

CONTOURGLOBAL®



Our environmental strategy seeks to minimize negative impacts through planning and innovation

Introduction

ContourGlobal is a diverse, high-growth power generation company. Our mission is to develop, acquire and operate electricity generation businesses worldwide, creating economic and social value through better operations, and making the communities where we work better because we are there. Since our founding in 2005, we have grown to be an internationally recognized company with 4,833 MW in operations across 18 countries. Our portfolio of 107 operating assets are technologically diverse and our operations are best-in-class, drawing on the deep expertise of our global team. We do business well in some very challenging countries and bring a commitment to provide safe, reliable, and low-cost electricity to many parts of the world where the electrification rate is below 50%. We also bring new forms of generation, including renewable energy, into markets which previously had few or no renewable sources of electricity.

Sustainability Strategy

Our values and principles are the foundation of our sustainable business strategy and are aligned with the Sustainable Development Goals (SDGs). We have been a proud signatory of the United Nations Global Compact since 2010. We are committed to a sustainable future and believe we can play an important role by increasing renewable energy and efficient co-generation energy capacity, as well as capturing carbon emissions and maximizing use of natural resources. We are committed to continuing to reduce our CO2 emissions intensity in the short and medium-term and to achieve carbon neutrality by 2050.

Our Values

We care about our people's health, safety, well-being and development.

We act transparently and with moral integrity.

We work hard and without boundaries as a multinational, integrated team.

We expect, embrace and enable excellence and continuous learning through humility, and the knowledge that we will fail but when we do, we will learn.

We honor the commitments of those who have placed their trust in us.

Our Business Principles

Operate safely and efficiently and minimize environmental impacts: *We embrace 'stretch' targets in our operations beginning with health and safety. Safety is our number 1 priority. Our commitment*

to safety is absolute as evidenced by our global Target Zero program – zero harm, zero injuries. We focus on efficiently managing our operations. To this end, we rigorously manage the performance and costs of our power plants, and we measure our performance against set targets and industry benchmarks. We minimize our environmental impacts by carefully assessing our risks and managing these proactively. We set environmental objectives and report against these to ensure our targets are achieved.

Grow well: *We are committed to develop sustainable businesses that utilize our resources efficiently and, where possible, expand access to affordable energy in underserved markets. Our commitment is to grow well, rather than just grow, striving to employ innovative technologies and minimizing risk.*

Manage our business responsibly: *We are committed to managing our business responsibly. We aspire to the highest standards of corporate governance and business ethics. We benchmark our performance against other companies, to compare our performance and refocus our efforts when we discover gaps. By doing so, we actively seek out areas of underperformance and bring them into line with our standards. As we continue to grow, with the acquisition of new people and businesses, we will continue to manage our business responsibly.*

Enhance our operating environment: *As well as operating our business to the highest standards, we also seek to improve the regulatory, commercial and social environment we are in. We look beyond our immediate operations to see where we can add value to the electricity sector and business environment. For example, we actively seek ways to share health and safety best practices in our communities and share our technical expertise with grid operators. We strengthen institutions and the private sector, and enter into strategic partnerships with NGOs, governments, and associations. Our activities are designed to enhance the operating environment where we work and improve the quality of lives where we work through long-term sustainable improvement of the electricity sector, key organizations, and communities.*

ContourGlobal's Green Bond Framework

Green Bonds represent a valuable financing instrument that we can utilize to achieve our environmental commitments. Our Green Bond Framework (the "Framework") is designed to ensure investments meet our investment criteria and facilitate transparency, disclosure and reporting of our initiatives. Our Framework follows the Green Bond Principles published by the International Capital Markets Association ("ICMA") and is aligned with the EU Green Bond Standards and EU Taxonomy¹ as drafted by the European Commission Technical Expert Group. Our Framework introduces voluntary process guidelines to facilitate assessment of investments and our progress towards achieving actions to promote Climate Change Mitigation and Climate Change Adaptation.

¹ EU Taxonomy classification: NACE sector D – Electricity, Gas, Steam and Air Conditioning Supply.

Pillar 1: Use of Proceeds

We will apply 100% of the net proceeds from the issuance of each Green Bond to finance, green projects (“Eligible Green Projects”) falling within one of the eligible categories detailed below.

Project categories	Description	Environmental benefit	Related SDG
Renewable Capacity	<p>Energy production:</p> <p>Financing of, or investments in development, construction, installation, and maintenance of electricity generation facilities that produce electricity from renewable non-fossil fuel sources including:</p> <ul style="list-style-type: none"> • Solar PV and Concentrated Solar PV • Wind Power (onshore or offshore) • Eligible Hydroelectric Facilities: <ul style="list-style-type: none"> - Small-scale (<25 MW), or run-of-river (with low storage capacity); or - Life-cycle carbon intensity is below 100gCO₂e/kWh, or - Power density is greater than 5W/m². <p>In addition, all new hydropower plants should meet the following Do No Significant Harm² criteria:</p> <ul style="list-style-type: none"> - An environmental and social impact assessment by a credible body is required per project, and there should be no significant risk or expected negative impact identified, and - There should be no significant controversy surrounding the project. <ul style="list-style-type: none"> • Rehabilitation of existing hydroelectric facilities greater than 30 MW where said rehabilitation increases efficiency of existing water resources and does not entail increasing the size of the dam or increase the amount of water impounded • Biomass and Biogas meeting selection criteria of the EU Taxonomy³ and other limitations⁴ 	Climate change mitigation through GHG emissions reduction	   

² Do No Significant Harm objectives as defined by the EU Taxonomy Report: Technical Annex (2020), p. 29 available at: https://ec.europa.eu/info/sites/info/files/business_economy_euro/banking_and_finance/documents/200309-sustainable-finance-teg-final-report-taxonomy-annexes_en.pdf

³ EU Taxonomy classification: NACE sector D – Electricity, Gas, Steam and Air Conditioning Supply

⁴ In addition to the EU Taxonomy, use or proceeds for non-waste biomass is limited to projects where production of biofuel feedstock does not take place on land with high biodiversity risk, where land with a high amount of carbon has not been converted for biofuel feedstock production, and where feedstock will not represent competition with food (considerations for food security). In cases of waste biomass, waste from non-RSPO-certified palm oil operations is excluded

Energy Efficiency	Financing of, or investments in development, construction, installation, and maintenance of renewable energy projects that contribute to a reduction of energy consumption per unit of output, energy storage ⁵ , energy management systems, and efficiency projects.	Climate Change Mitigation through GHG emissions reduction	
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All Eligible Green Projects must provide environmental benefits that contribute to avoiding CO₂ emissions, increasing renewable capacity, improving energy efficiency and access to electricity, or ensuring stability to generation systems. Eligible Green Projects may include physical assets such as energy production sites and storage facilities, as well as CAPEX and OPEX related to those assets, and may also include acquisitions of assets. A look-back period of 36 months will apply to the Framework and Eligible Green Projects must comply with the Eligibility Criteria set forth in the following section.

The company may, at any time, extend the list of Eligible Green Projects to other type of assets which provide verifiable sustainability benefits. In this case, the company commits to update the current Framework and to extend the set of criteria to appropriately analyse the new asset class.

Pillar 2: Process for Project Evaluation and Selection

Projects that comply with the Use of Proceeds as previously described will be considered as Eligible Green Projects. The process for the evaluation and selection of eligible projects utilizes internal expertise and includes assessment of whether the project:

- 1) Substantially contributes to the environmental objective of fighting climate change and/or contributing to natural resource preservation, doing no significant harm to other environmental objections
- 2) Meets ContourGlobal’s internal standards, including our sustainability principles: health and safety, environment, human rights, labor rights, anti-corruption and business ethics, and complies with all applicable local regulations⁶
- 3) Meets the Use of Proceeds requirements detailed in Pillar 1

A cross-functional Green Bond Committee (GBC) reviews, monitors, and approves all Eligible Green Projects that meet the core criteria set forth above. The GBC will be chaired by the Executive Vice-President of Sustainability and will include the Chief Financial Officer and members from the Planning and Operations Committee, our most senior executive management group. Final project selection for investment remains with the Board of Directors.

The project’s expected benefits must be assessed and calculated, and the evaluation must cover the project lifecycle. Projects, acquisitions, and R&D investments that are aligned with the Use of Proceeds (with a look back period of 3 years) will be considered eligible for Green Bond proceeds

⁵ Storage activities (“Electricity Storage”) are defined according to article 2.59 of the recast Electricity Directive.

⁶ To be selected, projects are subject to ContourGlobal’s Environmental, Social and Governance (“ESG”) standards which are defined in our Policy on Social Responsibility and Environmental Sustainability, our Human Rights Policy, and other policies and procedures that can be found on our website.

allocation.

Pillar 3: Management of Proceeds

The net proceeds from each Green Bond issuance will be deposited to a general account and an amount equal to the net proceeds will be earmarked for allocation to the Eligible Green Projects as selected by ContourGlobal's GBC.

For costs already disbursed, no separate management of proceeds is required. Accounting records of the capital already invested in Eligible Green Projects will be externally assured. For future project costs, proceeds will be managed through a tracking process established by the Green Bond Committee to ensure traceability. The Chair of the Green Bond Committee will oversee the allocation process.

All relevant information regarding the issuance of Green Bonds and the Eligible Green Projects (re)financed will be monitored and maintained in our internal accounting systems.

ContourGlobal intends, to the best of its abilities, to fully allocate the proceeds within 24 months after the issuance date of each Green Bond and will strive to maintain full allocation until maturity by replacing any projects that may have been divested or are no longer eligible due to other circumstances.

Pending the allocation or reallocation, as the case may be, of the net proceeds, ContourGlobal's Treasury Department will invest the balance of the net proceeds, at its own discretion, in cash and/or cash equivalent and/or other liquid marketable instruments, as per ContourGlobal's cash management policy.

Pillar 4: Reporting

For all issuances under this Framework, ContourGlobal intends to produce an allocation report (the "Allocation Report") as well as an impact report (the "Impact Report") annually until full allocation of the Green Bond proceeds.

i. Allocation report

ContourGlobal will publish the Allocation Report on its website within 12 months of issuance and then annually until full allocation of the proceeds of the relevant Green Bond. The report will include:

- The amount of proceeds allocated to Eligible Green Projects financed or refinanced during the preceding 36 months, and the list of Eligible Green Bond Projects (subject to confidentiality disclosures);
- The aggregated amount of allocation of the net proceeds to the Eligible Green Projects for each of the eligible categories; and
- The balance of unallocated proceeds invested in cash and/or cash equivalents.

External verification will be provided for each annual allocation report.

ii. Impact Report

ContourGlobal will publish an Impact Report on its website on an annual basis. The Impact Report will provide information on the environmental outcomes of the Eligible Green Projects.

The Green Bond Impact Report is expected to include the following indicators:

- Installed capacity in MW, including capacity of renewable energy plant(s) financed through ContourGlobal's Green Bonds
- Annual GHG emissions avoided in tonnes of CO2 equivalent⁷
- Annual renewable energy generation in MWh/GWh (electricity)
- Capacity of energy storage financed or refinanced through ContourGlobal's Green Bonds in MW
- Annual reduction of consumption of natural resources
- Annual reduction of waste

Methodologies applied to impact indicators will be outlined in the Impact Report.

External Review

ContourGlobal has engaged Sustainalytics to provide a Second Party Opinion on its Green Bond Framework. The Second Party Opinion and the Green Bond Framework will be made public on ContourGlobal's website.

ContourGlobal's annual reporting will also be subject to External Review until the net proceeds are allocated in full to Eligible Green Projects. The Annual Assurance Report will also be posted on our website.

⁷ Following the EIB's methods and the formulas it applied to calculate the carbon emissions avoided (<https://www.eib.org/en/about/documents/footprint-methodologies.htm>)