, which aims not only to generate renewable electricity and contribute to the decarbonisation of the European energy system, but also to continuously improve the environmental performance of its own operations. In parallel, BNZ monitors key climate-related indicators and incorporates climate considerations into its ESG management framework and decision-making processes.

The importance of these efforts is reflected in the positive impact generated by BNZ’s renewable energy portfolio. During 2025, the company generated more than 320,000 MWh of renewable electricity, avoiding more than 44,000 tonnes of CO<sub>2</sub> emissions, thereby contributing directly to the transition towards a low-carbon economy.

For BNZ, carbon footprint management is a key tool for tracking climate performance, supporting transparency with stakeholders and strengthening the company’s long-term resilience in a progressively decarbonised economic environment.

Emissions Results	2023	2024	2025
Scope 1 (Tons CO <sub>2</sub> e)	15.68	8.15	9.05
Scope 2 (Tons CO <sub>2</sub> e)	5.68	0	0
Scope 3 (Tons CO <sub>2</sub> e)	N/A	1,250,086.67	296,419.71
<b>TOTAL</b>	<b>-</b>	<b>1,250,094.82</b>	<b>296,428.77</b>

As reported in the BNZ ESG Report 2025, **the company’s carbon footprint inventory and decarbonization targets has been calculated by a third-party specialist, ensuring the reliability, consistency and credibility of the reported emissions data.** This independent process provides assurance that BNZ’s GHG emissions are quantified in accordance with recognised methodologies and best practices for carbon accounting.

# METRICS & TARGETS

## Scope 3 in detail

As shown in the table below, the largest share of Scope 3 emissions is concentrated in Category 2 – Capital Goods, reflecting the material impact associated with the manufacturing and installation of key components required for the development of photovoltaic projects. This is consistent with BNZ’s business model, where emissions are primarily driven by construction activities and supply chain inputs:

CATEGORY NAME		2024 T CO2E	2025 T CO2E
1	Purchased goods and services	1,174.03	1,604.39
2	Capital goods	1,244,979.42	293,278.67
3	Energy transmission losses	-	116.35
4	Upstream transportation	-	-
5	Waste generated in operations	105.69	325.42
6	Business travel	18.49	49.74
7	Employee commuting	3.99	20.38
8	Leased Assets	-	-
9	Downstream transportation	-	-
10	Processing of sold products	-	-
11	Use of sold products	-	-
12	End-of-life treatment of sold products	3,805.04	1,024.77
<b>Total</b>		<b>1,250,086.67</b>	<b>296,419.71</b>

## Emissions boundary clarification

Energy and fuel consumption associated with construction and operational activities are not directly generated by BNZ, as these activities are carried out by contractors and service providers. Therefore, related emissions are accounted for under Scope 3 (value chain emissions).

BNZ does not directly generate air, water or soil pollutants and is not legally required to report pollutant emissions under any pollutant release or environmental reporting scheme.



# DECARBONISATION STRATEGY

**BNZ's decarbonisation strategy is aligned with the Paris Agreement and the Science Based Targets initiative (SBTi), following a 1.5°C pathway.**

Given the growth nature of the business, BNZ has adopted an intensity-based approach as its primary metric, allowing emissions performance to be measured independently of activity levels.

The company has defined the following key targets, using 2024 as the base year:

- **Scope 1 and 2:** reduction of 42% by 2030, based on an absolute reduction approach
- **Scope 3 (intensity):** reduction of 51.6% in tCO<sub>2</sub>e/MWp by 2030

For Scope 3, three key strategic pillars have been identified to achieve this decarbonisation objective:

- **Low-carbon procurement** (Category 2 – Capital goods): As this category represents 99.59% of total emissions, BNZ prioritises suppliers with verified Environmental Product Declarations (EPDs) and lower embedded emissions in key components such as modules, structures and inverters.
- **Circular economy** (Category 12 – End-of-life of products sold): Focused on reducing lifecycle emissions through durability, reuse and recycling, while reinforcing lower embedded emissions in capital goods.
- **Logistics efficiency** (Category 4 – Transport): Emissions are reduced through route optimisation and load consolidation. Although currently marginal, improving this category strengthens the completeness of the carbon inventory.

These measures are complemented by ongoing improvements in data coverage and monitoring, ensuring continuous enhancement of the carbon inventory and supporting more informed decision-making.



# AVOIDED EMISSIONS

By displacing fossil-fuel-based power generation, **BNZ's solar assets contribute to reducing greenhouse gas emissions** in the energy system.

In addition to monitoring its carbon footprint, BNZ measures the positive climate impact generated through renewable electricity production:

## CO<sub>2</sub> Emissions Avoided — Renewable Generation

2024	10,067 tCO <sub>2</sub> e
2025	44,067 tCO <sub>2</sub> e

Emission factors for avoided emissions are based on European Environment Agency (EEA) data, with the most recent available dataset corresponding to 2024.

This indicator highlights the company's contribution to decarbonisation and complements the monitoring of operational emissions across the value chain.



# ABOUT BNZ

## NEXT-GENERATION IPP

We are a next-generation Independent Power Producer (IPP) dedicated to the development, construction and operation of renewable energy projects.

## MULTI-TECHNOLOGY PORTFOLIO

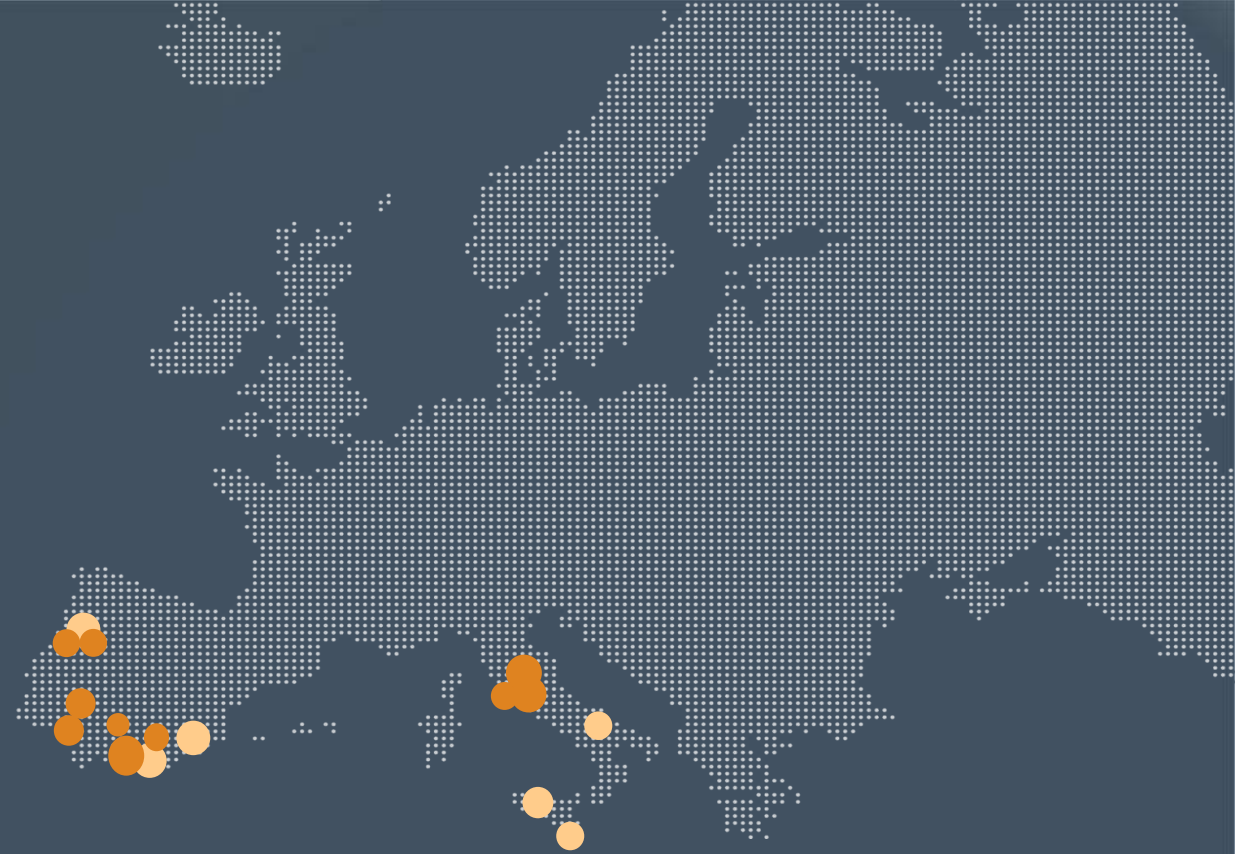
We have a portfolio of more than 2.7 GW across Spain, Italy and Portugal, integrating solar, wind and battery energy storage projects.

## OUR MISSION

To generate 100% renewable energy, contributing to the transition towards a more sustainable and environmentally responsible economy.

## LOCAL IMPACT

We work closely with local communities to ensure our plants contribute to social and environmental progress in the regions where we operate.



**55**

Projects

**1,54<sub>GW</sub>**

Under Development

**0,23<sub>GW</sub>**

Under Construction

**0,47<sub>GW</sub>**

In Operation