

# Continuum Green Energy External Review of Allocation and Impact Report 2023

May 8, 2024

This report was produced by Shades of Green using Shades of Green Methodology.  
On December 1, 2022, S&P Global acquired Shades of Green from CICERO.

S&P Global has reviewed Continuum’s Allocation and Impact Report 2023 (“Report”). We review allocation against Continuum’s Green Bond Framework criteria (dated December 2020 and with minor updates in February 2022 and August 2023, the “Framework”), and impact metrics for relevance and transparency.

**We consider that the allocations considered in the Report align with the Framework, and that the Report utilizes relevant and sufficiently transparent impact metrics and aligns with the core principles and recommendations contained in ICMA’s Handbook – Harmonized Framework for Impact Reporting (June 2023).<sup>1</sup>**

## Project allocation

In respect of allocation, S&P Global considers the Report aligned with the Framework (see also Appendix 1). Two fully-owned subsidiaries - Continuum Levanter and Continuum Aura - have issued green bonds under the Framework:

- In February 2021, Continuum Levanter issued green bonds with a value of USD 561 million, where USD 549 million was used to subscribe to non-convertible debentures of the Indian Restricted Subsidiaries (expenses totaled USD 12 million). The allocation was made in March 2021 and there have been no subsequent changes to allocation. The projects relating to these green bonds are five operational wind projects and one operational hybrid solar and wind project.
- In August 2023, Continuum Aura issued green bonds with a value of USD 435 million. Of this, USD 318.7 million has been allocated to Indian Restricted Subsidiaries, USD 7.1 million was used for expenses, and USD 109.2 million is unallocated. The projects relating to the green bonds are four wind projects and eight hybrid wind and solar projects. These include operational, under construction, and under development projects – and the Report is transparent on this.

The Framework was assigned an overall Dark Green in our Second Party Opinion.<sup>2</sup> The Framework included only one project category, renewable energy, where proceeds would finance or re-finance the development, construction, and operation of wind farms (on- and off-shore), solar energy, and energy storage. This project category also received a Dark Green shading, and all proceeds have necessarily been allocated to this category (see Figure 1).

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<sup>1</sup> [ICMA Handbook](#)

<sup>2</sup> [Continuum - SPO](#)

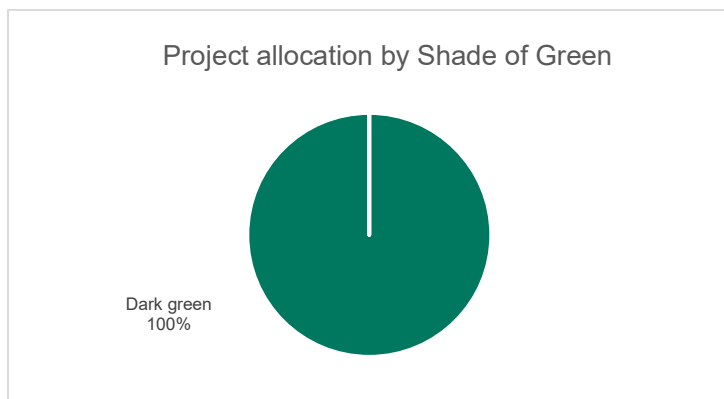


Figure 1: Allocation of bonds by SPO Shade of Green. Shading is based on evaluation at time of issuance and does not reflect ex-post project verification.

### Impact metrics

In respect of impacts, S&P Global considers that the Report utilizes relevant and sufficiently transparent impact metrics (see also Appendix 1).

The Report includes impacts for the period 1 January 2023 to 31 December 2023. The metrics reported are i) commissioned capacity, ii) renewable energy generation, and iii) avoided/reduced CO<sub>2</sub> emissions. While the Framework includes *installed* capacity as an example metric, we consider the use of *commissioned* capacity to be suitable given allocations to construction and developmental phase projects. Capacity, generation, and avoided emissions are common metrics for renewable energy.

Avoided emissions are calculated based on actual generation and Continuum uses the same methodology to calculate avoided emissions as in previous Reports. This allows for comparability of results and - while there is always uncertainty around emissions data and especially avoided emissions - we welcome that the Report includes information on its methodology.

### Terms

S&P Global provides a review of Continuum's annual reporting based on documentation provided by Continuum and information gathered during teleconferences and e-mail correspondence with Continuum. Continuum is solely responsible for providing accurate information. All financial aspects of the sustainable finance reporting - including the financial performance of the bonds and the value of any investments in the bonds - are outside of our scope, as are general governance issues such as corruption and misuse of funds. S&P Global does not validate nor certify the existence of investments and does not validate nor certify the climate effects of investments. Our objective has been to provide an assessment of the extent to which the bond has met the allocation and reporting criteria established in the Framework. The review is intended to inform Continuum, investors and other interested stakeholders in Continuum's green bonds and has been made based on the information provided to us. S&P Global cannot be held liable if estimates, findings, opinions or conclusions are incorrect. Our review does not follow verification or assurance standards and we can therefore not provide assurance that the information presented does not contain material discrepancies.

**Appendix 1 - Detailed Review**

Category	Description	Review against framework criteria	Impact Metrics	Relevance of metrics	Transparency considerations
Renewable Energy	<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>	<p><b>No discrepancies identified</b></p> <ul style="list-style-type: none"> <li>Allocations are to wind or hybrid wind and solar projects.</li> <li>The Report includes information on the operational status of the project to which Continuum Aura has allocated proceeds (operational, under construction, under development). All projects to which Continuum Levanter has allocated proceeds are operational.</li> <li>According to Continuum, there have not been any noteworthy climate/environmental issues at its projects since the last Report, for example material environmental concerns, increased local opposition, or permitting problems.</li> </ul>	<ul style="list-style-type: none"> <li>Renewable energy capacity commissioned (MW)</li> <li>Annual renewable energy generation (MWh)</li> <li>Annual CO<sub>2</sub> emission reduction/avoidance (tonnes of CO<sub>2</sub>).</li> </ul>	<ul style="list-style-type: none"> <li>Metrics provide a good indication of the environmental impact of the investment.</li> <li>The metrics are commonly used in green bond reporting and are in line with core indicators in the ICMA Handbook.</li> </ul>	<ul style="list-style-type: none"> <li>Reporting is on a portfolio basis.</li> <li>Continuum uses the same methodology as last year, allowing for better comparison across its Reports. Avoided emissions is based on actual generation.</li> <li>Methodology is sufficiently disclosed, including information on conversion factors.</li> </ul>

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