

# Continuum Green Energy

Green Bond Framework  
November 2020

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## Introduction

We at Continuum Green Energy are focused on development, design, construction and operation of renewable energy projects in India. The electricity from the projects is sold to state utilities and private consumers.

Our current portfolio of 2.0 GW is spread across four states in India – Gujarat, Maharashtra, Madhya Pradesh and Tamil Nadu. With the current portfolio, we have an operating capacity of 757.4 MW and under construction capacity of ~428 MW.

We are committed to generating and providing clean power in a sustainable manner by optimizing the use of clean energy resources and thereby supporting our communities.

## Green Bond Framework

As part of the broader sustainability strategy, we have established this Green Bond Framework (the “Framework”). The purpose of this Framework is to have a single robust methodology in place for all future Green Bonds, ensuring that for each instrument issued the principles of this Framework apply. Generally, the Framework is aligned with the ICMA Green Bond Principles (“GBP”, 2018)<sup>1</sup> which are a set of voluntary guidelines that recommend transparency and disclosure and promote integrity in the development of the sustainable finance market.

The Framework is presented through the following key pillars:

- Use of Proceeds
- Process for Project Evaluation and Selection
- Management of Proceeds
- Reporting
- External Review

## Use of Proceeds

Continuum will finance and refinance Eligible Green Projects in whole or in part that support the transition towards low-carbon climate resilient growth with lower environmental impact. The cornerstone of the Green Bond is the utilization of the net proceeds for Eligible Green Projects which are outlined in the table below. We may own the Eligible Green Projects directly or indirectly through our subsidiaries.

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<sup>1</sup> <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>


GBP category	Eligible Green Projects	SDG mapping
 <p><b>Renewable energy</b></p>	<ul style="list-style-type: none"> <li>- Development, construction and operation of onshore and offshore wind farms and related support infrastructure</li> <li>- Development, construction and operation of solar energy and related support infrastructure</li> <li>- Development, construction and operation of energy storage</li> </ul>	 


Continuum will apply negative screening and not knowingly be involved in financing activities that include involvement in fossil-fuel related activities.


## Process for Project Evaluation and Selection


The evaluation and selection process ensures that the Green Bond net proceeds are allocated to projects that meet the criteria set out in the “Use of Proceeds” section. We have established a Green Bond Committee (the “Committee”) comprised of representatives from Sustainability, Finance and Project & Operations teams which will meet on an annual basis for the assessment of Eligible Green Projects. The Committee will govern the process and is responsible for:

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**Evaluating** the compliance of proposed projects with the Eligibility Criteria outlined in the “Use of Proceeds” section.
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**Approving** the inclusion of pre-selected Eligible Green Projects in our Green Project Portfolio (the Committee has full discretion to object the inclusion of any project).
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**Monitoring** and managing the Green Project Portfolio and corresponding Green Bond net proceeds. We will maintain a virtual register which captures the initial and continued assignment of Eligible Green Projects to the Green Project Portfolio.
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**Replacing** projects that no longer meet the Eligibility Criteria or due to any divestments.
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**Observing** developments in the sustainable financing markets and approving updates to this Framework accordingly to reflect relevant changes in our corporate strategy or market developments.

## Management of Proceeds

Continuum will establish a Green Project Portfolio and track the allocation of net proceeds from any Green Bonds issued to Eligible Green Projects. All Eligible Green Projects must meet the Eligibility Criteria throughout the term of the Green Bonds. If an Eligible Green Project ceases to fulfil the Eligibility Criteria or exit our portfolio, we will, on a best effort basis, substitute the project as soon as reasonably practicable.

Eligible Green Projects financed by net proceeds of any Green Bonds will not be affected by ex-ante changes to the Green Bond Framework and will remain in the Green Project Portfolio for as long as they meet the Eligibility Criteria prevailing at the time of the Green Bond issuance and remain internally/virtually allocated to an outstanding Green Bond. The Committee will review the Green Project Portfolio on an annual basis.

It is our intention to maintain a level of allocation to Eligible Green Projects which matches or exceeds the total net proceeds of all Green Bonds outstanding. We strive to fully allocate the net proceeds of any Green Bonds immediately after issuance. Prior to full allocation or in the event of any early repayment, proceeds will be held in line with our general liquidity guidelines in cash, cash equivalents, and/or other liquid marketable instruments. Unallocated proceeds will not knowingly be placed in investments that include greenhouse gas intensive assets, inconsistent with the transition towards a low carbon economy.

Our Green Project Portfolio will be routinely monitored by our Treasury team and our Green Bond Committee to detect any potential shortfall in a reasonably short time frame.

## Reporting


Continuum is committed to be as transparent as possible. We will publish a Green Bond Report which will be publicly available on our investor relations website at [www.continuumenergy.in](http://www.continuumenergy.in) within one year from the issuance of any Green Bonds and update annually until full allocation. The reporting is split into two parts (i) the '**allocation reporting**' and (ii) the '**impact reporting**', whereby each report will contain details including, but not limited to:

### **Allocation reporting**

- Total amount of outstanding Green Bonds
- Share of proceeds used for financing vs. re-financing purposes
- Size of the common Green Project Portfolio as well as a breakdown on project category and project basis
- Any shortfall or amount of assets unallocated
- Illustrative examples describing Eligible Green Projects to which Green Bond net proceeds have been allocated (subject to confidentiality commitments)

## Impact reporting

We will report on the environmental impact of Eligible Green Projects financed by Green Bond net proceeds. On a best effort basis and subject to data availability, the impact reporting may include, but not limited to, impact metrics as outlined in the table below. We might make assumptions on units in use as well as the relevant benchmark emissions and will clearly state these in the reporting:

GBP category	Exemplary impact indicators
 <b>Renewable energy</b>	<ul style="list-style-type: none"><li>– Renewable energy capacity installed (in MW)</li><li>– Annual renewable energy generation (in MWh)</li><li>– Annual CO<sub>2</sub> emission reduction/ avoidance (in tonnes of CO<sub>2</sub>)</li></ul>

## External Review

Continuum has engaged an external verifier to review the Green Bond Framework. The independent Second Party Opinion (SPO) on the Framework's environmental credentials and its alignment with the Green Bond Principles has been received by CICERO. The independent SPO is published on our investor relations website at [www.continuumenergy.in](http://www.continuumenergy.in).

In order to ensure sustained compliance of all issued Green Bonds with the methodology set out in this Framework, Continuum will appoint an external verifier to produce a verification report on the allocation of the proceeds, on an annual basis, starting one year after the first issuance under this Framework.