



Greenko Group Green Bond Framework

Feb 2025

1. Introduction

Founded in 2004, Greenko Group, through our subsidiaries, develops and operates clean energy projects in India. Greenko's portfolio includes solar, wind, hydropower and storage assets in India. Through these assets, the group generates and sells electricity to state utilities, private customers, and other electricity transmission and trading companies. Greenko also operates as an intermediate financing company for the development of clean energy projects. Greenko is headquartered in Hyderabad, India.

Greenko has a vision of "To lead Decarbonization, Digitalization and Decentralization of India's Energy Sector" and its mission is to "Build and operate flexible utility scale energy assets to deliver demand driven solutions.". On Greenko's website, we disclose that we have an objective to be a responsible corporate citizen. This includes incorporating sustainability operationally and contributing to environmental and social impact in local communities. Greenko aims to achieve this objective through the generation of clean energy and the implementation of community programmes centred on education, health, and environmental stewardship.

2. Application of the Green Bond Principles



The Green Bond Principles, as administered by International Capital Markets Association ("ICMA") are voluntary process guidelines for best practices when issuing Green Bonds.

For the purpose of issuing a Green Bond, Greenko has developed the following framework, which aligns with the four core components of the Green Bond Principles (GBP), 2021: use of proceeds, the process for evaluation and selection, the management of proceeds, and reporting.

3. Use of Proceeds

The net proceeds of the Green Bond will be allocated towards capital expenditure and refinancing of renewable energy projects that meet the following eligibility criteria.

Eligible Projects

Use of Proceeds	Eligibility Criteria	Environmental contribution & SDGs contribution
Development and construction, of hydroelectricity production and transmission facilities	Hydro power below 25MW; and Hydro Power above 25MW with power density greater than 10MW/m ² using the G-res tool (developed by the International Hydropower Association and the UNESCO Chair for Global Environmental Change), or a site-specific assessment in line with the IEA Hydro Framework ¹	Climate change mitigation through the avoidance and reduction of Greenhouse gas emissions (GHG) SDG 7.2, 13  
Development and construction, of solar generation and transmission facilities	Development, construction, installation and maintenance of solar facilities	
Development and construction, of wind generation and transmission facilities	Development, construction, installation and maintenance of wind facilities	
Development and construction, of Energy Storage Facilities aiming at promoting the development of Renewable energies	Development, construction, installation and maintenance of energy storage facilities (aiming at promoting the development of renewable energies and/or replacing peak electricity produced by less environmentally friendly units ²	

Exclusionary criteria

Greenko Group will apply exclusionary criteria and not knowingly be involved in any financing or refinancing of activities that include involvement in fossil fuel or nuclear related activities

¹ as described in the 'Guidelines for the Quantitative Analysis of Net GHG Emissions from Reservoirs
<http://www.ieahydro.org/annex-xii-hydropower-and-the-environment>

² Such as Pumped Hydro technology complying with the Climate Bond Initiative criteria set out in the June 2019 version

4. Process for Evaluation and Selection

Eligible Projects are evaluated and selected based on: (4.1) Greenko's mission and vision (4.2) commercial feasibility (locational ease, land use, availability of resources); (4.3) alignment with Greenko's internal environmental and social risk assessment process; (4.4) alignment with the eligibility criteria and exclusionary criteria

4.1 Vision and Mission:

Greenko's vision is to lead Decarbonization, Digitalization and Decentralization of India's Energy Sector. Greenko aims to grow its portfolio of diversified clean energy projects over the next few years. Greenko selects projects on its ability to contribute to the continued growth of Greenko's platform through the development of new renewable energy projects in India.

4.2 Commercial Feasibility:

The Business Development Department evaluates the projects based on commercial feasibility.

4.3 Alignment with Greenko's Internal Environmental and Social Risk Assessment Process:

Greenko's environmental and social risk assessment process ensures that all eligible wind and solar projects undergo a voluntary Environmental and Social Impact Assessment (ESIA), or have an Implementation of Environmental and Social Management System (ESMS), to evaluate their environmental and social risk. These studies are based on the International Finance Corporation's (IFC's) Performance Standards (2012) on Environmental and Social Sustainability. Projects also undergo a voluntary stakeholder consultation to engage local communities, which is implemented by Greenko, and must conclude negligible environmental or social disruption.

4.4 Mitigation of Environmental and Social Risk:

The Greenko Integrated Management System (GIMS) and Environmental, Health, and Safety (EHS) teams oversee project selection with regards to alignment with eligibility and exclusionary criteria Eligible Projects. The GIMS team also undertakes clear and relevant trade-off analysis and monitoring, where the issuer assesses the potential risks to be meaningful.

5. Management of Proceeds

The proceeds of the Green Bond issued by Greenko will be immediately allocated towards capital expenditure for and refinancing of the Eligible Projects. Net proceeds from the notes after deducting fees and expenses will be deposited in an account. The funds will be used for subscribing to Indian Rupee (INR) Bonds issued by subsidiary companies that own and operate the renewable energy projects The net proceeds from these INR bonds will in turn be used to refinance existing external debt and shareholder loans stemming from expenditures related to the Eligible Projects and other loans within the group relating to acquisition of Eligible Projects.

6. Reporting

Annually, until all the proceeds have been allocated both allocation and impact reporting is expected to be disclosed on Greenko's website

6.1 Allocation Reporting

Greenko will disclose all allocation reporting on a project-by-project basis. The company has committed to disclosing a list of all projects refinanced with descriptions and amount of net proceeds allocated on its website (www.greenkogroup.com).

6.2 Impact Reporting

Greenko implements certain renewable energy projects, in India, including some of them projected to be refinanced by the Green Bonds. Some of Greenko's projects are registered under VERRA³ (Standards for a Sustainable Future) as a VCS (verified carbon standard) Program and under Gold standard organization⁴ (ensures projects that reduced carbon emissions featured the highest levels of environmental integrity and also contributed to sustainable development). Greenko has an internal GHG Department that implements projects in accordance with the guidelines of the Protocol, and is responsible for the generation of the Verified emission reduction (VER) credits that are sold in carbon markets. This team is also responsible for estimating greenhouse gas (GHG) emissions avoided through the development of renewable energy projects

Greenko has committed to quantitatively disclosing, where feasible, GHG emissions avoided (in tonnes of CO₂ avoided per project) in addition to the allocation reporting described above for those projects where VCS & Gold standard mechanism is in place.

7. External Review

7.1 Second Party Opinion

Greenko has engaged an independent environmental consultant with experiences in environmental and social governance to provide a second party opinion on framework's environmental credentials and alignment with the Green Bond Principles.

7.2 Assurance Report

An independent auditor will be appointed by Greenko to provide an assurance report, until all the net proceeds of the bonds have been allocated, confirming that the net proceeds of the bonds has been allocated in compliance with all material respects of the Eligible Green Projects criteria set forth in the Green Bond Framework and with the "Use of Proceeds" section of the final bond documentation.

³ <https://verra.org/project/vcs-program/registry-system/>

⁴ <https://www.goldstandard.org/>