



# Second-Party Opinion

## Greenko Group Green Bond Framework

### Evaluation Summary

Sustainalytics is of the opinion that the Greenko Group Green Bond Framework is credible and impactful and aligns to the four core components of the Green Bond Principles 2021. This assessment is based on the following:



**USE OF PROCEEDS** The eligible category for the use of proceeds – Renewable Energy – is aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments in the eligible category are expected to promote the development of renewable energy in India and advance the UN Sustainable Development Goals, specifically SDG 7: Affordable and Clean Energy.



**PROJECT EVALUATION / SELECTION** Greenko's Business Development Department, Greenko Integrated Management System (GIMS) department, and the Environmental, Health, and Safety (EHS) team oversaw the project selection process, including commercial feasibility and eligibility. All eligible projects have undergone a voluntary Environmental and Social Impact Assessment (ESIA) or have an Implementation of Environmental and Social Management System (ESMS) based on the International Finance Corporation's (IFC's) Performance Standards on Environmental and Social Sustainability. Sustainalytics considers this to be in line with market practice.



**MANAGEMENT OF PROCEEDS** Greenko intends to immediately allocate the net proceeds, after bond issuance, towards refinancing the eligible green assets. The amount equal to net proceeds of the green bond will be deposited in a bank account for the interim period before being disbursed to eligible assets through Greenko's subsidiaries. This is in line with market practice.



**REPORTING** Greenko intends to publish an annual Impact report on its website, once immediately allocated to eligible projects. The allocation reporting will include a list of all projects refinanced with descriptions and amounts allocated to each eligible project, as well as relevant impact metrics. Sustainalytics views Greenko's allocation and impact reporting to be in line with market practice.

**Evaluation Date** February 8, 2022<sup>1</sup>

**Issuer Location** Hyderabad, India

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<sup>1</sup> This document is an update of a Second-Party Opinion, originally published in July 2021, to which Sustainalytics has made minor revisions. In February 2022, Greenko Group made changes to their Framework related primarily to the inclusion of energy storage as an eligible expenditure under the Renewable Energy Category.

## Introduction

Greenko Group PLC (“Greenko”, “the “Group”, or the “Issuer”), comprising of Greenko Energy Holdings together with its subsidiaries, develops and operates clean energy projects in India. Greenko’s portfolio includes solar, wind, hydropower, natural gas, and biomass 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 was founded in 2004 and is headquartered in Hyderabad, India.<sup>2</sup>

Greenko has developed the Greenko Group Green Bond Framework (the “Framework”) under which Greenko Group and its subsidiaries intend to issue green bonds and use the proceeds to finance and/or refinance, in whole or in part, existing and/or future wind and/or solar energy projects that are expected to promote the development of renewable energy in India. The Framework defines eligibility criteria in one green area:

1. Renewable Energy
  - a. Expenditures related to the development and construction of wind energy projects;
  - b. Expenditures related to the development and construction of solar energy projects; and
  - c. Expenditures related to the development and construction of long-duration energy storage facilities.

Greenko engaged Sustainalytics to review the Greenko Group Green Bond Framework, dated July 2021, and provide a Second-Party Opinion Update on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2021 (GBP).<sup>3</sup> This Framework has been published in a separate document.<sup>4</sup>

### Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent<sup>5</sup> opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Green Bond Principles 2021, as administered by ICMA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.11, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of Greenko’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. Greenko representatives have confirmed (1) they understand it is the sole responsibility of Greenko to ensure that the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Greenko.

<sup>2</sup> Greenko Group, “About Us”, at: <http://www.greenkogroup.com/about.php#company>

<sup>3</sup> The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

<sup>4</sup> The Greenko Group Green Bond Framework is available on Greenko Group’s website at:

<https://greenkogroup.com/sustainablefinancing.php#sustainablefinancing>

<sup>5</sup> When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner. The Second-Party Opinion is valid for issuances aligned with the respective Framework for which the Second-Party Opinion was written for a period of twenty-four (24) months from the evaluation date stated herein.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realised allocation of the bond proceeds towards eligible activities.

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

## Sustainalytics' Opinion

### Section 1: Sustainalytics' Opinion on the Greenko Group Green Bond Framework

Sustainalytics is of the opinion that the Greenko Group Green Bond Framework is credible and impactful, and aligns to the four core components of the GBP. Sustainalytics highlights the following elements of Greenko's Green Bond Framework:

- Use of Proceeds:
  - The eligible category, Renewable Energy, is aligned with those recognized by the GBP. The eligible projects in this category provide meaningful environmental contributions, including wind, solar and energy storage assets.<sup>6</sup>
  - As part of the Renewable Energy category, Greenko may finance expenditures related to the development and construction of wind and solar energy projects. Under this category, the Company may also finance the development of long-duration energy facilities, including pumped hydro storage. Sustainalytics views the development of renewable energy generation and storage assets as defined by this category to be aligned with market expectation.
- Project Evaluation and Selection:
  - Greenko's Business Development Department oversaw the commercial feasibility of eligible projects, and Greenko Integrated Management System (GIMS) department and the Environmental, Health, and Safety (EHS) team oversaw the project selection based on eligibility criteria.
  - All eligible projects have undergone a voluntary Environmental and Social Impact Assessment or have an Implementation of Environmental and Social Management System based on the International Finance Corporation's Performance Standards (2012) on Environmental and Social Sustainability.
  - Sustainalytics considers Greenko's project selection process to be in line with market practice.
- Management of Proceeds:
  - Greenko intends to immediately allocate the net use of proceeds, after bond issuance, towards refinancing eligible green assets. The amount equal to net proceeds of the green bond will be deposited in an account for the interim period before being disbursed to Greenko's subsidiaries that own and operate the eligible wind and solar assets.
  - Based on these elements, Sustainalytics considers this process to be in line with market practice.
- Reporting:

<sup>6</sup> Greenko has also confirmed that some of its eligible projects are registered under VCS (Verified Carbon Standard) program and/or Gold Standard, furthering credibility to its projects' environmental performance in terms of avoided GHG emissions.

- Greenko intends to publish an annual impact report on its website, once proceeds will be immediately allocated. Sustainalytics views Greenko's allocation and impact reporting to be in line with market practice.
- The allocation reporting will include list of all projects refinanced with descriptions and amounts allocated to each eligible project.
- The impact reporting may include environmental indicators, such as greenhouse gas (GHG) emissions avoided.
- Based on the commitment to both allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

### Alignment with Green Bond Principles 2021

Sustainalytics has determined that the Greenko Group Green Bond Framework aligns to the four core components of the GBP. For detailed information please refer to Appendix 2: Green Bond/Green Bond Programme External Review Form.

## Section 2: Sustainability Performance of Greenko

### Contribution of framework to Greenko's sustainability strategy

Sustainalytics is of the opinion that Greenko demonstrates a commitment to sustainability through its activities as a renewable energy technology and project developer, guided by a vision "To lead decarbonization, digitalization and decentralization of India's energy sector". Greenko's 2020-2021 Integrated report outlines its sustainability performance in the following key areas:<sup>7</sup>

- As of Dec 2021, Greenko has under management 5.4 GW of solar, wind and hydro energy assets across 15 states in India.
- To support its renewable energy assets, the Company has under development two Integrated Renewable Energy Storage Projects, set to come online by 2023-24.
- Greenko is committed to aligning with India's national energy and decarbonization objectives, including Energy Independence by 2047.<sup>8</sup>

Sustainalytics is of the opinion that the Greenko Group Green Bond Framework is aligned with the Company's overall sustainability strategy and initiatives and will further the Greenko's action on its key environmental priorities.

### Approach to managing environmental and social risks associated with the projects

While Sustainalytics recognizes that the net proceeds from the bond(s) issued under the Framework will be directed towards eligible projects that are expected to have positive environmental impact, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes. Some key environmental and social risks associated with the eligible projects, could include occupational health and safety, land use and biodiversity issues associated with large-scale infrastructure development, and waste generated in construction.

Sustainalytics is of the opinion that Greenko is able to manage and/or mitigate potential risks through implementation of the following:

- Greenko has in place an Environmental and Social Management System (ESMS), under the supervision of its CEO and vertical business heads, through which all of Greenko's projects are evaluated and determine the need for an Environmental and Social Impact Assessment (ESIA), which third parties conduct. The need for an ESIA is decided based on the identification and assessment of risks as well as screening of their potential impacts. The procedure includes all relevant environmental and social risks consistent with the International Finance Corporation's Performance Standards PS2 to PS8:<sup>9</sup> (i) Labor and working conditions, (ii) Resource efficiency and pollution prevention, (iii) Community health, safety and security, (iv) Land acquisition and involuntary resettlement, (v) Biodiversity conservation and sustainable management of living natural resources, (vi) Indigenous people and (vii) Cultural heritage.<sup>7</sup>

<sup>7</sup> Greenko, "Integrated Report 2020-2021", at: <https://www.greenkogroup.com/assets/Investor%20pdf's/Greenko%20IR%202021-22.pdf>

<sup>8</sup> "Making India energy-independent by 2047: A look at PM Modi's blueprint", at: <https://www.downtoearth.org.in/blog/energy-efficiency/making-india-energy-independent-by-2047-a-look-at-pm-modi-s-blueprint-78528>

<sup>9</sup> International Finance Corporation (IFC), "Understanding IFC's Environmental and Social Due Diligence Process", at: <https://www.ifc.org/wps/wcm/connect/b58ead804942ee5da7a5ff4f5ddda76e/IFC+Process.pdf?MOD=AJPRES>

## Greenko Group Green Bond Framework

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- Greenko also commissions third-party audits of ESMS implementation status for a certain number of projects every year that are selected based on the stage of development, type of technology, and the stage of ESMS implementation. The annual updates of such implementation and audits are submitted to the Group's Board of Directors.<sup>7</sup>
- All internal and external stakeholders involved during the construction projects, including the EPC contractors, and the OEM and civil contractors, adhere to the Group's Supplier Code of Conduct which incorporates measures to preserve and/or enhance natural capital.<sup>7</sup>
- Greenko conducted a materiality assessment to identify environmental, social and economic issues impacting its business and its stakeholders. Some environmental and social factors identified in high or medium priority spectrums include health and safety, climate change, GHG, biodiversity and environmental protection.<sup>7</sup>

Based on these policies, standards and assessments, Sustainalytics is of the opinion that Greenko has implemented adequate measures and is well-positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

### Section 3: Impact of Use of Proceeds

The use of proceeds category is aligned with those recognized by the GBP. Sustainalytics has focused on the importance of renewable energy below where the impact is specifically relevant in the local context.

#### Impact of renewable energy in India's transition to a low-carbon economy

In order to achieve the commitments of the Paris Agreement, drastic decreases to global GHG emissions will be required.<sup>10</sup> Considering that GHG emissions from electricity and heat production made up approximately 49% of total fuel combustion in 2014,<sup>11</sup> increasing the share of renewable energy generation has the potential to have a significant impact on meeting climate goals. According to the International Renewable Energy Agency (IRENA), the total share of renewable energy must rise to approximately 66% of the total primary energy supply (TPES) by 2050 to limit temperature rise to 2°C.<sup>12</sup> Although renewable energy grew more rapidly than other forms of generation in recent years, meeting a quarter of the global demand growth,<sup>13</sup> this rate of deployment must be ramped up to meet international targets.

India is committed to reducing emission intensity by up to 35% from the 2005 level by 2030, and has set a target of 40% non-fossil-based electricity generation in the energy mix.<sup>14</sup> As part of its target, the Government of India set forth a goal to have 450 GW of renewable energy installed by 2030.<sup>15</sup> The country's short-term target of 175 GW of solar and wind power by 2022 faces some challenges, such as taxes and levies on solar products. The growth rate of annual solar and wind installed capacities is therefore uncertain.<sup>16</sup> India's total renewable energy capacity was 150.54 GW as of November 2021,<sup>17</sup> demonstrating the progress India has made toward its goal and the accelerating need to further develop renewable capacity to reach its long-term renewable energy targets.<sup>15</sup> Through its support of wind and solar generation projects, Sustainalytics is of the opinion that Greenko can positively contribute to the achievement of India's renewable energy goals and help bridge the gap between the current trajectory and national targets.

#### Role of renewable energy storage to support India's transition to a low-carbon economy

As of September 2021, India had approximately 100 Gigawatt (GW) renewable energy capacity representing ~38% of the overall installed power capacity. The country is targeting to increase capacity to 450 GW of installed renewable energy capacity by 2030.<sup>18</sup> With wind and solar energy expected to cover a large share of installed capacity, this represents a challenge for grid operations due to intermittency and distribution through the power system. Moreover, power generation from these sources cannot be accurately predicted and

<sup>10</sup> European Commission, "Paris Agreement", at: [https://ec.europa.eu/clima/policies/international/negotiations/paris\\_en](https://ec.europa.eu/clima/policies/international/negotiations/paris_en)

<sup>11</sup> World Bank Group, "CO<sub>2</sub> emissions from electricity and heat production", at: <https://data.worldbank.org/indicator/EN.CO2.ETOT.ZS>

<sup>12</sup> IRENA, "Global Energy Transformation", at: [https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2018/Apr/IRENA\\_Report\\_GET\\_2018.pdf](https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2018/Apr/IRENA_Report_GET_2018.pdf)

<sup>13</sup> IEA, "Global Energy & CO<sub>2</sub> Status Report- 2017", at: <https://www.iea.org/publications/freepublications/publication/GECO2017.pdf>

<sup>14</sup> Climate Action Tracker, "India", at: <https://climateactiontracker.org/countries/india/>

<sup>15</sup> IEA, "India Energy Outlook 2021", at: [https://iea.blob.core.windows.net/assets/1de6d91e-e23f-4e02-b1fb-51fdd6283b22/India\\_Energy\\_Outlook\\_2021.pdf](https://iea.blob.core.windows.net/assets/1de6d91e-e23f-4e02-b1fb-51fdd6283b22/India_Energy_Outlook_2021.pdf)

<sup>16</sup> The Economic Times, "India unlikely to achieve 100 GW solar power target of 2022", at:

<https://economictimes.indiatimes.com/industry/energy/power/india-unlikely-to-achieve-100-gw-solar-power-target-of-2022/articleshow/67899655.cms>

<sup>17</sup> India Power Sector, "India Energy Map", at: <https://vasudhapower.in/>

<sup>18</sup> IBEF, "Renewable Energy Industry in India", at: [https://www.ibef.org/industry/renewable-energy.aspx#:~:text=As%20of%20September%202021%2C%20India,%25\)%20is%20expected%20from%20solar](https://www.ibef.org/industry/renewable-energy.aspx#:~:text=As%20of%20September%202021%2C%20India,%25)%20is%20expected%20from%20solar).

dispatched based on real-time demand.<sup>19</sup> The use of energy storage systems in conjunction with renewable energy can improve the integration of solar and wind energy.<sup>20</sup>

Among the utility-scale storage technologies available in India, Pumped Hydro Energy Storage (PHES) is a mature technology due to its effectiveness in peak load management and its ability to cater to the seasonal mismatches of power generation. Overall, PHES technology helps stabilize the integration of renewable energy into the grid.<sup>21</sup> Battery Energy Storage System (BESS) is also gaining popularity in India's renewable energy market. The International Energy Agency (IEA) expects India to have approximately 140 GW of battery storage available by 2040.<sup>22</sup> Grid scale BESS and PHES systems have been considered key components when estimating optimal renewable energy grid integration scenarios and are expected to play a significant role in India's decarbonization efforts.<sup>23</sup>

In this context, Sustainalytics is of the opinion that Greenko's financing of energy storage is expected to contribute to the expansion and integration of solar and wind energy in India.

### Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 by the United Nations General Assembly and form an agenda for achieving sustainable development by the year 2030. The bond(s) issued under the Greenko Group Green Bond Framework advances the following SDG and target:

Use of Proceeds Category	SDG	SDG target
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix.

## Conclusion

Greenko has developed the Greenko Group Green Bond Framework under which Greenko Group and its subsidiaries may issue green bonds and use the proceeds to finance and/or refinance wind, solar and energy storage projects. Sustainalytics considers that the projects funded by the green bond proceeds are expected to promote the development of renewable energy in India.

The Greenko Group Green Bond Framework outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that the Greenko Group Green Bond Framework is aligned with the overall sustainability strategy of the company and that the green use of proceeds category will contribute to the advancement of the UN Sustainable Development Goals 7: Affordable and Clean Energy. Additionally, Sustainalytics is of the opinion that Greenko has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the use of proceeds.

Based on the above, Sustainalytics is confident that Greenko Group is well-positioned to issue green bonds and that the Greenko Group Green Bond Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2021.

<sup>19</sup> CENTER FOR STUDY OF SCIENCE, TECHNOLOGY & POLICY and Shakti Sustainable Energy Foundation, "Pricing Mechanism of Pumped-Hydro Storage in India", 2021, at: [https://cstep.in/drupal/sites/default/files/2021-06/Pumped-hydro%20policy%20brief\\_30June21.pdf](https://cstep.in/drupal/sites/default/files/2021-06/Pumped-hydro%20policy%20brief_30June21.pdf)

<sup>20</sup> MNRE, "New Technologies – Energy Storage", at: <https://mnre.gov.in/new-technologies/energy-storage>

<sup>21</sup> CENTER FOR STUDY OF SCIENCE, TECHNOLOGY & POLICY and Shakti Sustainable Energy Foundation, "Pricing Mechanism of Pumped-Hydro Storage in India", June 2021, at: [https://cstep.in/drupal/sites/default/files/2021-06/Pumped-hydro%20policy%20brief\\_30June21.pdf](https://cstep.in/drupal/sites/default/files/2021-06/Pumped-hydro%20policy%20brief_30June21.pdf)

<sup>22</sup> IEA, "India Energy outlook 2021", at: <https://www.iea.org/reports/india-energy-outlook-2021>

<sup>23</sup> CEA, "Report on Optimal Generation Capacity Mix for 2029-30", Jan 2020, at:  
[https://cea.nic.in/old/reports/others/planning/irp/Optimal\\_mix\\_report\\_2029-30\\_FINAL.pdf](https://cea.nic.in/old/reports/others/planning/irp/Optimal_mix_report_2029-30_FINAL.pdf)

## Appendices

### Appendix 1: Green Bond / Green Bond Programme - External Review Form

#### Section 1. Basic Information

<b>Issuer name:</b>	Greenko Group
<b>Green Bond ISIN or Issuer Green Bond Framework Name, if applicable:</b>	Greenko Group Green Bond Framework
<b>Review provider's name:</b>	Sustainalytics
<b>Completion date of this form:</b>	February 08, 2022
<b>Publication date of review publication:</b>	Updated version of a Second-Party Opinion provided in July 2021

#### Section 2. Review overview

##### SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBP:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds        | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting                                    |

##### ROLE(S) OF REVIEW PROVIDER

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 <sup>nd</sup> opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification   | <input type="checkbox"/> Rating        |
| <input type="checkbox"/> Other ( <i>please specify</i> ):                       |  |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

##### EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (*if applicable*)

Please refer to Evaluation Summary above.

### Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

#### 1. USE OF PROCEEDS

Overall comment on section (*if applicable*):

The eligible category for the use of proceeds – Renewable Energy – is aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments in the eligible category is expected to promote the development of renewable energy in India and advance the UN Sustainable Development Goals, specifically SDG 7: Affordable and Clean Energy.

#### Use of proceeds categories as per GBP:

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Renewable energy  | <input type="checkbox"/> Energy efficiency   |
| <input type="checkbox"/> Pollution prevention and control   | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation  | <input type="checkbox"/> Clean transportation  |
| <input type="checkbox"/> Sustainable water and wastewater management  | <input type="checkbox"/> Climate change adaptation   |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes                            | <input type="checkbox"/> Green buildings   |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP | <input type="checkbox"/> Other ( <i>please specify</i> ):  |

If applicable please specify the environmental taxonomy, if other than GBP:

#### 2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (*if applicable*):

Greenko's Business Development Department, Greenko Integrated Management System (GIMS) department, and the Environmental, Health, and Safety (EHS) team oversaw the project selection process, including commercial feasibility and eligibility. All eligible projects have undergone a voluntary Environmental and Social Impact Assessment (ESIA) or have an Implementation of Environmental and Social Management System (ESMS) based on the International Finance Corporation's (IFC's) Performance Standards on Environmental and Social Sustainability. Sustainalytics considers this to be in line with market practice.

#### Evaluation and selection

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
|---|---|

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available       | <input type="checkbox"/> Other ( <i>please specify</i> ):   |

#### Information on Responsibilities and Accountability

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other ( <i>please specify</i> ):  |  |

### 3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

Greenko intends to immediately allocate the net proceeds, after bond issuance, towards refinancing the eligible green assets. The amount equal to net proceeds of the green bond will be deposited in bank account for the interim period before being disbursed to eligible assets through Greenko's subsidiaries. This is in line with market practice.

#### Tracking of proceeds:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in an appropriate manner |  |
| <input type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds   |  |
| <input type="checkbox"/> Other ( <i>please specify</i> ):  |  |

#### Additional disclosure:

- |  |  |
|--|--|
| <input type="checkbox"/> Allocations to future investments only                  | <input type="checkbox"/> Allocations to both existing and future investments |
| <input checked="" type="checkbox"/> Allocation to individual disbursements       | <input type="checkbox"/> Allocation to a portfolio of disbursements          |
| <input type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other ( <i>please specify</i> ):                    |

### 4. REPORTING

Overall comment on section (*if applicable*):

Greenko intends to publish an annual report on its website, once immediately allocated to eligible projects. The allocation reporting will include list of all projects refinanced with descriptions and amounts allocated to each eligible project, as well as relevant impact metrics. Sustainalytics views Greenko's allocation and impact reporting to be in line with market practice.

**Use of proceeds reporting:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Project-by-project<br><br><input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> On a project portfolio basis<br><br><input type="checkbox"/> Other ( <i>please specify</i> ): |
|--|--|

**Information reported:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Allocated amounts<br><br><input type="checkbox"/> Other ( <i>please specify</i> ): | <input type="checkbox"/> Green Bond financed share of total investment |
|--|--|

**Frequency:**

- |   |                                      |
|---|--------------------------------------|
| <input checked="" type="checkbox"/> Annual<br><br><input type="checkbox"/> Other ( <i>please specify</i> ): | <input type="checkbox"/> Semi-annual |
|---|--------------------------------------|

**Impact reporting:**

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> Project-by-project<br><br><input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> On a project portfolio basis<br><br><input type="checkbox"/> Other ( <i>please specify</i> ): |
|--|--|

**Information reported (expected or ex-post):**

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> GHG Emissions / Savings<br><br><input type="checkbox"/> Decrease in water use | <input type="checkbox"/> Energy Savings<br><br><input type="checkbox"/> Other ESG indicators ( <i>please specify</i> ): |
|---|---|

**Frequency**

- |   |                                      |
|---|--------------------------------------|
| <input checked="" type="checkbox"/> Annual<br><br><input type="checkbox"/> Other ( <i>please specify</i> ): | <input type="checkbox"/> Semi-annual |
|---|--------------------------------------|

**Means of Disclosure**

- |  |  |
|--|--|
| <input type="checkbox"/> Information published in financial report<br><br><input checked="" type="checkbox"/> Information published in ad hoc documents<br><br><input type="checkbox"/> Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review): | <input type="checkbox"/> Information published in sustainability report<br><br><input type="checkbox"/> Other ( <i>please specify</i> ): |
|--|--|

Where appropriate, please specify name and date of publication in the useful links section.

**USEFUL LINKS** (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

**SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE****Type(s) of Review provided:**

- |  |   |
|--|---|
| <input type="checkbox"/> Consultancy (incl. 2 <sup>nd</sup> opinion)<br><input type="checkbox"/> Verification / Audit<br><input type="checkbox"/> Other ( <i>please specify</i> ): | <input type="checkbox"/> Certification<br><input type="checkbox"/> Rating |
|--|---|

**Review provider(s):****Date of publication:****ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP**

- i. Second-Party Opinion: An institution with environmental expertise, that is independent from the issuer may issue a Second-Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second-Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- ii. Verification: An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- iii. Certification: An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. Green Bond Scoring/Rating: An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

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