

## Second-Party Opinion

# AGEL's 2,167 MW Solar Projects Green Loan Framework



### Evaluation Summary

Sustainalytics is of the opinion that AGEL's 2,167 MW Solar Projects Green Loan Framework is credible and impactful and aligns with the four core components of the Green Loan Principles 2023. 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 Loan Principles. Sustainalytics considers that investments in the eligible category will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDG 7.



**PROJECT EVALUATION AND SELECTION** AGEL's board of directors has selected the project and project development-related expenses in line with the criteria set forth in the Framework. The project financed under the Framework have undergone an environmental and social impact assessment carried out in line with the IFC's Performance Standards, Equator Principles, World Bank Group's EHS Guidelines and applicable sector guidelines and national environmental laws and regulations. Based on the findings of the assessment, an environment and social management and action plan has been developed with mitigation measures for the risks. Based on the above, Sustainalytics considers the project selection process to be in line with market practice.



**MANAGEMENT OF PROCEEDS** AGEL's Finance and Account departments will be responsible for the allocation and tracking of all proceeds to the eligible project. AGEL has communicated to Sustainalytics that it intends to fully allocate the proceeds of each financing instrument within three months of issuance. Pending full allocation, AGEL may invest unallocated proceeds in temporary investment instruments, such as cash, cash equivalents or authorized investments in line with permissible activities in the finance documentation. Sustainalytics considers this process to be in line with market practice.



**REPORTING** AGEL commits to report on the allocation of its proceeds in its construction reports available to its lenders and Lenders' Technical Advisor every month until either the full allocation is achieved or maturity. In addition, AGEL commits to report on its impact metrics through its operational reports available semiannually to the lenders and Lenders' Technical Advisor. Sustainalytics views AGEL's allocation and impact reporting as aligned with market practice.

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<b>Evaluation date</b>	September 26, 2023
<b>Issuer Location</b>	Ahmedabad, India

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### Report Sections

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Introduction.....	2
Sustainalytics' Opinion .....	3

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## Introduction

Adani Green Energy Limited ("AGEL" or the "Company") is a pure play renewable energy company and one of the listed portfolio companies of Adani Group (the "Group"), incorporated in 2015. AGEL has a current project portfolio of 20.4 GW across operational, under-construction, awarded and acquired assets, catering to investment-grade counterparties across 12 Indian states. AGEL develops, builds, owns, operates and maintains utility-scale grid-connected solar and wind farm projects. As of March 2023, AGEL has nearly 3,000 employees.

AGEL has established five special purpose vehicles: Adani Green Energy Twenty Four A Limited, Adani Green Energy Twenty Four B Limited, Adani Green Energy Twenty Five A Limited, Adani Green Energy Twenty Five B Limited, and Adani Green Energy Twenty Six B Limited to finance the construction of a 2,167 MW solar renewable power project (the "Project") in Khavda, Kutch district of Gujarat, India.

AGEL has developed the AGEL's 2,167 MW Solar Projects Green Loan Framework (the "Framework"), under which it intends to issue green loans and use net proceeds to finance, in whole or in part, the construction of the Project to support the clean energy transition in India. The Framework defines eligible criteria in one category:

### 1. Renewable Energy

AGEL engaged Sustainalytics to review the AGEL's 2167 MW Solar Projects Green Loan Framework and provide a Second-Party Opinion on the Framework's environmental credentials and its alignment with the Green Loan Principles 2023 (GLP).<sup>1</sup> The Framework has been published in a separate document in September 2023.<sup>2</sup>

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

Sustainalytics' Second-Party Opinion reflects Sustainalytics' independent<sup>3</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 Loan Principles 2023, as administered by LMA, APLMA and LSTA;
- 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 1.14, 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 AGEL'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. AGEL representatives have confirmed (1) they understand it is the sole responsibility of AGEL to ensure that the information provided is complete, accurate and 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 AGEL.

<sup>1</sup> The Green Loan Principles are administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications & Trading Association and are available at <https://www.lsta.org/content/green-loan-principles/>

<sup>2</sup> AGEL's 2,167 MW Solar Projects Green Loan Framework is available on Adani Green Energy Limited's website at: <https://www.adanigreenenergy.com/investors/investor-downloads>

<sup>3</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 loan 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. Upon twenty-four (24) months following the evaluation date set stated herein, AGEL is encouraged to update the Framework, if necessary, and seek an update to the Second-Party Opinion to ensure ongoing alignment of the Framework with market standards and expectations.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realised allocation of the loan 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 AGEL has made available to Sustainalytics for the purpose of this Second-Party Opinion.

## Sustainalytics' Opinion

Sustainalytics is of the opinion that the AGEL's 2,167 MW Solar Projects Green Loan Framework is credible and impactful and aligns with the four core components of the GLP. Sustainalytics highlights the following elements of the Framework:

- Use of Proceeds:
  - The eligible category, Renewable Energy, is aligned with those recognized by the GLP. Sustainalytics notes that the proceeds from loans issued under the Framework will be used only to finance, in whole or in part, the construction and development of the Project.
  - Under the Renewable Energy category, the Company may finance the expenditures related to the construction and development of the solar photovoltaic energy generation project. Sustainalytics considers investments under this category to be in line with market expectations.
- Project Evaluation and Selection:
  - AGEL's board of directors, which includes the Chairman, Managing Director, CEO, directors, and independent and non-executive directors, has selected the project and project development related expenses in line with the criteria set forth in the Framework.
  - The project financed under the Framework have undergone an environmental and social impact assessment (ESIA), carried out in line with the International Finance Corporation's Performance Standards, the Equator Principles, the World Bank Group's EHS Guidelines and applicable sector guidelines and national environmental laws and regulations. Based on the findings of the ESIA, environment and social management plan and action plan has been developed with mitigation measures for the risks identified during the ESIA. For additional details, see Section 2.
  - Based on the above process for project selection and evaluation and the presence of risk management processes, Sustainalytics considers these to be in line with market practice.
- Management of Proceeds:
  - AGEL's Finance and Account departments will be responsible for the allocation and tracking of all proceeds to the Project. The Company has a backend SAP system in place to track the use of proceeds.
  - AGEL has communicated to Sustainalytics that it intends to fully allocate the proceeds of each drawdown within three months of issuance.
  - Pending full allocation, AGEL may invest unallocated proceeds in temporary investment instruments, such as cash, cash equivalents or authorized investments in line with permissible activities in the finance documentation. The authorized instruments include treasury bills or debt instruments; deposits or certificates of deposits; open-ended, debt-backed or fixed-return schemes maturing within 2 years; and any other instrument or investment expressly approved in writing by the relevant Security Trustee. Additionally, AGEL has confirmed to Sustainalytics that the financing under the Framework will exclude businesses that are carbon-intensive and

- funds with investments in carbon-intensive companies. Furthermore, AGEL has confirmed there will be no tranching of the loan facilities under the Framework.
- Based on the presence of processes for tracking and the disclosure of the temporary use of proceeds, Sustainalytics considers these processes to be in line with market practice.
  - Reporting:
    - AGEL will report on the allocation of its proceeds in its construction reports available to its lenders and Lenders' Technical Advisor (LTA) every month until either the full allocation is achieved or maturity. The construction report will include details, such as a summary of the status of the construction progress and the use of funds in line with the Project construction budget.
    - Additionally, AGEL commits to report on its impact metrics through its operational reports available semi-annually to the lenders and LTA. Impact indicators may include details, such as contracted capacity (in MW), energy produced or delivered (in MWh) and GHG emissions avoided.
    - The Company will also produce environmental and social monitoring reports quarterly during the construction phase and semi-annually during the operational phase to its lenders and LTA. This report will include details, such as a summary of the ongoing environmental and social compliance of the Project with prevailing laws, regulations, standards and permits; and a summary of the Company's implementation of its Environment and Social & Management Plan.
    - Based on AGEL's commitment to reporting on allocation, impact and environmental and social monitoring, Sustainalytics considers this process to be in line with market practice.

### Alignment with Green Loan Principles 2023

Sustainalytics has determined that the AGEL's 2,167 MW Solar Projects Green Loan Framework aligns with the four core components of the GLP.

## Section 2: Sustainability Strategy of AGEL

### Contribution to Adani Green Energy Limited's sustainability strategy

Sustainalytics is of the opinion that AGEL demonstrates a commitment to sustainability consistent with the Group's sustainability strategy. With purpose of "decarbonizing India's power sector",<sup>4</sup> AGEL focuses on three key strategic pillars that underpin its ESG strategy: i) role in corporate climate action; ii) corporate citizenship enabling social transformation; and iii) responsible business practices.<sup>5</sup>

As of August 2023, AGEL has 8.32 GW of solar, wind and hybrid operational capacity across India and 12.12 GW under various stages of construction and implementation.<sup>6</sup> Additionally, AGEL has in place long-term power purchase agreements of 25 years with India's central and state government entities, which has enabled AGEL to expand its presence across 12 Indian states.<sup>7</sup>

The Company has set various medium- and long-term targets in line with its sustainability strategy. In line with India's commitment to increasing the installed capacity of renewable energy to 500 GW by 2030, AGEL has pledged to achieve a generation capacity of 45 GW by 2030.<sup>8</sup> AGEL has also set a target to conduct business with no net biodiversity loss and 100% alignment with the India Business Biodiversity Initiative by 2025.<sup>9</sup> AGEL has also adopted the Affirmative Action Policy under the World Business Council for Sustainable Development initiative and has committed to adopt 65% electric vehicles into the fleet of newly owned vehicles by 2030.<sup>10</sup>

As of March 2023, AGEL has avoided 13.5 million tCO<sub>2</sub>e compared to 5.15 million tCO<sub>2</sub>e avoided in 2021. The Company also reduced its water consumption by 447,630 kilolitres in 2022 compared to 527,514

<sup>4</sup> AGEL, "Sustainability", at: <https://www.adanigreenenergy.com/sustainability>

<sup>5</sup> AGEL, "Integrated Annual Report 2022-23", (2023), at: <https://www.adanigreenenergy.com/-/media/Project/GreenEnergy/Investor-Downloads/Annual-Reports/FY23.pdf>

<sup>6</sup> As communicated to Sustainalytics by AGEL

<sup>7</sup> AGEL, "Integrated Annual Report 2022-23", (2023), at: <https://www.adanigreenenergy.com/-/media/Project/GreenEnergy/Investor-Downloads/Annual-Reports/FY23.pdf>

<sup>8</sup> AGEL, "AGEL's 2167 MW Solar Projects Green Loan Framework", (2023), at: <https://www.adanigreenenergy.com/investors/investor-downloads>

<sup>9</sup> AGEL, "Integrated Annual Report 2022-23", (2023), at: <https://www.adanigreenenergy.com/-/media/Project/GreenEnergy/Investor-Downloads/Annual-Reports/FY23.pdf>

<sup>10</sup> AGEL, "AGEL's 2167 MW Solar Projects Green Loan Framework", (2023), at: <https://www.adanigreenenergy.com/investors/investor-downloads>

kilolitres in 2021.<sup>11</sup> In 2023, AGEL declared a Water Positive organization for 100% of its operational plants with a capacity more than 200 MW. AGEL has also been certified with Single-Use Plastic free certification by the Confederation of Indian Industries in 2022 and has maintained the same certification for plants commissioned in 2023. AGEL has further achieved Zero Waste to Landfill certification by Intertek for 100% of its operational locations in year 2023.<sup>12</sup>

Sustainalytics notes that AGEL operates independently from other Adani Portfolio companies that own and operate coal and fossil fuel assets. Additionally, AGEL has confirmed that net proceeds under the Framework will be utilized only for 100% renewable assets. Sustainalytics is of the opinion that the AGEL's 2,167 MW Solar Projects Green Loan Framework is aligned with the Company's overall sustainability strategy and initiatives and will further the Company's action on its key environmental priorities.

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

Sustainalytics recognizes that the proceeds from the loans issued under the Framework will be directed towards the Project, which is expected to have a positive environmental impact. However, Sustainalytics is aware that such projects could also lead to negative environmental and social outcomes. Some key environmental and social risks possibly associated with the Project could include issues involving occupational health and safety, land use and biodiversity issues associated with large-scale infrastructure development, waste management during construction, community relations and business ethics.

AGEL has established its own ESG policies and adheres to its environmental and social risk management and mitigation plan. Sustainalytics is of the opinion that AGEL is able to manage or mitigate potential risks through the implementation of the following:

- AGEL's board of directors has established a risk management committee to oversee the short-, medium- and long-term risks using the insights provided by the Audit Committee on financial risks and by the Reputational Risk Committee on reputation-related risks. Additionally, AGEL has also established a Corporate Responsibility Committee, consisting of independent directors, which oversees all ESG-related matters at the board level.<sup>13</sup> As a signatory to the United Nations Global Compact, AGEL conforms to its 10 principles, including human rights, labour, environment and anti-corruption, and transparently discloses its performance regarding these principles to the UN Global Compact.<sup>14</sup> The Company has also committed to net zero emissions by 2050 and became a supporter of the Task Force on Climate-related Financial Disclosures.<sup>15</sup> AGEL is also a signatory to the India Business & Biodiversity Initiative.<sup>16</sup> Following COP26, AGEL also made energy pledges under the UN Energy Compact.<sup>17</sup>
- Regarding occupational health and safety, AGEL abides by its Integrated Management System Policy to promote a zero-harm culture. AGEL demonstrates commitments towards its policy through the following pursuits: i) generation of green energy; ii) reliable and resilient processes; iii) employee safety, well-being and human rights; iv) effective monitoring and improvements; and v) nurturing of human capital.<sup>18</sup> Additionally, there is an occupational health and safety management system certified with ISO 45001 in place that covers OHS issues related to employees, contractors, business associates, visitors and the community.<sup>19</sup> AGEL, "Integrated management System Policy", (2023), at:
- AGEL has developed a biodiversity policy that consists of strategies related to the management, protection and enhancement of biodiversity in the vicinity of its operations. AGEL conducts periodic biodiversity assessments through external parties with expertise in ecology and biodiversity prior to each expansion or commencement of a new project.<sup>20</sup>

<sup>11</sup> AGEL, "Integrated Annual Report 2022-23", (2023), at: <https://www.adanigreenenergy.com/-/media/Project/GreenEnergy/Investor-Downloads/Annual-Reports/FY23.pdf>

<sup>12</sup> AGEL, "AGEL's 2167 MW Solar Projects Green Loan Framework", (2023), at: <https://www.adanigreenenergy.com/investors/investor-downloads>

<sup>13</sup> AGEL, "Integrated Annual Report 2022-23", (2023), at: <https://www.adanigreenenergy.com/-/media/Project/GreenEnergy/Investor-Downloads/Annual-Reports/FY23.pdf>

<sup>14</sup> United Nations Global Compact, "The Ten Principles of the UN Global Compact", at: <https://unglobalcompact.org/what-is-gc/mission/principles>

<sup>15</sup> TCFD, "TCFD Supporters", at: <https://www.fsb-tcfd.org/supporters/>

<sup>16</sup> AGEL, "Adani ESG Report 2022-23", (2023), at: <https://www.adanigreenenergy.com/-/media/Project/GreenEnergy/Investor-Downloads/Annual-Reports/FY23.pdf>

<sup>17</sup> UN Energy, "Energy Compact Summary: Adani Green Energy Limited", at: <https://www.un.org/en/energycompacts/page/registry#AdaniGreenEnergyLimited>

<sup>18</sup> AGEL, "Integrated management System Policy", (2023), at: <https://www.adanigreenenergy.com/-/media/Project/GreenEnergy/Corporate-Governance/Policy/IMS-Policy.pdf>

<sup>19</sup> As communicated to Sustainalytics by AGEL

<sup>20</sup> AGEL, "Biodiversity Policy", (2020), at: [https://www.adanigreenenergy.com/-/media/Project/GreenEnergy/Sustainability/CDP/Biodiversity%20Policy\\_AGEL](https://www.adanigreenenergy.com/-/media/Project/GreenEnergy/Sustainability/CDP/Biodiversity%20Policy_AGEL)

- To achieve zero waste to landfills and an environment free of single-use plastics, AGEL follows the 6R waste management principles aligned with the regulations. Non-biodegradable waste, such as paper, plastic and scrap, is sent to recyclers; bio-degradable waste is converted to manure and used as a soil conditioner; and e-waste, including damaged solar panels, are returned to the original equipment manufacturers or recyclers for repair and material recovery in line with the e-waste management rules of the Government of India.<sup>21</sup>
- Regarding community relations, AGEL has established a stakeholder engagement committee as a part of its ESG governance plan. The Company has identified key expectations and addressal system of its relevant stakeholders to strengthen its strategic goals. Under this, the Company has mechanisms such as grievance management, community impact assessment surveys, and supplier due diligence and capacity building. Furthermore, supply chain partners are encouraged to comply with social and environmental standards, such as SA8000 for social accountability, ISO 14001 for environment management and ISO 45001 for health and safety management through capacity building programmes.<sup>22</sup>
- AGEL has implemented a code of conduct at the Company level, which applies to all board members and senior managers and addresses business ethics, compliance with laws and regulations and overall corporate responsibility.<sup>23</sup> AGEL also has an anti-bribery and anti-corruption policy to promote transparency and accountability during employees' daily conduct and prohibit corruption, and has in place a whistleblowing mechanism for employees to report violations of personnel policies, unethical behavior, suspected or actual fraud, or violation of AGEL's code of conduct.<sup>24</sup>

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

### Section 3: Impact of Use of Proceeds

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

#### Importance of financing renewable energy projects in India

India is the third-largest carbon emitter in the world, accounting for 7% of the total global carbon emissions.<sup>25</sup> The energy sector alone is responsible for more than 70% of India's GHG emissions and continues to depend heavily on carbon-intensive energy sources.<sup>26</sup> Based on an International Energy Agency report, coal, oil and biomass are the primary energy sources in India, accounting for more than 80% of the country's current energy demand, which is increasing rapidly. Energy use in India has doubled between 2000 and 2020, making it the world's third-largest consumer of energy. This demand is expected to rise by 50% from 2019 to 2030, mainly due to India's rapid population growth, urbanization and industrialization.<sup>27</sup>

In 2022, India set a long-term goal of reaching net zero by 2070 to strengthen its commitment to the Paris Agreement.<sup>28</sup> The government has also updated its emissions and energy targets as part of its Nationally Determined Contribution, which include: i) a 45% reduction in emissions intensity in terms of GDP by 2030 compared to 2005 levels; ii) an approximately 50% cumulative electric power installed capacity from alternative energy sources by 2030;<sup>29</sup> and iii) an increase in the renewables capacity to 500 GW by 2030.<sup>30</sup> In order to achieve its targets, the Government of India launched a variety of programmes to support the development of the renewable energy market, which include creating solar parks and green energy corridors;

<sup>21</sup> AGEL, "Integrated Annual Report 2022-23", (2023), at: <https://www.adanigreenenergy.com/-/media/Project/GreenEnergy/Investor-Downloads/Annual-Reports/FY23.pdf>

<sup>22</sup> Ibid.

<sup>23</sup> AGEL, "Code of Conduct for Board of Directors and Senior Management of the Company", at: <https://www.adanigreenenergy.com/-/media/Project/GreenEnergy/Corporate-Governance/Policy/Code-of-Conduct.pdf>

<sup>24</sup> AGEL, "Anti-bribery & Anti-corruption Policy", at: <https://www.adanigreenenergy.com/-/media/Project/GreenEnergy/Corporate-Governance/Policy/ANTICORRUPTION-ANTIBRIBERY-POLICY.pdf>

<sup>25</sup> Global Carbon Atlas, "Country emissions", at: <http://www.globalcarbonatlas.org/en/CO2-emissions>

<sup>26</sup> Climate Watch, "India", at: <https://www.climatewatchdata.org/countries/IND?source=CAIT>

<sup>27</sup> International Energy Agency, "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>28</sup> Government of India, "India's Updated First Nationally Determined Contribution Under Paris Agreement (2021-2030)", (2022), at: <https://unfccc.int/sites/default/files/NDC/2022-08/India%20Updated%20First%20Nationally%20Determined%20Contrib.pdf>

<sup>29</sup> Ibid.

<sup>30</sup> Government of India, "Renewable Energy in India", (2022), at: <https://pib.gov.in/FeaturesDeatils.aspx?NotelId=151141&ModuleId=2>

ensuring round-the-clock power from renewable energy power projects; creating renewable energy hybrid projects and solar cities; and fulfilling renewable purchase obligations.<sup>31</sup> Through such programmes, India achieved a cumulative installed renewable energy capacity (excluding large hydro) of 130.9 GW as of July 2023.<sup>32</sup> Although the installed renewable energy capacity of India has more than doubled and the installed solar energy capacity has increased 15 times since 2014,<sup>33</sup> India's renewable energy sector still requires an additional estimated investment of USD 500 billion to reach the 2030 target.<sup>34</sup>

Based on the above, Sustainalytics is of the opinion that AGEL's financing of solar energy projects is expected to support India's climate-related commitments and contribute towards its transition to a low-carbon economy.

### Contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by 2030. The loans issued under the AGEL's 2,167 MW Solar Projects Green Loan Framework are expected to help advance 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

Adani Green Energy Limited has developed the AGEL's 2,167 MW Solar Projects Green Loan Framework, under which it may issue green loans and use the proceeds to finance the Project to support the clean energy transition in India. Sustainalytics considers that the Project funded with proceeds from loans issued under the Framework are expected to provide a positive environmental impact.

The AGEL's 2,167 MW Solar Projects Green Loan Framework outlines a process for tracking, allocating and managing proceeds and makes commitments for the Company to report on its allocation and impact. Sustainalytics believes that the AGEL's 2,167 MW Solar Projects Green Loan Framework is aligned with the overall sustainability strategy of the Company and that the use of proceeds category will contribute to the advancement of UN Sustainable Development Goal 7. Additionally, Sustainalytics is of the opinion that the Company has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects.

Based on the above, Sustainalytics is confident that AGEL is well positioned to issue green loans and that the AGEL's 2,167 MW Solar Projects Green Loan Framework is robust, transparent and in alignment with the four core components of the Green Loan Principles 2023.

<sup>31</sup> Government of India, "Annual Report 2021-22", at: [https://mnre.gov.in/img/documents/uploads/file\\_f-1671012052530.pdf](https://mnre.gov.in/img/documents/uploads/file_f-1671012052530.pdf)

<sup>32</sup> Government of India, "All India Power Supply Position – Peak(Jul-2023)", at: <https://cea.nic.in/dashboard/?lang=en>

<sup>33</sup> Government of India, "Annual Report 2021-22", at: [https://mnre.gov.in/img/documents/uploads/file\\_f-1671012052530.pdf](https://mnre.gov.in/img/documents/uploads/file_f-1671012052530.pdf)

<sup>34</sup> Buckley, T. et al. (2021), "Capital Flows Underpinning India's Energy Transformation", Institute for Energy Economics and Financial Analysis, at: [http://ieefa.org/wp-content/uploads/2021/02/Capital-Flows-Underpinning-Indias-Energy-Transformation\\_February-2021.pdf](http://ieefa.org/wp-content/uploads/2021/02/Capital-Flows-Underpinning-Indias-Energy-Transformation_February-2021.pdf)

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