

Greenko Dutch B.V.

Type of Engagement: Green Bond Pre-Issuance Review

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Introduction

In 2017, Greenko Group (“Greenko”) developed a Green Bond Framework (the “Framework”) under which it issued a green bond via its subsidiary Greenko Dutch B.V. aimed at financing and refinancing expenditures related to the development and acquisition of wind, solar and hydroelectric energy projects. Sustainalytics provided a Second Party Opinion¹ on the Framework.

In February 2021, Greenko engaged Sustainalytics to review three additional projects (the “Nominated Projects”) to be financed, in addition to the list of projects included in the Framework that will be refinanced, through the issuance of a green bond and provide an assessment as to whether the projects would comply with the Use of Proceeds, Project Selection, and Management of Proceeds sections of the Framework.

Evaluation Criteria

Sustainalytics evaluated the underlying projects that will be funded through the 2021 issuance for compliance based on whether:

1. The Nominated Projects are aligned with the Use of Proceeds Eligibility Criteria outlined in the Green Bond Framework; and
2. The commitments to select projects, manage proceeds, and report on allocation and impact in order to ensure that these commitments are aligned with the ones described in the Framework.

The projects funded by the 2021 green bond issuance is summarized in Appendix 2.

Issuing Entity’s Responsibility

Greenko is responsible for providing accurate information and documentation relating to the details of the projects that have been funded, including a description of the eligible projects within each eligible category. This information was provided to Sustainalytics to support its review. Greenko is also responsible for confirming to Sustainalytics that processes for project selection and management of proceeds for the 2021 issuance will remain aligned with the commitments described in the Framework.

Independence and Quality Control

Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors, conducted the verification of Greenko’s 2021 green bond issuance. The work undertaken as part of this engagement included verification of the Nominated Projects and confirmation from relevant employees of Greenko that the use of proceeds, processes for project selection, management of proceeds, and reporting for the upcoming green bond issuance will remain aligned with the commitments described in the Framework.

Sustainalytics has relied on the information and the facts presented by Greenko with respect to the Nominated Projects. Sustainalytics is not responsible nor shall it be held liable if any of the opinions, findings, or conclusions it has set forth herein are not correct due to incorrect or incomplete data provided by Greenko.

¹ Sustainalytics, “Greenko Group Green Bond” (2017), at: https://www.sustainalytics.com/wp-content/uploads/2017/07/Sustainability-Bond-Framework-and-Opinion-GreenkoGroup_07062017-FINAL.pdf.

Sustainalytics made all efforts to ensure the highest quality and rigour during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight over the assessment of the pre-issuance review.

Conclusion

Based on the limited assurance procedures conducted,² nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, Greenko Dutch B.V.'s 2021 green bond is not aligned with the Green Bond Framework dated 2017.

² Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the projects that have been funded, including description of projects, estimated and realized costs of projects, and project impact, which were provided by the Issuer. The Issuer is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

Appendix 1: Greenko’s Use of Proceeds Eligibility Criteria

The proceeds from green bonds are expected to be used towards financing renewable energy projects that meet the following eligibility criteria:

- Renewable Energy
 - Expenditures related to the development of wind farms;
 - Expenditures related to the development of solar farms;
 - Expenditures related to the development of run-of-the-river hydropower projects.³

Appendix 2: Summary of Projects

Table 1 lists the new projects to be financed by Greenko, while table 2 lists the original set of projects included in the Green Bond Framework dated 2017.

Table 1 – New projects included for financing

Project	Entity	Energy Type	Capacity (MW)	Location
1	Technology House (India) Private Limited	Hydro	9.60	Himachal Pradesh
2	Gangdari Hydro Power Private Limited	Hydro	16.00	Himachal Pradesh
3	Sandla Wind Projects Private Limited	Wind	50.40	Andhra Pradesh
Total Capacity (MW)			76.00	

Table 2- List of projects to be refinanced

Project	Entity	Energy Type	Capacity (MW)	Location
1	AMR Power Private Limited	Hydro	24.75	Karnataka
2	Rithwik Energy Generation Private Limited	Hydro	24.75	Karnataka
3	Hemavathy Power & Light Private Limited	Hydro	24	Karnataka
4	Sai Spurthi Power Private Limited	Hydro	10.5	Karnataka
5	Jasper Energy Private Limited	Hydro	10.5	Karnataka
6	Greenko Astha Projects (India) Private Limited	Hydro	10	Himachal Pradesh
7	Greenko Him Kailash Hydro Power Private Limited	Hydro	5	Himachal Pradesh

³ All larger-scale run-of-the-river hydropower projects (>25 MW) undergo a formal Environmental Impact Assessment (EIA), dam break analysis, stakeholder consultations, and receive an Environmental Management Plan. The Green Bond Framework excludes hydropower projects with a generating capacity of over 75 MW.

8	Greenko AT Hydro Private Limited	Hydro	5	Himachal Pradesh
9	Greenko Cimaron Constructions Private Limited	Hydro	5	Himachal Pradesh
10	Greenko Tarela Power Private Limited	Hydro	5	Himachal Pradesh
11	Greenko Tejassarnika Hydro Energies Private Limited	Hydro	12	Himachal Pradesh
12	Greenko Sri Sai Krishna Hydro Energies Private Limited	Hydro	10	Himachal Pradesh
13	Greenko Anubhav Hydrel Power Private Limited	Hydro	5	Himachal Pradesh
14	Greenko Sumez Hydro Energy Private Limited	Hydro	14	Himachal Pradesh
15	Greenko Budhil Hydro Power Private Limited	Hydro	70	Himachal Pradesh
16	Ratnagiri Wind Power Projects Private Limited	Wind	101.6	Maharashtra
17	Greenko Rayala Wind Power Private Limited	Wind	159.2	Andhra Pradesh
18	Fortune Five Hydrel Projects Private Limited	Wind	101.2	Karnataka
19	Matrix Power (Wind) Private Limited	Wind	15	Karnataka
20	Mangalore Energies Private Limited	Wind	15	Karnataka
21	Poly Solar Park Private Limited	Wind	24	Andhra Pradesh
22	Jed Solar Park Private Limited	Wind	24	Andhra Pradesh
23	Sunborne Energy Andhra Private Limited	Solar	35	Telangana
24	SEI Phoebus Private Limited	Solar	50	Tamilnadu
25	SEI Adityashakti Private Limited	Solar	10	Tamilnadu
26	RT Renewable Energy India Private Limited	Solar	15	Tamilnadu
27	SEI Adhavan Power Private Limited	Solar	50	Tamilnadu
28	SEI Kathiravan Power Pvt Limited	Solar	50	Tamilnadu
29	SEI Sriram Power Private Limited -1	Solar	20	Telangana
30	SEI Sriram Power Private Limited -2	Solar	19.4	Andhra Pradesh
31	SEI Aditi Power Private Limited	Solar	30	Karnataka

32	SEI Bheem Power Private Limited	Solar	30	Karnataka
33	SEI Suryashakti Power Private Limited	Solar	30	Karnataka
34	SEI Diamond Private Limited	Solar	30	Karnataka
35	SEI Venus Private Limited	Solar	30	Karnataka
Total Capacity (MW)			1,074.90	

Appendix 3: Sustainalytics' Findings

Eligibility Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the projects funded by the green bond issuance in 2021 (Appendix 2) to determine if the projects aligned with the Use of Proceeds Eligibility Criteria outlined in Greenko's Green Bond Framework dated 2017(Appendix 1).	All projects reviewed (Appendix 2) complied with the Use of Proceeds Eligibility Criteria.	None
Project Selection and Management of Proceeds Criteria	Verification of the projects funded by the green bond in 2021 to determine if the commitments under processes for project selection and management of proceeds were consistent with Greenko's Green Bond Framework dated 2017.	Greenko has also confirmed to Sustainalytics that the processes for project selection and management of proceeds for the 2021 issuance are consistent with the commitments described in the Framework.	None

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Named
2015: Best SRI or Green Bond Research or Rating Firm
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